

Enabling a sustainable future

e-on



2020
Sustainability Report

About E.ON

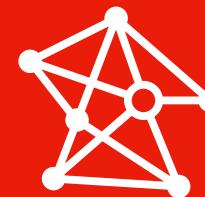
E.ON is an investor-owned energy company based in Essen, Germany. We have two core businesses: Energy Networks and Customer Solutions. Our mission is to become customers' partner of choice by providing them with individually tailored solutions for a greener, more distributed, and more digital energy world. And to partner with them to make Europe's energy transition a reality. About 78,000 employees are working to accomplish this mission.

In addition to our core businesses, we also have a nuclear power business in Germany, which is operated by our subsidiary PreussenElektra and is not a strategic business. Its assets will be decommissioned by the end of 2022. Our Annual Report contains detailed information about E.ON's earnings, financial, and asset situation.

Where we do business¹



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



1.31 million km

Total length of our networks²

Energy Networks

We're one of Europe's largest operators of power and gas distribution networks and a leader in network efficiency, reliability, and innovation. Networks are evolving into smart platforms that manage complex energy and data flows. This will make them the backbone of tomorrow's energy system. The transition to a low-carbon future is taking place locally and is driven by customers. Our networks provide the interface.

²Power and gas networks; includes a network operator in Slovakia in which we have 49 per cent stake.



40.7 million

Number of power and gas customers in Europe

Customer Solutions

We partner with customers to actively shape Europe's energy transition. We supply them with power, gas, and heat. And we provide them with products and services that increase their energy efficiency and autonomy, enhance their comfort, and reduce their carbon emissions. Our solutions make households, companies, and cities cleaner, greener, and smarter.

Meet five of E.ON's Sustainability Enablers

Flore de Durfort

Having the right ideas often begins by asking the right people the right question.



Juan Zamphiropolos

Municipalities want to be sustainable cities, and that means monitoring their energy consumption and identifying ways to reduce it.



Franz Völkl

Sustainability requires special people, and we have them.



Michael Wahl

I want E.ON to enable a sustainable economy while also being an exemplary environmental steward.



Laura Hield-Ryder

Listening to other people's experiences has reminded me to be kind to myself.

Propelling E.ON's sustainability journey are our people. Each day, their ingenuity, passion, and dedication enable our employees as well as customers of all types – households, companies, and entire communities – to be more sustainable. They enable E.ON to remain a highly successful and responsible company in a continually evolving environment. That's why we call them Sustainability Enablers. We invite you to meet five of them and read about their projects, their ideas, and what sustainability means to them. They're actively addressing a range of environmental and social issues, from using data analytics to tackling climate change to fostering an inclusive work culture. But they all share a commitment to enabling a better future for our company and our customers.

Our ambitions and actions to enable sustainability are identified by this icon:



Hatching promising ideas

Sustainability Enabler Flore de Durfort



Flore de Durfort

Flore de Durfort was born in Brest, France, in 1992. After earning a graduate degree in International Energy Markets & Policy at Sciences Po and Political Philosophy at the Sorbonne in Paris, she joined E.ON in 2015 through its Graduate Programme (EGP). After completing the 18-month programme, which included rotations in Düsseldorf and Chicago, she became part of E.ON Climate & Renewables' strategy team in Essen. In 2017 she moved to E.ON Digital as a venture manager and 24 months later was promoted to her current role at E.ON Digital Technology. Flore and her family live in Munich. In her free time she enjoys playing cello and hiking.

EITHER... OR

City	—●—	Countryside
Book	—●—	Podcast
Snooze	—●—	Get up
Supermarket	—●—	Farmers' market
Analogue	—●—	Digital

Europe's transition to a climate-neutral future is driven by three Ds: digitisation, decentralisation, and decarbonisation. Flore de Durfort, Head of Data Incubation and Monetisation at E.ON Digital Technology in Munich, explains why their common denominator is data.

What does your role at E.ON Digital Technology (EDT) involve?

Incubation, as the name suggests, is about providing the right conditions for something – in our case, new technologies and new data-driven business models – to develop and, eventually, hatch. I'm responsible for identifying the ones that are most promising, prioritising them according to their potential, and giving them the space and resources to mature. The aim is to transform a great idea into a scalable, high-impact product. Monetisation, on the other hand, is about ensuring that E.ON systematically maximises the value from its data. Our Global Advanced Analytics and AI team works to ensure that E.ON isn't only a company that has lots of data and an AI department. But that we're also a company that has data in its DNA: our business decisions are data-driven, and we use data to generate business growth – inside E.ON and elsewhere. This approach leads to a lot of product ideas, many of which promote sustainability.

One of the products you've incubated at EDT is E.ON Rooftop. What is it and how does it promote sustainability?

E.ON Rooftop combines and manipulates data to automatically quantify the rooftop solar potential of any building anywhere in Europe. It therefore answers a question that millions of customers ask themselves: does installing solar panels on my roof make practical, financial, and environmental

sense? We're making it available as an application programming interface and believe it will enable a large number of use cases across all E.ON markets and business units. E.ON Rooftop is trained to segment satellite imagery, to estimate a building's usable roof area, its orientation, and the solar irradiance at its location, and to calculate the building's annual potential solar output, the optimal solar array for this particular rooftop as well as the financial attractiveness of the investment. And E.ON Rooftop can do this for the roof of any structure – a home, an apartment building, a hospital, a factory, even an entire municipality – anywhere in Europe. It's therefore an important way in which E.ON is enabling Europe to become climate-neutral. By bundling and manipulating data in a unique way, we've created a tool that empowers customers to make meaningful decisions about being more sustainable and more energy-autonomous. And prevented E.ON from having to rely on third parties for this strategic capability. The first use cases are scheduled for launch in the first quarter of 2021, and the team is very excited about it.

Where do the ideas for new products and services come from?

Having the right ideas often begins by asking the right people the right questions. This means talking to colleagues, industry peers, the research community, and especially customers. A lot of what we do is user research. A user's problem is

much more powerful than an idea. Take e-mobility. Electric cars are available in all vehicles classes: subcompacts, saloons, SUVs, even sportscars. All of these models are cleaner, quieter, and often cheaper to operate than their combustion-engine counterparts. The question, therefore, is why in the world are more people not embracing e-mobility? In such cases, we conduct user research to find out what's preventing them from switching and use the findings to develop a value proposition and, eventually, a product. The result in this case was the E.ON E-Mobility Coach, a web app that enables customers to understand what switching to e-mobility would feel like. What E.ON Rooftop does for buildings, the E-Mobility Coach does for transport: it enables potentially millions of customers to make an important facet of their lives climate-friendlier. Both products are great examples of how data analytics, AI, and a user-centric perspective are responsible for the most impactful things taking place in the energy sector.

You've told us about two ideas you've successfully hatched. What are you developing now? Our pipeline has a lot of exciting projects. My two favourites are the Sustainability Mirror and Grid Carbon Intensity. The idea behind the Sustainability Mirror is to empower people to find out how sustainable their neighbourhood is, why, and, most importantly, what they can do to make positive difference. It's a web application based on an open-source, data-driven sustainability index that we codeveloped with one of our research partners, the LMU Munich. Its purpose is to help position E.ON as an enabler for citizens to find out what they can do to live more sustainably. The aim of Grid Carbon Intensity is to develop a model able to estimate, in real time, how green the power is that's flowing through our distribution grids. Good data-based solutions often increase transparency and thus raise customers' awareness. In this case, making clear to our customers the hours of the day when their electricity is greenest will empower them to shift

energy-hungry tasks – like running dishwashers, washers, and driers and charging their e-cars – to these hours.

What motivates you and your team to be creative?

Shaping a better tomorrow! Our Global Advanced Analytics and AI team brings together more than 60 data specialists with highly sought-after skills. They all could find a new job in a second. When I ask them why they joined and remain at E.ON, the most frequent response is that they care about the energy transition. They want to work for an industry that can make a meaningful difference in the future of their community and, indeed, the entire planet. We shouldn't underestimate the power of this motivation. I believe people give their best when they see a clear connection between their work's macroeconomic impact and their values. I feel I have a personal responsibility to ensure that the members of my team see the big picture and are aware of the positive impact their work is having on the energy world.

Sustainability is key to many of your projects at work. What about off the job?

I try to be a responsible consumer. For example, I challenged myself to buy almost everything I need for my one-year-old son second-hand: clothes, furniture, and toys. I also don't own a car and instead use public transport or my bike, which is how I take my son to day care. But sustainability isn't just about the planet. It's also about people. That's why I ensure that I find the time to be there for my son and watch him grow. I'm a woman and mother with a professional career. So diversity and gender equality are important issues for me, particularly as a manager: I have several women in my team, and I try to make sure they feel empowered. I also make it a priority to develop female talent at E.ON.

Your results

If you wish, we can prepare and send you via email a personalised offer.

Get a personalised offer

Roof points	Installation surface	Solar power	Yearly cost saving
95/100	500 m ²	45.000 kWh	1900€

Ecological corridor management

Sustainability Enabler Michael Wahl



Michael Wahl

Michael Wahl was born in Illingen, Germany, in 1963. He joined Westnetz in Saarbrücken in 1987 as deputy head of high-voltage overhead lines. In 1992 he received a bachelor's degree in mechanical engineering from Saarbrücken University of Applied Sciences and was promoted to department head. Michael's favourite part of his job is ECM. Outside work, his biggest hobby is carnival, a multi-week festive period before Lent celebrated in some parts of Germany. Michael is president of his carnival club's board and helps plan numerous events. He and his family live in Heusweiler, which is located about 15 kilometres north of Saarbrücken.

EITHER... OR

City	—	● Countryside
Film	●	Series
Vintage	—	● New
World traveller	—	● Local adventurer
Analogue	—	● Digital

Falling trees in conjunction with severe weather are the single biggest cause of power outages. Michael Wahl, head of high voltage operations at E.ON subsidiary Westnetz, explains how his company maintains a reliable energy supply while managing vegetation sustainably.

How does Ecological corridor management (ECM) around power lines differ from conventional practices?

The conventional approach is reactive: simply accept the types of vegetation near power lines, let them grow until they get within about three metres of the conductors or other energized components, and then, after obtaining approval from the natural resources or forestry agency, cut them all down. This cycle would then run its course again. And again. This creates large open spaces and destroys ecosystems. The new approach is proactive, smarter, and more sustainable. For example, removing fast-growing trees like poplars and birch gives slower-growing trees like beech and oak as well as bushes access to more sunlight and thus the opportunity to flourish. This creates biotopes and new habitats.

You're breaking up the poplar monopoly.

Exactly. Having a slower-growing mix of trees not only lengthens the intervals between trimming, which saves us money. It also tangibly increases the biodiversity of both flora and fauna. We can further enhance biodiversity by leaving the cuttings on the ground when we trim, as long as doing so poses no hazard to the power lines or our operations. The cuttings provide nesting opportunities

for small mammals, which may attract larger animals. Similarly, new wildflowers attract insects which then attract birds. In short, ECM is good for our business and creates added value for nature: it transforms a mostly monoculture forest into a rich habitat.

When did you get involved in ECM?

In 1992 when I was still responsible for high-voltage operations and maintenance in Westnetz's grid territory in southwest Germany. A forester at Corporate Functions in Essen had chosen our grid territory for an ECM pilot project. I was initially sceptical because I felt the segments they'd targeted were too small, too far apart, and too topographically diverse for the forestry contractor to manage them cost-effectively. Over the next five to ten years, however, we expanded the size of the ECM zones, which made the approach economicaly and technically viable.

What are the keys to successful ECM?

Having the right plan for the vegetation in a particular area and, just as importantly, having maintenance crews who understand – and buy into – ECM techniques. Employees and contractors need to be trained, and a few may need to be convinced. I've presented ECM to a number of grid operators

outside E.ON. If management and crews embrace it, it's usually successful. If they're half-hearted, many run into difficulties. Ultimately, ECM is like any new process adopted by an organisation: belief and commitment are essential to success.



©Doreen Volsdorf (DUH)

It sounds like it's also the difference between a short-term and a long-term perspective.

That's right. ECM requires up-front investments: in surveying current vegetation, designing a plan to manage it, and training the maintenance crews. Those investments won't be recouped immediately. It will take time before ECM's advantages – like the longer intervals between trimming I mentioned a moment ago – to appear in a grid operator's bottom line. But the savings in maintenance costs are real and should show up within three to four years. So maybe you just need a medium-term perspective.

What are your biggest achievements?

Making an environmentally friendly approach to maintenance attractive from a business and operational standpoint as well. That Westnetz's grid is robust and reliable even in severe weather is due in part to ECM. A storm may knock down trees, but they're no longer tall enough to damage our power lines. So ECM not only lowers maintenance costs, it also reduces our expenditures to restore power and clean up after storms. Another achievement is the recognition we've received from nature conservation groups and other organisations. The German Nature and Biodiversity Conservation Union (NABU), Friends of the Earth Germany (BUND), Environmental Action Germany (DUH), and a number of universities have shown great interest in our work and want to see it adopted across Germany.

What's ahead for you and ECM?

I'd really like to see ECM extended to all those segments of E.ON's overhead power lines where it makes environmental and economic sense, initially in Germany and eventually in our service territories in other countries as well. All in all, we're talking about thousands of hectares. It's a huge opportunity. Our grids are becoming steadily smarter and thus even better able to accept more renewable energy and to orchestrate the complex energy flows of a decentralised energy world. At the same time, I think we should do our best to sustainably manage the biospheres under and near our power lines. In sum, I want E.ON to enable a sustainable economy while also being an exemplary environmental steward.

Do you embrace sustainability when you're not in a forest?

I do my best to conserve resources, which probably comes from my farming background. We tried to avoid waste and repair things instead of throw them away. Conservation is in my DNA and affects how I work too. I do as much as I can digitally and look carefully for other options before I take a business trip. The restrictions brought on by the pandemic, however, made me realise that I actually hadn't looked carefully enough and that there were even more opportunities to complete tasks virtually. I plan to continue making use of these opportunities even after the restrictions are relaxed.



©Judith Kühn (DUH)



Laura Hield-Ryder

From Southampton in southern England, Laura Hield-Ryder received a bachelor's degree in marketing studies and modern languages (German, French) from the University of Salford in 2002. She began her professional career at RWE's UK retail energy subsidiary before joining the marketing team of E.ON UK's residential customer business in 2006. Here, Laura has held a variety of management positions, most recently as head of sales development. In January 2020 she moved to E.ON UK's Solar and Storage unit in Nottingham, where she serves as Head of Solar Operations. Laura, who is training for her first sprint-distance triathlon and has started learning Italian during lockdown, lives with her family in Nottingham.

EITHER... OR

Book	—	●	Podcast
Snooze	—	●	Get up
Vintage	—	●	New
Supermarket	—	●	Farmers' market
World traveller	—	●	Local adventurer

Parents supporting parents

Sustainability Enabler Laura Hield-Ryder

Being a working parent is hard and was even more so during the corona pandemic. Laura Hield-Ryder, Head of Solar Operations at E.ON UK, founded a network for parents at the company, for which she received the 2020 E.ON Diversity Champion Award.

Why and when did you start the Parent Network?

I have two children of my own and a step son. When I had my second child, I was determined to maintain the network I'd established at work, to stay in touch with what was going on, and to remain aware of emerging opportunities because after parental leave I wanted to try a new role. Well, even though I'd discussed all this with my line manager and senior leaders prior to going on leave, putting it into practice turned out to be very difficult. Returning to work was hard as well, and overall I encountered a lack of support and understanding. So in 2019, with the help of E.ON UK's diversity and inclusion team, I set up a network for colleagues in similar situations. The aim was to provide support for parents, build understanding and empathy across the business, and reinforce the awareness of line managers, particularly those who weren't themselves parents.

How has the network changed and grown since its inception?

It was initially called the New Parent Network, and that was its focus. Back then, the HR guidelines for parent leave were hard to understand. We provided support to new parents and their supervisors so they both knew what to think about and clarify before a colleague went on leave. In 2020 we changed the name to the Parent Network to make it clear we welcome parents with children of any age. The

network has grown to more than 200 colleagues. The feedback over the years has been inspiring. A typical comment is: "Without the Parent Network, I couldn't have coped with the first three months after returning from maternity leave."

What issues do the members of the network discuss?

Maternity, paternity, child care, work-life balance, school applications, adoption. Pretty much every aspect of parenting. Of course, attitudes toward parenting are continually evolving, so there are always new aspects being brought to light. We also talk about issues like mental health, racism, diversity, and LGBT+. The network is extremely inclusive and has parents from all backgrounds, so it serves as a forum for these conversations as well. We don't necessarily find solutions. That's not our role. But we can be a sounding board that passes information about emerging social issues to the HR team or senior leaders, who can then think about how the company might want to respond.

2020 was an uncommon year, presumably for the network as well.

Without a doubt. My children, for example, were at home with me for ten weeks. Combining home office with home schooling was one of the most stressful times of my life. Colleagues across the network had similar experiences, and some were stretched to the very limit. Keeping the

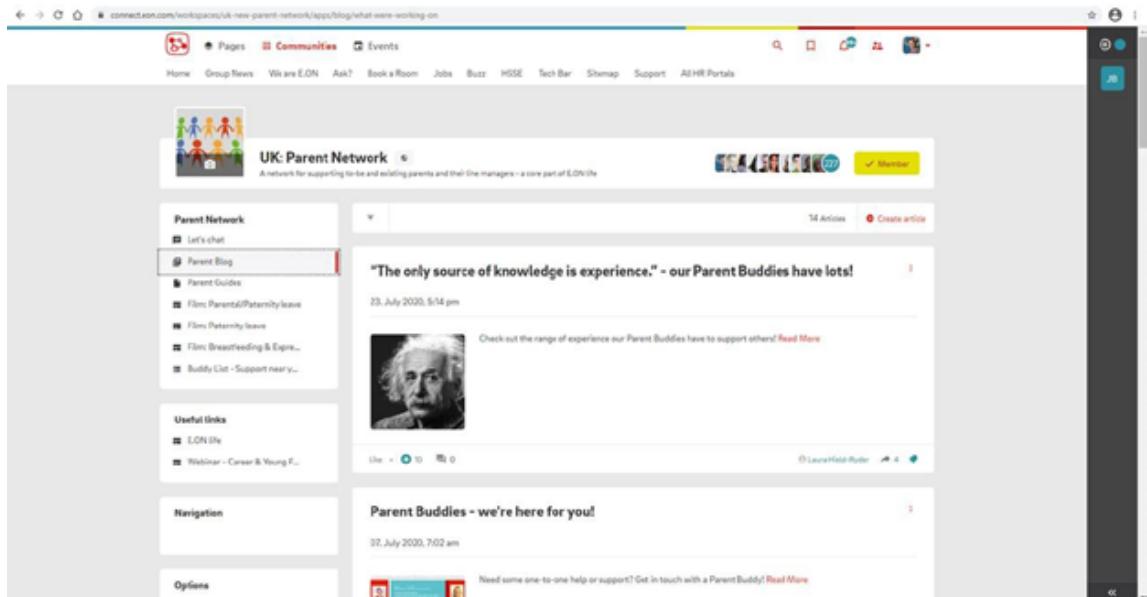
conversation going during lockdown provided crucial support for hundreds of parents across E.ON UK. In fact, in 2020 the Parent Network may have been more valuable than ever. So much was unprecedented, from the stressful (preparing to restart solar operations after the initial lockdown with constant distractions from young children for me and key members of my team) to the comic (having a Teams meeting temporarily commandeered by an insistent five-year-old who wants to show off her artwork). Being able to share these experiences was very comforting. In April, during the height of the first lockdown, E.ON CEO Johannes Teyssen called me to tell me I'd received the Diversity Champion Award. He has four children himself, and we talked about what a tough time it was for parents. Even though it was a conversation with the CEO of a huge corporation, it could've been between any two parents.

Do you think the Parent Network has even greater potential?

The network is a place where parents can post concerns and get a response from the group. But several network members and I decided it would also be useful to create an opportunity for colleagues – particularly those who may be uncomfortable posting to a large group or face special challenges – to get one-on-one support. So in 2020 we launched Parent Buddies, a team of eight local champions to whom colleagues can turn. We hope to expand the initiative in 2021. I've also wondered whether it would be possible to expand the Parent Network to E.ON units outside the United Kingdom. I think parents across E.ON would benefit from sharing experiences with those from other countries and cultures. How did parents at, say, E.ON Romania and E.ON Hungária deal with the lockdown? I'm sure we could learn from each other.

Has your experience with the Parent Network affected your life outside work?

Definitely. For one thing, the different perspectives of other parents have enriched my interactions with my own family. A lot of information about Black Lives Matter was posted on the network in 2020. I shared it with my children and husband, which has brought a broader range of views into our lives. Also, the network's very positive reception across E.ON UK has given me a confidence boost. In addition, listening to other people's experiences has reminded me to be kind to myself. As parents we can be hard on ourselves, particularly during the lockdown. The network helps me remember that we're all facing similar challenges.



Analyse this

Sustainability Enabler Juan Zamphiropolos



Juan Zamphiropolos

Juan Zamphiropolos was born in Asuncion, Paraguay, in 1986. He has a master's degree in electrical engineering from the Czech Technical University in Prague and an MBA degree from the Technical University of Berlin. Since joining E.ON Czech as a project manager in 2013 he has focussed primarily on smart metering, data analytics, and telecommunications. In January 2020 Juan became head of business development at E.ON Czech. He oversees product development, grant management, and public affairs. In his free time Juan enjoys running and biking. He lives in Prague.

EITHER... OR

Bike	—————	Car
City	—————	Countryside
Fruit	—————	Cake
World traveller	—————	Local adventurer
Analogue	—————	Digital

If you can't measure it, business guru Peter Drucker is supposed to have said, you can't manage it. Juan Zamphiropolos, head of business development at E.ON Czech, helps our grid customers in the Czech Republic measure and manage their energy consumption.

You work with smart meter analytics. What's that?

Let's start with the smart meter itself. Your parents' analogue electricity meter – the one with the disk that rotated at a mesmerizingly slow speed – could only do one thing: tell how much electricity had passed through it since it was installed. A smart meter, by contrast, is digital and measures consumption in real time. It can also send its measurements remotely to our analytics platform, which crunches the data to yield insights that we can provide to our customers: a breakdown of their consumption into active and stand-by, alerts about anomalies in their usage, and graphics showing how their energy consumption is evolving. We're currently testing these capabilities with selected customers in our grid territory and plan to launch the product in 2021.

Does this information affect consumption?

Our customers are mostly businesses and municipalities that have several premises connected to our grid. Our product gives them an overview of their overall electricity consumption and also the consumption of each individual building. Customers can use this information to compare consumption across their premises. This could help them identify machinery, devices, or appliances that are consuming more than they're supposed to, thereby enabling customers to take steps to reduce consumption. In the case of devices that

are operated infrequently, for example, it might make sense to power them down completely between uses.

What kind of customers are interested in analytics?

Among businesses and municipalities, it so far mostly attracts those that are more environmentally oriented. But we think smart meters will catch on. It's like e-mobility: a first-mover on the block has to buy an electric car before the neighbours ask themselves whether they might want to go electric too. Municipalities want to be sustainable cities, and that means monitoring their energy consumption and identifying ways to reduce it. We have cooperative arrangements with a number of municipalities in the Czech Republic. One, for example, is using our online tool to monitor energy usage in all of its public buildings and street lighting. The granularity of the data enables the city to take specific actions to reduce consumption, like switching to LED light fixtures or installing heat pumps.

In what other areas could analytics be valuable?

Another application is for energy communities – an apartment building or several households that receive their energy from the same low-carbon source, like solar panels on one or more of the buildings. The idea is to share energy and use it as

a community. Analytics show who is consuming when and how much and maps this against how much energy is being produced. This information is essential for linking actors together and creating a functioning community. For example, a customer doesn't have to own a roof or make a big up-front investment in order to support solar energy. Energy communities are part of the emerging sharing economy, and I think they have huge potential.

How readily has your organisation embraced sustainability?

Different industries evolve at different rates. Think about how much telecommunications changed between 1960 and 2010: from copper-wire landlines to billions of smart phones. Electricity grids, by contrast, changed relatively little. But now, thanks to digital technology, they're evolving dynamically. In rural areas of the Czech Republic, electricity grids may not yet be the internet of energy. But the trend is clearly in that direction. And even the oldest of the old hands at our distribution system operator (DSO), E.ON Distribuce, realise that sustainability is the new normal.

What's your next project?

One of the most exciting projects I'm currently involved in aims to connect the grids of two E.ON DSOs, Bayernwerk in southeast Germany and E.ON Distribuce in the southwest part of Czech Republic. Currently, the principal cross-border connections between the two countries are high-voltage transmission lines. Our project aims to connect the two countries' grids primarily at intermediate voltage. It would also involve upgrading equipment, deploying smart technology, and improving the DSOs' data-sharing capabilities. Doing this will increase reliability, reduce line losses, make both systems smarter, and enhance their ability to integrate renewables. In March 2021 we're submitting it as a project of common interest (PCI), a category of project that supports the interconnectivity of Europe's energy system and thus qualifies for EU funding. We're already conducting a similar PCI

linking E.ON Distribuce in the Czech Republic and ZSD in Slovakia, so we have a lot of experience to draw on.

Sustainability is integral to your work. What about off the job?

I try to take small steps. Many have to do with the prefix "re-": reuse, repair, recycle, repurpose. We're brought up in a consumerist, throwaway society. But repairing an item consumes far fewer resources than buying a new one, and reusing an item consumes none at all. So before I throw something out I consider whether it could be repaired or put to another use. If not, I try to find a new owner for it. After all, something that has become useless for me may be very useful for someone else.

Urban energy autonomy

Sustainability Enabler Franz Völkl



Franz Völkl

Franz Völkl was born in Weiden, a small town about 85 kilometres northeast of Nuremberg. After completing a master's degree in energy and process technology at TU Munich, he joined E.ON subsidiary Bayernwerk in 2011 as project engineer, focusing first on biogas plants and later on cogeneration. Franz and his family live in Munich, where on weekends he enjoys beekeeping.

EITHER... OR

City	Country
Summer	Winter
Film	Series
Snooze	Get up
World traveller	Local adventurer

The Werksviertel-Mitte district near Munich's East Train Station has undergone a radical transformation. Over the past five years, the roughly nine-hectare industrial area has morphed into a vibrant, multi-use urban space that brings together businesses and residences, commerce and culture. Franz Völkl, project engineer of E.ON subsidiary Bayernwerk Natur, is in charge of giving Werksviertel-Mitte a largely autonomous supply of sustainable energy.

What makes Werksviertel-Mitte energy-autonomous?

To start, two technologically advanced gas-fired combined-heat-and-power (CHP) units. They supply electricity and heat to the 15 buildings that make up Werksviertel-Mitte. Their efficiency is impressive. When cogenerating heat, they transform about 90 per cent of the fuel they consume into energy. For comparison, the average thermal power plant in Europe is only about 50 per cent efficient. But you don't see the CHP units. They're tucked away in the basement of Building 1, below a hipster café and a bar. We're exploring whether to supplement the CHP units with solar panels. That would make Werksviertel-Mitte entirely self-sufficient with low-carbon energy. Enabling individual buildings to meet their own energy needs is something that Bayernwerk Natur and several other E.ON companies do all the time. Doing it for an entire district has been something special.

What was Werksviertel-Mitte like before the transformation?

Well into the 1990s, it was all about potatoes. Pfanni, a German food manufacturer now owned by Unilever, made dumplings and mashed-potato powder here. When Pfanni left, artists built studios in former warehouses; many are still here. Later, nightclubs and discos moved in. In 2015, with

much of the industry gone from the district, the city decided to reconceive it and hired us to design a sustainable energy plan for it. Our approach is holistic, which means we try to orchestrate the production and consumption of all energy types – electricity, heating, and cooling – so that they're as efficient as possible. A restaurant's walk-in refrigerator, for example, produces waste heat. We capture this heat and pipe it to another user in Werksviertel-Mitte. By matching users with complementary thermal energy needs, we reduce the amount of new energy that has to be produced. Low-carbon on-site energy production combined with smart usage: this is what the energy transition looks like up close.

Smart in terms of technology too, right?

Exactly. Werksviertel-Mitte has about 1,000 electricity and 50 heat and cooling delivery points, many of them with meters or sensors connected to a central energy control system. It's a bit like a formula 1 car sending data in real time to the team's engineers at the pit wall. Similarly, our system knows what's happening at most of the radiators and sockets in Werksviertel-Mitte. It also remotely controls some equipment to better harmonise production with consumption. One challenge is that the district is already growing, and the energy supply has to grow with it. For example, a large

commercial kitchen moved in that prepares food for day care centres and schools around Munich. It needs so much electricity that we had to give Werksviertel-Mitte a new, larger transformer station. Being part of Bayernwerk and the E.ON Group gives us flexibility to make these kinds of changes swiftly and efficiently.

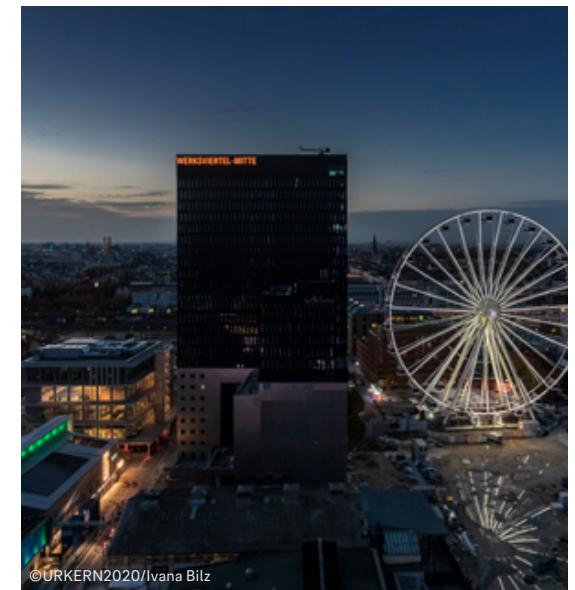
What else has Bayernwerk Natur done?

We've installed about 200 on-site generating units at companies, housing complexes, and public buildings across Bavaria. We're responsible for operating and maintaining all of them. Our team of engineers, technicians, sales people, and office staff totals about 100 people. We know the region well and can serve all classes of customers, from real estate developers to big industrial companies. Many of them have the ambition – or are required by law – to become more sustainable. So our business is growing well. Our good reputation comes from the success of our projects and the dedication of our people, many of whom go out of their way

– sometimes even at night and on weekends – to meet customers' needs. Sustainability requires special people, and we have them.

What have you learned from these projects?

A lot. For example, we've become very good at estimating how much energy a new building or new tenant will need. A project like Werksviertel-Mitte involves a lot of metering and data analysis, so we've built up a storehouse of knowledge in these areas as well. Thanks to E.ON's partnership with RWTH Aachen University, we receive scientific support and also work with its research teams to explore topics like energy-smart building technology. Regulatory knowledge and sales experience are important too. It's the whole package – successful track record, knowledgeable team, and advanced technology – that convinces customers to entrust us with making them more sustainable. One day I'd like to put it all together to enable a city district to be completely carbon-neutral.



What role does sustainability play in your life away from work?

First and foremost, I'd say that nature plays a big role. I grew up on a farm in a heavily forested part of Bavaria, and interacting with wood has always been important to me. I built myself a small house out of wood. I also chop the wood that heats the house. It's a great counterpoise for my work in the city. As for sustainability, I find that it's a popular topic. If I were an insurance salesman, no one would probably be very interested in my work. By contrast, people want to hear about sustainable energy, and almost everyone has an opinion. Ideally, these discussions will help set some of my friends and acquaintances on their own sustainability journey.



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Business areas



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Environment



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Social



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Governance

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Dear readers,



Dr. Johannes Teyssen
Chairman of the Management Board and CEO

Last year E.ON celebrated its twentieth birthday. Two decades of systematic focus: from a broadly diversified conglomerate to a global energy company to Europe's pacesetter in sustainable energy. Along the way, we exited large-scale fossil-fuelled power generation and, more recently, renewables. The latter may have surprised some people. But today E.ON's strategic course is more sustainable than ever.

The decarbonisation of industry, transport, and heating is becoming the centrepiece of the energy transition. More sectors need to be powered by green electricity, and more fossil energy needs to be displaced. E.ON's energy networks and innovative customer solutions are ideally positioned to propel these trends. We're a major infrastructure company of the new energy world, building the platform for Europe to reach its climate targets and for the energy transition to succeed. The 2020 financial year reaffirmed that we're on the right course.

Covid-19 pandemic and sustainability – now more than ever

Corona, which was and remains a profound global crisis, also presented E.ON with enormous challenges in 2020. I'm proud of how our employees responded. Thanks to their dedication and flexibility, E.ON was able to keep critical infrastructure – more than 1 million kilometres of energy grids in six European countries – up and running at all times. Our people were always available for our customers. And while carefully complying with social-distancing restrictions, they continued to design and install innovative energy solutions across all our businesses. Throughout the pandemic, our employees enabled the new E.ON's sustainability journey to stay on course.

2020 tested our company's resilience. I'm immensely grateful that we've withstood this test well. At the same time, the pandemic has validated and even reinvigorated E.ON's commitment – and Europe's commitment – to the energy transition. The Green Deal is Europe's pledge to be carbon-neutral by 2050 across all aspects of life. This makes sustainability crucial for society's future. E.ON – one of Europe's largest grid and customer-solutions companies – helps enable this transformation. We help our partners and customers to achieve their climate targets. And we're leading by example.

We enable sustainability – sustainably

E.ON helps provide access to affordable, reliable, and clean energy. Helps communities and entire cities become more sustainable. And helps protect the earth's climate. Simply put: our core businesses contribute to a more sustainable future. We've endorsed the United Nations' Sustainable Development Goals (SDGs) since their adoption in 2015. And in 2020 we decided to redouble our efforts and set even more ambitious climate targets. E.ON now intends to be carbon-neutral by 2040 and eliminate its Scope 3 emissions by 2050.

Our climate targets are just one example of how environment, social, and governance (ESG) considerations are becoming increasingly central to our Group. They now provide important guidance for E.ON's strategic course and are integral to our decision-making processes: from risk assessment and capital allocation to workplace culture and management performance. For example, the new E.ON is now Germany's largest issuer of green bonds, meeting the increased demand for sustainable investment opportunities. Responsible corporate governance – toward people and the environment – is what we expect of ourselves and our enterprise partners. Similarly, our employees, our customers, and, increasingly, the capital market expect it from us.

In line with its own values and the expectations of sustainable finance, E.ON puts a special emphasis on transparency. That's why in 2019 we became an official supporter of the Task Force on Climate-related Financial Disclosures, which is developing consistent, comparable, and accurate climate-related financial risk disclosures. In 2020 we intensified our efforts to manage the interface between sustainability and risk management and will continue along this path in 2021.

Our core business: sustainable technologies for ambitious climate targets

Our goal is to bring green technologies to market. To do so, we'll invest more than €6.6 billion over the next three years to modernise our energy networks in Germany. Power and gas distribution networks are the backbone of tomorrow's energy system and help decarbonise all sectors of the economy. We're therefore actively fostering digitisation and innovation at our networks as well as propelling the development of important future technologies like green gas. For example, we're conducting a number of pilot projects to test integrating green hydrogen into the gas grid and partnering with industrial companies to develop industrial-scale hydrogen solutions.

E.ON propels the transition to a zero-carbon future by helping make Europe's cities and regions more sustainable. Our flagship project is to supply an entire district in Malmö, Sweden – 300,000 residents and hundreds of businesses

– with 100% renewable energy by 2030. The transition to low-carbon industry is well under way as well. For example, we recently commissioned Europe's largest rooftop solar array at an Audi facility in Györ, Hungary.

Our people: pioneers of the energy transition

Behind all these achievements are our people. The integration of innogy's employees has enriched our company's storehouse of knowledge and experience. The diversity of our teams – in terms of background, qualifications, and culture – is integral to our success. It will foster creativity, innovation, and agility.

Regrettably, despite our comprehensive and continually enhanced safety measures, five people died while working for us in 2020. Further improving our safety performance will therefore remain a top priority going forward. In 2020 our company successfully navigated the challenges of the pandemic. We created a safe workplace for those employees whose presence was essential. The majority, however, spent much of the year working from home – without in any way slowing our progress toward an even more sustainable energy supply. In the annual employee survey, employees' feedback on E.ON's handling of the pandemic was very positive.

Sustainability at E.ON: ambitious and transparent

The new E.ON's sustainability journey will continue in the coming year as well. We want you – our customers, employees, shareholders, and other stakeholders – to assess our progress. This report, a sort of logbook of our journey, enables you to do so. It describes our performance and improvements clearly and openly. We invite you to read where our journey took us in 2020 and let us know what you think of it. The feedback we receive from rating agencies in 2020 was very positive. We're particularly proud of the A rating E.ON received from CDP, a non-profit organisation dedicated to meaningful climate disclosures. It represents independent testimony to our systematic actions to reduce emissions, limit climate risks, promote a low-carbon economy, and report transparently. Sustainability is an essential part of the new E.ON's identity and the key to our success.

Best wishes,



Dr. Johannes Teyssen

Accelerating the transition to a sustainable energy world

The energy system is steadily becoming more distributed, digital, and decarbonised. And more sustainable. Our core businesses – energy networks and customer solutions – are helping make it happen. Our 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. Years of work continually increasing our networks' proportion of underground cabling has made them even less exposed to extreme weather and further enhances their reliability. Our innovative solutions help customers of all sizes – from families and small businesses to big manufacturers and entire cities – to conserve energy, generate their own green energy, and thus reduce their carbon footprint. In 2020 we developed and adopted a new and even more ambitious sustainability strategy.

Sustainability: embedded in our corporate strategy

The innogy takeover successfully closed in 2019. Effective January 1, 2020, innogy's operations are no longer managed and disclosed as a separate segment but rather integrated into Energy Networks, Customer Solutions, and Corporate Functions/Other. E.ON's current strategy was subjected to a verification process early in 2020. It was affirmed to be a suitable strategic framework for the energy-policy, social, and technological challenges that currently prevail. Nevertheless, E.ON intends to use the period through year-end 2021 – while continuing to integrate innogy – to sharpen the company's focus in line with its current and reaffirmed strategy, analyse exogenous factors, and determine their impact on strategic development. One key area for strategic focus is sustainability.

The energy transition has become a central part of public discourse. Sustainable energy is not only the basis for economic and social development but also a key factor in environmental and climate protection. E.ON's energy networks

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. E.ON's networks also serve as a central platform for the energy transition. Our customer and infrastructure solutions business makes an important contribution as well. It offers customers of all sizes – households, companies, and cities – solutions for the transition to climate neutrality. Consequently, sustainability is a key principle of E.ON's strategy, which fosters value creation and provides benefits for people and the environment.

To underscore sustainability's importance, in 2020 we initiated a process in which we revised E.ON's material topics and identified three focus dimensions that are the core elements of our new sustainability strategy. 

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

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



Step one: stakeholder expectations and ESG analysis

The starting point of our analysis was the materiality matrix from 2019. Based on it, we reviewed and evaluated the events and developments that affected E.ON in 2020. They included the successful closing of the innogy takeover, Fridays for Future and other social movements, as well as the Covid-19 pandemic, which had a considerable impact. Our analysis considered policy developments, such as the EU Green Deal, the EU Taxonomy Regulation, and the German National Action Plan on Business and Human Rights. We also conducted an in-depth analysis of our environment, social, and governance (ESG) performance based on ESG ratings and looked at competitors' best practices.

Step two: interviews with outside experts

We conducted 13 interviews with a variety of outside experts. They included academics, NGO representatives, and investors, to name just a few. We talked to them about climate change, health and safety, crisis management, social issues, and other topics related to sustainability. The interviews deepened our understanding and constituted the outside-in perspective of our materiality analysis. They helped us evaluate which topics were material for E.ON in 2020 and which to integrate into our new sustainability strategy.

Step three: Sustainability Council workshop

The E.ON Sustainability Council, on which there were a number of personnel changes in 2020, provided the inside-out perspective in our materiality analysis. Council members responded to a written survey in which they assessed the relevance of each of the United Nations' Sustainable Development Goals (SDGs) for E.ON (see also "Our commitment to the UN Sustainable Development Goals" below). They then participated in a workshop to discuss the results of the desk research, the expert interviews, and the survey. The workshop validated the research results and defined a set of three focus dimensions on which the sustainability strategy is based. This strategy was approved by the Management Board in August 2020 and by the Supervisory Board in September 2020.

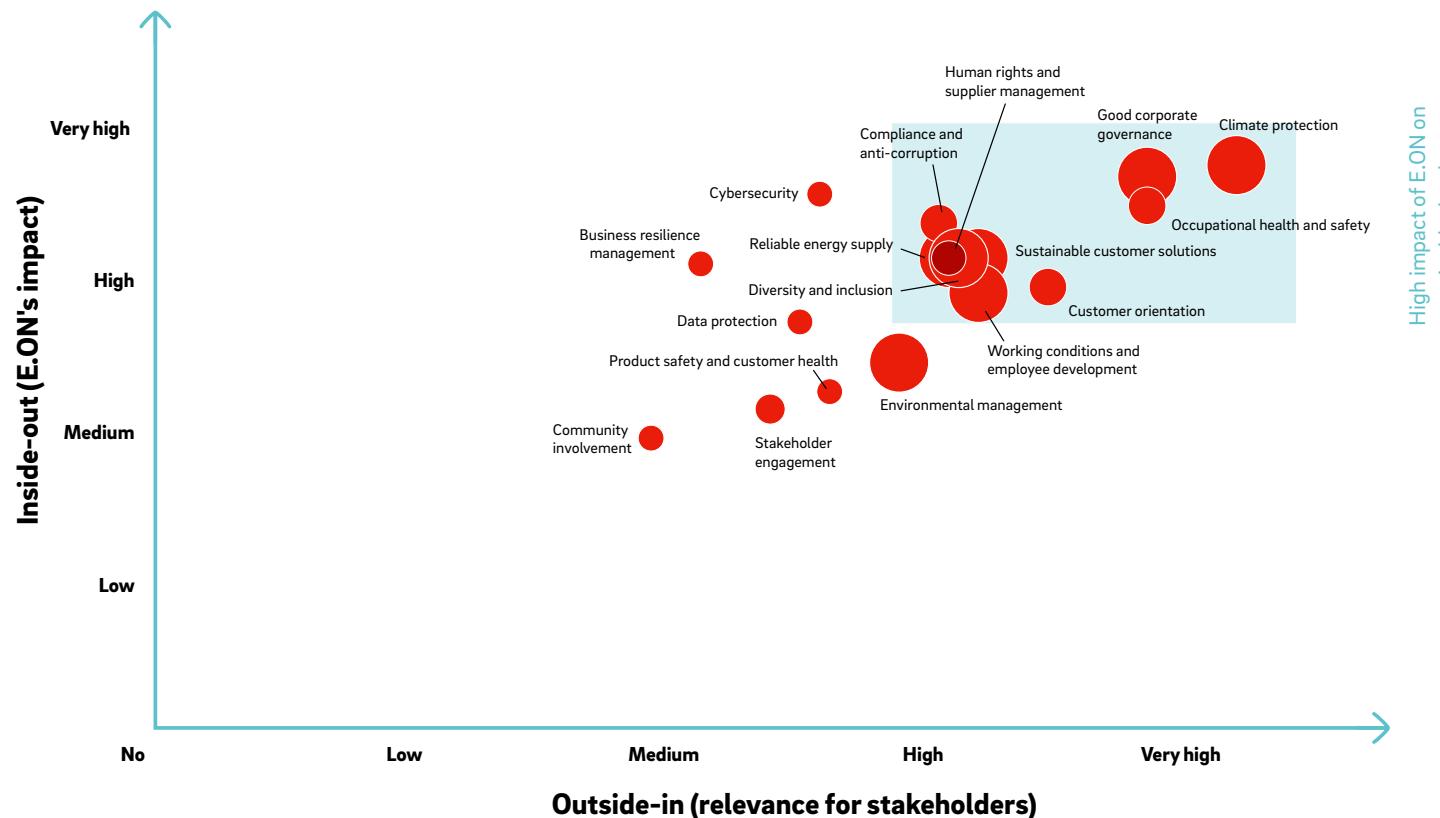
Material topics

The findings of our materiality analysis in 2020 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 and that we have at least a high ability to influence. We thus identified ten topics as material. A circle's size in the matrix reflects the degree to which the corresponding topic supports the SDGs.

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, information security, 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 or standards. The description of our management approach is guided by *GRI 103: Management Approach*. ↗

Materiality matrix [→GRI 102-47 ↗]



Our new holistic sustainability strategy

In setting E.ON's strategic course, the company identified key topics for the sustainability of its business and its role in society: climate protection, health and safety, diversity and inclusion, and good corporate governance. ESG aspects are systematically embedded into E.ON's central steering and management processes. The integration of sustainability is thus an essential element of E.ON's 2020 corporate strategy initiative. It serves as the basis for E.ON to make good on its commitment to enable of a climate-friendly energy world and to ensure its own future viability. It enhances E.ON's ability to create sustainable 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. The following focus dimensions and corresponding guiding statements were developed together with E.ON's Sustainability Council and approved in August 2020 by the Supervisory Board's Innovation and Sustainability Committee:



WE enable Europe to become carbon-neutral. → Climate protection is a key driver of E.ON's future growth. E.ON's core business is to operate energy networks that serve as the platform for the energy transition and to provide sustainable customer solutions that help cities, companies, and residential customers become climate-neutral. In late March 2020 E.ON pledged to achieve climate neutrality by 2040 (and to cut its Scope 1 and 2 emissions by roughly 75 per cent by 2030) and to reduce its Scope 3 emissions by 50 per cent by 2030 (and by 100 per cent by 2050). These objectives set a course that is both ambitious and realistic: a reduction path that implies a consistent alignment with the new energy world in line with E.ON's strategy. An emphasis on sustainable energy is therefore inherent to E.ON's strategic focus areas.

WE care for our people and foster a diverse, inclusive culture. 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 new 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.

WE take sustainability as the guiding principle in business. Sustainability is the basis for our actions. The integration of sustainability aspects into the company's core processes was therefore a key initiative in 2020. It ensures 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. But ESG aspects were already integral to many processes. 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.

Our 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

Each business unit's management team is responsible for taking action to enhance sustainability and 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 own 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 occupational safety, customer loyalty, and workplace diversity. 

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Reliable and smart
grids

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Lower-carbon
households

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Cleaner companies,
greener communities

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Customer experience

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Closeup on: Strategy
and innovation



**Enable Europe's
carbon neutrality**

Business areas

Business areas

Energy networks like ours are where the energy transition is happening. In addition, our individually tailored solutions enable our customers to live with greater comfort while doing their part to make the energy world smarter and more sustainable.



We established a **Global Customer Leadership team**. Its purpose is to strengthen the customer's voice and propel customer centricity in all of our markets.



In February 2020 E.ON and Volkswagen Group Components unveiled a new, battery-equipped, ultra-fast charging station that can extend an electric vehicle's range by about **200 kilometres** in just **15 minutes**.

2020 Highlights



€60 million

is the budget of Smart Quart, a project that explores how individual neighbourhoods can achieve a climate-neutral energy supply by using smart network technology to balance the production and consumption of renewable energy. The project, which also incorporates innovative hydrogen technology, got under way in January 2020.



22,110 metric tonnes of carbon emissions will be avoided each year through the use of two organic Rankine cycle (ORC) power plants in Kirchweidach, Germany. The plants will be powered by zero-carbon geothermal energy.

- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 17 PARTNERSHIPS FOR THE GOALS

Smarter grids, greener communities

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, and home heat pumps. In short, distribution grids are where the energy transformation 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 so that in future we can continue to ensure a reliable electricity supply for our customers at a reasonable cost. That's why we're making our grids smarter by equipping them with sensors and command-and-control technology and by 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.

[→GRI 103-2]

One thing the energy transition can't succeed without is the decarbonisation of the transport sector. This will require a mass conversion to electric vehicles (EVs). One benefit of the smart-grid technology we've deployed to facilitate the integration of renewables is that our grids will be able to handle the connection of numerous EV charging points without expensive grid expansion.

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.

A member of the E.ON Management Board oversees our Energy Networks segment. Under his leadership, three departments at Corporate Functions actively manage Energy Networks' DSOs. This includes 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.
[→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 technical as well as 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 intermediate 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 and enables the customers who make their capacity available to our VPP to earn extra money on their assets.

In addition to these, there are several other smart-grid technologies that we're currently testing, rolling out, or already using at our DSOs.

[→[GRI 103-2](#) 

Goals and performance review

Our DSOs record all planned and unplanned outages in their networks. They use these data to calculate the system average interruption duration index (SAIDI), which measures the average outage *duration* per customer per year, and the system average interruption frequency index (SAIFI), which 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, no regulatory agency had completed the process of validating 2020 outages. Because this report is supposed to contain final, service-quality figures that have been officially audited (by the BNetzA in Germany and the relevant regulatory agencies elsewhere), it publishes figures for the previous year 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, thereby fostering 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 year	2020			2019			2018		
	Scheduled	Unscheduled	Total	Scheduled	Unscheduled	Total	Scheduled	Unscheduled	Total
Germany	7	16	22	8	17	25	9	15	24
Sweden	25	121	146	22	100	122	28	70	98
Hungary	117	61	178	128	59	187	126	65	191
Czech Republic	145	47	192	154	50	205	157	78	235
Romania	288	358	646	339	465	804	262	522	783
Slovakia ²	143	65	208	176	79	255	178	87	266
Poland	9	44	53	11	56	68	9	70	79

¹Figures are for the respective previous year: 2020 for 2019, 2019 for 2018, and so forth. Prior-year figures were adjusted to reflect a new calculation methodology. Totals may deviate due to rounding.

²DSO in which we have a 49 per cent stake.

We improved our SAIDI figures for 2020 (based on data from 2019) in all countries except Sweden. In Sweden our customers were on average more affected by power outages than in the prior years owing to a hurricane and severe thunderstorms in the summer. As in previous years, our grids in Germany were our most reliable.

SAIFI power¹ [→ GRI G4-EU28]

Interruptions per customer per year	2020			2019			2018		
	Scheduled	Unscheduled	Total	Scheduled ³	Unscheduled	Total	Scheduled	Unscheduled	Total
Germany	0.1	0.3	0.4	0.1	0.3	0.4	0.1	0.3	0.4
Sweden	0.2	1.2	1.4	0.1	1.1	1.2	0.2	0.9	1.1
Hungary	0.4	0.8	1.3	0.4	0.9	1.3	0.4	0.9	1.3
Czech Republic	0.6	0.8	1.4	0.6	0.9	1.4	0.6	0.8	1.4
Romania	0.9	3.6	4.6	1.1	5.1	6.1	0.8	6.1	6.9
Slovakia ²	0.5	1.2	1.7	0.6	1.4	2.0	1.2	0.9	2.1
Poland	0.2	0.8	1.0	0.04	0.9	1.0	0.11	1.0	1.1

¹Figures are for the respective previous year: 2020 for 2019, 2019 for 2018, and so forth. Prior-year figures were adjusted to reflect a new calculation methodology. Totals may deviate due to rounding.

²DSO in which we have a 49 per cent stake.

Progress and measures in 2020

Renewables' share of the energy mix continues to increase in all the countries where we operate grids. In 2020 we continued to test and deploy technology that will enable our grids to accept more green energy while continuing to operate reliably.

EUniversal

EUniversal is an EU-funded project in Germany, Poland, and Portugal that's exploring technologies to ensure a reliable energy supply even if a much greater proportion of electricity comes from intermittent renewables. The idea is to enhance the flexibility of distribution grids by introducing a Universal Market Enabling Interface (UMEI). The project in Germany was started by innogy and is now being conducted by E.ON, which is testing an aggregator that combines a variety of flexibility sources on an online platform. Grid operators can use the platform to access flexibility options to prevent grid congestion. The project started in February 2020 and will end in July 2023.

SmartQuart

SmartQuart, a five-year project that ends in 2024, is exploring how individual neighbourhoods can achieve a climate-neutral energy supply. The idea is to use smart network technology to balance the production and consumption of renewable energy within a neighbourhood and, if a surplus is available, to share it with nearby neighbourhoods. The ultimate aim: to render the use of fossil fuels superfluous. The project, which also incorporates innovative hydrogen technology, is being conducted in three representative municipalities: a sparsely populated rural town (Kaisersesch in Rhineland-Palatinate) and two densely populated urban areas (Essen and Bedburg in North Rhine-Westphalia). SmartQuart, whose consortium of project partners is led by E.ON, is part of "Reallabore der Energiewende," a programme conducted by the Federal Ministry of Economic Affairs and Energy to test innovative technologies and solutions for the energy transition on a large scale and under real-life conditions.

Green hydrogen: smart production

In mid-2020 E.ON and industrial conglomerate thyssenkrupp entered into a partnership to produce climate-friendly hydrogen – which in the decades ahead will gradually replace fossil fuels in many processes – using surplus renewable electricity. thyssenkrupp manufactures electrolyzers that transform water into hydrogen. Under the partnership, the electrolyzers will be remotely controlled by the E.ON Virtual Power Plant (see "Specific actions" above). The electrolyzers will operate when there's surplus renewable electricity in the grid that would otherwise have to be exported to another grid segment to prevent overload; they'll remain idle on days when renewable electricity is sparse. The partnership will increase the production of green hydrogen, help to keep the grid stable, and create an additional source of income for electrolysis operators, who receive compensation for the flexible production arrangement.

Green hydrogen: smart transport

Avacon, an E.ON DSO in north-central Germany, conducted a pilot project in 2020 to test raising the hydrogen admixture in its gas distribution network to 20 per cent. The project's purpose is to show that it's possible to inject a significantly higher percentage of hydrogen into the gas network than is allowed under current regulations. The findings will serve as the blueprint for the future use of hydrogen in gas distribution networks and are to be incorporated into Germany's regulatory framework.

EUsysflex

EUsysflex is another project aimed at ensuring a reliable energy supply amid the ongoing increase in intermittent renewables. It has subprojects in seven countries. The project in Germany, which was started by innogy and is now being overseen by E.ON, involves testing distributed flexibility resources. It runs through October 2021.

IELECTRIX

Indian and European local energy communities for renewable integration and the energy transition – IELECTRIX for short – is a €10 million EU-funded project to develop mobile storage solutions for renewable energy to promote decentralised energy communities. The project, which began in May 2019 and runs through October 2022, involves 15 participants from eight EU countries as well as TATA Power DDL, a DSO in India. In 2020 E.DIS, a project participant and E.ON DSO in northeast Germany, put its mobile solution into operation in Friedland, a small town located about 140 kilometres north of Berlin. Like in many rural areas in northern Germany, the wind and solar farms around Friedland produce far more electricity than its residents consume. Ideally, this green energy is transported to large consumption centres like Berlin. But on blustery days when output is high, power lines become congested. To prevent overloads and outages, wind farms have to curtail their output and sometimes shut down entirely. This is where E.DIS's mobile storage solution comes in: a utility-scale lithium-ion battery that can store up to 1,000 kilowatt-hours of electricity and has a power output of up to 500 kilowatts. Stored electricity is fed back into the grid when the wind dies down. The system can be moved to areas where line congestion is particularly frequent. Solutions like this help to harness as much renewable energy as possible until grid capacity is expanded.

Partnership with SAP

In 2020 E.ON began deploying SAP S/4HANA, a cloud solution that will enable its energy suppliers, DSOs, and metering points to share billing and other information faster, more accurately, and more easily. This will significantly enhance E.ON's ability to respond to customer requests swiftly and efficiently. It will also reduce costs by more than 40 per cent. The system is scheduled to go live in mid-2022.

The table below shows our system lengths at the end of 2020.

System length at year-end

Thousand kilometres	Power		Gas	
	2020 ¹	2019	2020 ¹	2019
Germany ²	705	351	101	52
Sweden	139	138	n/a	n/a
Hungary	133	85	18	18
Czech Republic	66	66	5	5
Romania	82	82	23	23
Slovakia ³	50	39	n/a	n/a
Total	1,176	760	147	97

¹Includes innogy from 2020 onward.

²Figures for Germany are for the respective previous year: 2020 for 2019, 2019 for 2018, and so forth.

³DSO in which we have 49 per cent stake.

Sustainability begins at home

In 2020 the restrictions imposed in response to the coronavirus dramatically increased the amount of time people spent at home. But even when the pandemic is past, it's likely that the home will 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 and smart-home technology – 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 

GRI 302:
Energy

GRI 305:
Emissions



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 at the same time trying to standardise successful solutions across the countries where we operate so that we can deliver them at a lower cost.

We have solutions for residential customers (B2C) that enable them to produce their own green energy and become more energy-autonomous. These include heat pumps, solar panels, battery storage systems, and virtual storage accounts. We also offer easy-to-use online energy audits and apps that help residential customers better understand their energy consumption and identify ways to reduce it. In the majority of our markets we offer smart-home devices and home energy-management systems that enhance homeowners' comfort while reducing their climate impact.

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 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).

By offering E-Mobility solutions to all kinds of customers, E.ON Drive is making transportation more sustainable. Our main offerings consist of electric-vehicle (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, E-Mobility 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 B2C sales teams that develop and market energy and E-Mobility 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, Sweden, Hungary, the Czech Republic, Slovakia, the Netherlands, Belgian, Poland, and Romania.

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. In addition, E.ON subsidiaries act as smart meter service providers for municipal utilities and regional energy suppliers in Germany.

E.ON Solutions designs E-Mobility solutions, forges partnerships with industry players, and enlarges our E.ON Drive network of UFC stations. Under the E.ON brand, we have E-Mobility teams in ten countries: the United Kingdom, Germany, Denmark, Sweden, Norway, Italy, the Czech Republic, Hungary, Slovakia, and Romania. Together with innogy, we offer E-Mobility solutions in 25 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.

E.ON's innovation team works closely with the business units to explore emerging opportunity spaces and adjacent markets to grow our energy-solutions business. Our areas of interest include advanced E-Mobility solutions, energy-smart buildings, local renewable-energy systems, and next-generation solutions for residential and commercial customers.

[→ 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 allows them to benefit from 100 per cent green energy 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, which is the first step toward identifying ways to reduce it. These include the E.ON SEE app in the United Kingdom, the E.ON app in Sweden, and the Regelneef app from Energiedirect, our retail subsidiary in the Netherlands. In 2019 we launched the E.ON Home app, which enables users to control all their energy devices. We added new features in 2020 (for details, see "Progress and measures in 2020" below).

E.ON Drive is involved in a variety of E-Mobility 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 E-Mobility and enable residents, customers, employees, and guests to embrace low-carbon mobility. 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, our DSOs in Germany were unable to begin installing smart meters in 2017 as planned because the German Federal Office for Information Security (BSI) had to certify the gateways (the communication units in a smart metering system) before installation could begin. The first certification took place at the end of 2018, and the mandatory smart meter rollout began in late February 2020. Competitive smart meter service providers were able to begin installing smart meters at the end of 2018 for B2B customers and voluntary B2C customers.

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 and have since then opened over 60 more in Denmark, Sweden, the Czech Republic, Slovakia, Britain, and Germany. In 2019 we installed a UFC station at Corporate Functions in Essen.

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. In an effort 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 2020

In 2020 we launched new projects and moved forward with existing ones. For example, we added new features to E.ON Home, an energy-management app that we introduced in 2019 and is now available in Germany, the United Kingdom, Italy, Sweden, and Poland. Easy-to-comprehend graphics now provide customers with transparency about their home's solar power production, energy consumption, and carbon footprint. Customers can also visualise their virtual forest: their annual personal carbon savings are displayed graphically as the number of trees that would absorb the same amount of carbon in a year. The app also monitors the performance of solar panels and makes individually tailored suggestions for additional smart solutions that would enhance energy efficiency and comfort. In 2020 E.ON Home won a prestigious Red Dot Award in the category "Product Design" for its intuitive, easy-to-use interface.

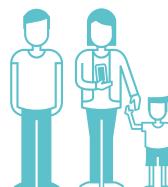
Green energy sales

GW	2020 ¹	2019 ²
Certified green electricity sold to end-customers	29,681	8,770
Biogas sold to end-customers	6,090	13

¹Includes innogy from 2020 onward.

²Prior-year figures have been adjusted.

In 2020 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.



9,280,007

The number of our customers receiving certified green electricity products in 2020. In the United Kingdom we provide 100 per cent green electricity to all of our residential customers.

The E.ON Future Energy Home Business installed more than 90,000 solar and heating devices in 2020. At year-end it had service contracts with a total of more than 1.1 million customers in Western and Central Europe. The E.ON Future Energy Home and E-Mobility installations in 2020 led to customer annual CO₂ savings of more than 340,000 metric tonnes. This is equivalent to a forest of around 26 million trees.

New ultra-fast charging solution

An ultra-fast charging (UFC) station, which can extend an EV's range by about 200 kilometres in just 15 minutes, makes on-the-go charging quick and convenient. In February 2020 E.ON and Volkswagen Group Components unveiled a new, battery-equipped UFC station that can be swiftly installed almost anywhere, at significantly lower cost, and without a mains connection. All the system needs is a standard 220-volt outlet. Its many applications include filling stations, motorway rest areas, and public parking facilities. In the second half of the year E.ON tested the system, which was developed by Volkswagen Group Components, at six motorway filling stations in Germany. It will be marketed under the name E.ON Drive Boost in 2021, initially in Germany.

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 as well and is planned to be completed by the end of 2024.

Installed smart meters by country

Thousand units	2020 ¹	2019	2018
Rollout countries			
United Kingdom	4,208	2,320	1,862
Germany ²	2,540	619	147
Sweden	1,044	1,040	1,036
Pilot countries			
Romania	288	284	279
Slovakia ³	231	72	39
Hungary	142	49	35
Czech Republic	1.5	0 ⁴	0.1
Total	8,454	4,384	2,398

¹Includes innogy from 2020 onward.

²Includes digital meters.

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

⁴Number declined because a government-sponsored pilot project was completed.

**9,500**

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

EV charging for BMW and its employees

In late 2019 BMW hired us to install and subsequently operate 4,100 charging points – half of them public – at BMW locations in Germany. It will be the country's largest EV charging network and powered exclusively by green electricity. The first charging points entered service in December 2020. The arrangement has a B2C aspect as well: drivers of BMW company EVs can opt for a high-quality, at-home charging station from E.ON. By supplementing it with an E.ON green electricity tariff they can achieve truly zero-carbon mobility.

OMNe: choosing the right EV charging solution

Municipalities, retailers, and companies are responding to EV growth by adding charging points. OMNe, a new proprietary software tool we unveiled in Germany in September 2020, can help. 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. OMNe designs an individually tailored solution consisting of the optimal number of charging stations and the maximum number of charging processes for the facility's grid connection. We plan to begin marketing OMNe in the United Kingdom and other countries in 2021.

Solutions that make companies and communities more sustainable

Businesses, cities, and municipalities across Europe are taking action to become smarter and more sustainable. Innovative approaches can enable them to dramatically reduce their energy consumption, carbon emissions, pollution, and costs. E.ON provides companies and communities with individually tailored solutions that enable them to achieve their climate targets. These solutions draw on our deep expertise in energy efficiency, energy recycling, smart and sustainable heating and cooling, and low-carbon energy. [→ [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 high-quality assets located at or near customers' premises. They design and deliver engineering infrastructure solutions that help three groups of customers – industrial and commercial (I&C) enterprises, cities and municipalities, and the real estate sector – to reach their sustainability targets, which are becoming a major priority. 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 I&C 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, and the United Kingdom). A central team supports the regional units in developing their strategic sustainability road maps to transform products and assets.

B2B 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, Eastern Europe, 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. Our areas of interest include energy-smart buildings, local renewable-energy systems, advanced E-Mobility solutions, and next-generation solutions for residential and commercial customers.

[→ 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 UN Sustainable Development Goals (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 asset's long-term value. For example, in 2020 CES deepened its partnership with Lendlease, an international real estate developer with landmark projects in the United Kingdom and Italy (see "Progress and measures in 2020").

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 key performance indicators (KPIs). Customers decide which KPIs are relevant for them. They 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. 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 

Progress and measures in 2020

In 2020 EIS again implemented landmark sustainability projects in close partnership with its customers and was also chosen for new projects.

Climate-neutral steam for a paper mill

In July 2020 E.ON began installing a biomass-fired cogeneration plant at UPM Paper's technologically advanced paper mill in Hürth, a suburb of Cologne. The plant, which is scheduled to become operational in the second quarter of 2022 (if Covid-19 allows), 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.

Zero-carbon geothermal electricity

Kirchweidach, a town located about 90 kilometres east of Munich near the Austrian border, has the good fortune to have geothermal energy, which it has long used for district heating. E.ON designed a solution to harness this energy to generate zero-carbon electricity as well. The solution consists of two organic Rankine cycle (ORC) power plants. A 1 MW ORC plant entered service at the end of 2020; the second, a 4 MW ORC plant, is scheduled to come online by the end of 2021. Together, the plants will avoid about 22,110 metric tonnes of carbon emissions annually.

Up on the roof

In early October 2020 Europe's largest rooftop solar array entered service at two Audi logistics centres in Győr, Hungary. Designed, installed, and operated by E.ON, the system consists of 35,000 solar modules extending over roughly 16 hectares. It will produce about 9.5 gigawatt-hours of renewable energy annually, enough to supply around 4,000 households and reduce carbon emissions by about 6,000 metric tonnes each year.

Decarbonising industries

In September 2020 B2B entered into a ten-year agreement with Cerdomus, a leading ceramics manufacturer, to install and operate a 2.5 MW high-efficiency cogeneration plant that will provide electricity and heat to the company's facility in Castel Bolognese, Italy. The plant is scheduled to become operational in 2022 and avoid about 1,400 metric tonnes of carbon dioxide per year. In addition, a process steam generator we installed at a Dow Benelux facility in Terneuzen, the Netherlands, began operations in June. E.ON will own and operate the plant under a 15-year agreement.

Shrinking a manufacturer's carbon footprint

In mid-2020 E.ON entered into a partnership with a consumer goods manufacturer to refurbish its formerly steam-operated boiler house. We'll replace inefficient steam boilers with two high-efficiency condensing boilers, enabling the plant to emit 683 metric tonnes less carbon per year.



55 – 60 per cent

Average carbon savings delivered by our decentralised energy generation projects (CHP, solar) relative to customers' previous energy systems.

Europe-wide roll out of ectogrid™: a key driver of decarbonization

By connecting customers with different thermal needs and utilising waste heating and cooling, ectogrid™ dramatically reduces overall energy consumption. The two ectogrid™ projects we reported on last year – the European Spallation Source for Neutron Research (Lund, Sweden) and the Shamrock-park system (Herne, Germany) – continued to make progress in 2020. In addition, E.ON was awarded federal funding for TransUrban.NRW, a project to develop additional ectogrid™-based heating and cooling systems for several newly built and retrofit neighbourhoods in western Germany. TransUrban.NRW, which is scheduled to run from May 2020 to April 2025, will use more than 70 per cent renewable energy. Also, we were named a preferred bidder to develop an ectogrid™ solution for Lendlease's MIND (Milano Innovation District) project in northern Italy and began planning an ectogrid™ heating and cooling system for Łasztownia Island, a sustainable neighbourhood in Szczecin in northwest Poland. The planning is supported by EU funding.

Högbytorp inaugurated

At the beginning of 2020 our advanced material and energy recycling unit in Högbytorp, northwest of Stockholm, was successfully put into operation. The unit, built in close collaboration with waste management specialist RagnSells, will provide enough carbon-neutral heat for about 21,000 households as well as electricity and biogas. A roughly 25-kilometre long pipe will connect Högbytorp to our district-heating systems in Upplands-Bro and Järfälla.

Low-carbon energy autonomy

In mid-2020 residents began moving into a 360-unit development in Hattersheim, a small community near Frankfurt International Airport. Thanks to a solution designed by our subsidiary Süwag, the development has its own supply of low-carbon energy. Two cogeneration units and six rooftop solar arrays provide all of its heat and over three-quarters of its electricity.

Smarter district heating

In mid-2020 E.ON launched OptiHeat, an end-to-end digital tool for optimising E.ON's district heating networks in Germany and Sweden. It uses demand-side forecasting and management to flatten production peaks and minimise energy losses. The goal is to cut primary energy use by 2 to 5 per cent and to reduce carbon emissions. Also, we dramatically improved water-leak detection in our district heating network in Szczecin, Poland. The project cut annual water use by more than 100,000 m³, yielding annual carbon savings of over 15,000 metric tonnes.

Enhancing customers' experience with us deepens their loyalty

The energy world is steadily becoming cleaner, greener, more local, and more digital. It's also giving customers greater autonomy over their energy supply. Customers of all types – households and businesses, cities and government entities – are eagerly joining this new world and reaping its benefits. Today's customers are even more 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 superior customer experience. Earning their trust and loyalty and having a strong brand awareness are 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](#) ]

GRI 417:
Marketing and
labelling



Our approach

We put our customers at the centre of everything we do. This enables us to continually improve the experience we offer them and maintain – and, ideally – deepen their loyalty. Our focus is on people rather than products. Consequently, in 2020 we updated our brand mantra to "WE has no limits." This change underscores that our brand encompasses our customers as well as the broader communities we're part of and helping to create.

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 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, and Hungary. Businesses in the Netherlands and Poland joined the organisation over the course of 2020. In markets where we're already present, the new innogy units were added to the Customer Experience programme. They regularly share information so that successful programmes and service improvements in one regional unit benefit us elsewhere.

In 2020 we also established a Global Customer Leadership team consisting of senior Customer Experience leaders from across our business as well as representatives of the Customer and Market Insights team (see below). Its purpose is to strengthen the customer's voice and propel customer centricity in all of our markets. The team, which had its first meeting in September 2020, meets every two months to review performance, identify areas for cross-regional collaboration, and define a shared customer narrative for the whole business.

As in prior years, in 2020 customer advocacy councils met regularly at all of 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), monitor the effectiveness of improvement plans (and, if necessary, adjust or reprioritise them), and review the progress of change initiatives aimed at customer advocacy. Beginning in September 2020, 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 in order to create actionable insights and knowledge that translate into business operations.

[→[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 and are embedded in Grow@E.ON, our group-wide competency framework. 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. In 2020 these principles were adopted in our new markets (the Netherlands and Poland) as well. Capability training was provided to support this process.

[→GRI 103-2 , →GRI 102-11]

Specific actions

We measure customer loyalty by means of 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 family and friends. 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 or top-down 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 or bottom-up 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 all our markets (Germany, the United Kingdom, Italy, Romania, Sweden, the Czech Republic, Hungary, and, since September 2020, the Netherlands and Poland). The latter two markets are not included in our 2020 NPS figures. We'll set improvements targets for them from 2021 onward.

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. As part of the innogy integration, the programme was extended to our new operations in the Netherlands and Poland.

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, may span multiple years depending on the degree of transformation required. We introduced these initiatives in 2017 and initially called them CEO-led signature actions.

The internal NPS (iNPS) programme, which was first introduced in 2009 in selected divisions, aims to sensitise all employees, even those who have no direct contact with customers, to the importance of customer loyalty for our company's success. As part of the innogy integration, the programme was transferred to the Culture and Performance team and will be re-evaluated in the near future.

Our Customer Immersion programme brings our senior managers and employees into direct contact with residential and business customers. Its purpose is to bring the customer's voice inside our organisation and enhance our employees' customer orientation. Customer Immersion programmes help deepen cross-functional collaboration and develop capabilities that make E.ON even more customer-centric. An interactive video installation consisting of 24 screens playing the recorded statements and stories of several real E.ON customers from a variety of countries was on display at several E.ON offices in 2019 and again in 2020. The installation created a compelling opportunity for our employees, particularly those in non-customer-facing roles, to listen to real customers talking about their interactions with, and views of, our company. To date, over 4,000 colleagues have engaged with the installation, which will be on tour again in 2021.

The price customers pay for their energy consists of a sometimes confusing array of components: the cost of the energy itself, grid and other fees, taxes, and levies. That's why in the past we conducted projects at several of our regional units to improve the layout and content of our energy bills so that they're more transparent and therefore easier to read and understand. We've involved customers in this process and also used customer-centric methodologies like Design Thinking.

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. During Covid-19 the process was suspended for some time. In 2020 about 12,700 customers were disconnected by E.ON in Germany.

The coronavirus pandemic made 2020 a very challenging year for all of our customers and the communities we serve. Our regional units responded swiftly. For example, we immediately suspended debt management processes from 20 March until July 2020, ensuring that residential as well as business customers continued to receive an uninterrupted energy supply during the pandemic. We also launched new digital services to improve customer access and assistance. Video chats, for instance, enabled customers to accomplish tasks without having to go to one of our shops.

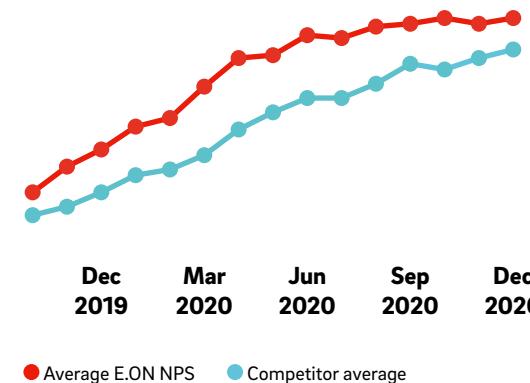
[→ GRI 103-2 , → GRI 102-11]

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. This KPI is therefore used at the segment and unit level for the purpose of management control.

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 2020 NPS target achievement was again not factored into the E.ON Management Board's compensation; however, we began the process of working out how to do so equitably. The Management Board holds quarterly discussions with the units to evaluate their NPS and, if necessary, to decide what action they should take to achieve their NPS target. In addition, the COO-C and the regional units' CEOs discuss NPS and customer issues at market reviews, which are conducted on a regular basis.

Strategic NPS: residential customers



Our average strategic NPS for residential customers increased steadily over the course of 2020 and was at its highest level in October and December. It was above the competitor average throughout the year.

Due to the challenges of collecting feedback from small and medium-sized enterprise (SME) customers during the first pandemic-related lockdown, the Management Board decided to exclude SME NPS from the overall company factor for 2020. It's planned to be included in 2021.

[→ GRI 103-2/3]

Progress and measures in 2020

In 2020 we again worked hard to improve our customers' experience. We launched new projects and initiatives and continued existing ones. The Heartbeat programme, which collates information about customer satisfaction with E.ON's products, services, and customer experience in real time and displays it for employees, was extended to Sweden, Italy, and the Czech Republic. A similar programme is in place at most of the former innogy's retail businesses. The two programmes will be harmonised over the next two years. 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

We re-launched our Experience Share Programme in June 2020. 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 was on topics that are priorities at our regional units, including assembling a research plan, helping customers with payments during the pandemic, and making how we gather customer feedback more effective and engaging. We shared the best practises of regional units that are excelling in a particular area. We also learn from industry best practices through our participation in the NPS Loyalty Forum and other organisations. In 2020 we ran eight sessions on industry best practices that were attended by about 30 to 60 participants.

innogy integration

The innogy integration was a big theme of 2020. For example, innogy businesses joined E.ON's NPS programme for both strategic and journey NPS. Their governance was harmonised with E.ON's, and actions were defined for them to improve their NPS from 2021 onward. After the innogy integration we added new capabilities to our global customer experience model. The new capabilities aim to support the regional units in designing and implementing experience improvements: the CX Factory. The CX Factory provides additional resources to accelerate experience improvements in addition to resources already available. New capabilities include user experience (UX) design to improve our digital experiences and rapid prototyping and testing, which enables us to learn from customers' feedback and swiftly make improvements based on what they value most. In 2020 we worked closely with our regional units in the Czech Republic, Italy, Sweden, and the United Kingdom 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 nine modules in 2020 with over 200 participants.

Complaint management

We conduct an annual assessment of the status of our complaint management in all countries where we operate. In 2020 our operations for the first time were assessed to be "proactive" in all countries. Effective practices included intelligent call routing based on a customer's history, root-cause analysis of complaint drivers, and the use of operational excellence tools in service centres. During the corona pandemic we successfully encouraged customers to contact us using unassisted channels like SMS, virtual assistants, and our digital service platforms.

Strategic innovation to accelerate the energy transition

The landmark transaction with RWE has enabled E.ON to focus entirely on two sustainability-oriented and complementary businesses – energy networks and customer solutions – and to tangibly strengthen both through the acquisition and integration of innogy's networks and customer businesses. The new E.ON is one of Europe's leading operators of critical infrastructure and a major provider of individually tailored energy solutions. Our business model conforms with the four megatrends – decarbonisation, decentralisation, digitisation, and electrification – that are shaping the energy world and society in general. It also fits seamlessly with Europe's sustainability ambitions. The EU Recovery and Resilience Facility, for example, creates ample opportunities for E.ON. Of the facility's €750 billion in total funding, around €60 billion are related to our markets and earmarked for climate-oriented programmes, particularly to promote a green and digital transition. Most of these programmes are fully in line with our investment plans for our customer-centric energy infrastructure.

The innogy takeover not only substantially strengthened our core business. It also brought together two highly curious and creative companies committed to innovation, thereby enriching our knowledge base and enlarging our portfolio of promising innovation projects. The new E.ON is therefore well positioned to become the innovation leader in Europe's energy industry. Successful innovation is about translating new technologies and business models into compelling products and services that improve our customers' energy world. E.ON has about 41 million customers across Europe, and roughly 20 per cent of Europe's renewables capacity is connected to E.ON's 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 numerous markets and thus to accelerate the transition to a sustainable energy future across Europe.

Responsibilities

The innogy integration in 2020 also involved transforming our Strategy & Innovation department, which now comprises the Strategy Cluster (corporate strategy, network strategy, retail strategy) and the innovation activities of E.ON Group Innovation GmbH (see below). The department is within the CEO's remit. We expect this new setup to significantly enhance our ability to adapt E.ON's strategy to emerging trends and to better support the operating units' innovation activities.

The Strategy Cluster is responsible for making strategic recommendations and guiding decisions on corporate and business-specific strategic issues. In addition, 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 & HSE department to ensure that E.ON's corporate strategy and sustainability strategy go hand in hand.

The ability to innovate is crucial for E.ON's future success. In 2020 E.ON therefore formed a new subsidiary, E.ON Group Innovation GmbH, dedicated entirely to innovation. It identifies and evaluates the latest developments in the energy sector and explores and forges partnerships with innovative companies, start-ups, universities, research institutions, and thought leaders. Its purpose is to strengthen E.ON's position as a pioneer in the sustainable transformation of the energy landscape. Headquartered in Essen, E.ON Group Innovation has outposts in a number of global innovation hubs: Berlin, Tel Aviv, and Silicon Valley. It works closely with the business units and E.ON's regional units 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 customer solutions businesses affect E.ON's sustainability profile.

New business models and the demand for individually tailored customer solutions create opportunities for the energy industry to influence other sectors of the economy, communities, and, indeed, people's lifestyles. In 2020 we therefore defined four focus areas for innovation: Industry Automation and Electrification, Energy Communities and Networks, Networked Mobility, and Connected Life. Within each area we're exploring ways in which E.ON can transcend its role as an energy supplier and offer innovative solutions that help customers in a variety of industries embrace green growth.



Protect the planet

Environment



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Climate protection

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Environmental
management

Environment

Our company has a responsibility to protect the environment and the earth's climate. We live up to this responsibility by making consistent progress toward our climate targets, conserving resources, and being a good environmental steward at and near our facilities.



CDP gave E.ON an **A rating** in 2020 in recognition of our leadership in corporate sustainability. We were among a small number of high-performing companies out of the more than 5,800 that were rated. E.ON's demonstrable actions have made it global a leader in corporate environmental ambition, action, and transparency.



In August 2020 E.ON held the world's first **#GreenInternetDay** to raise awareness of the internet's growing power consumption. We estimate that data centres will account for 13 per cent of the world's electricity demand by 2030. It's therefore important to power them with climate-friendly electricity.

2020 Highlights

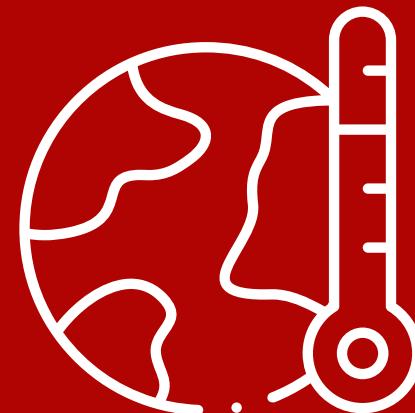


As part of its commitment to making gas greener, in mid-2020 E.ON joined the **European Clean Hydrogen Alliance**. The alliance, which at year-end 2020 consisted of around 200 companies and organisations, is dedicated to expanding and deploying hydrogen technologies by 2030.



E.ON Rooftop

is an online tool that uses satellite imagery and other data to enable customers to swiftly calculate the solar potential of any roof in Europe. It's one of many ways that E.ON is enabling the energy transition.



In 2020 the E.ON Management Board set several new climate targets. E.ON aims to become **carbon-neutral by 2040** by reducing its Scope 1 and 2 emissions by 75 per cent by 2030 and by 100 per cent by 2040 and its Scope 3 emissions by 50 per cent by 2030 and by 100 per cent by 2050 (all relative to 2019).



On course for climate neutrality

Climate change caused by human action is serious and affects nature and humans. As part of the decision to adopt the Paris Agreement, in October 2018 the Intergovernmental Panel on Climate Change (IPCC) published its Special Report on global warming. It once again emphasised the urgent need for decisive and concerted action to reduce greenhouse-gas (GHG) emissions so that global warming can be limited to 1.5 to 2 degrees Centigrade. Although many countries worldwide have taken tangible steps to protect the climate and to mitigate the impact of global warming, the GHG concentration in the atmosphere continues to rise and thus intensifies climate change. The economic slowdown resulting from corona-related restrictions didn't alter this situation. A successful transformation to a low-carbon society 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.



GRI 305:
Emissions

On 11 December 2020, EU heads of state and government adopted the Council Conclusions including the EU 2030 climate target. In a significant step forward, EU leaders agreed on a "net domestic reduction of at least 55 per cent in greenhouse gas emissions by 2030 compared to 1990," just in time for the five-year anniversary of the Paris Agreement on 12 December. The conclusions emphasise that the implementation needs to be completed in a cost-effective manner and "take into account considerations of fairness and solidarity, while leaving no one behind." Although the conclusions enable the EU to demonstrate international climate leadership, work still needs to be done to ensure the target is fit for purpose and ambitious enough given, for example, that it refers to a "net" target.

The transition to a low-carbon economy poses 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 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.

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). The transaction with RWE, which was completed in September 2019 has enabled E.ON to focus exclusively on two sustainability-oriented businesses – energy networks and customer solutions – and to significantly strengthen these businesses through the acquisition and integration of innogy's networks and customer businesses. In 2020 the E.ON Management Board therefore 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).

[→ GRI 103-2]

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 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 2019 we updated the E.ON Car Policy, which took effect in January 2020. Climate protection and environmental friendliness are key aspects of the updated version. For example, it encourages the selection of an electric company car and, for the first time, includes the option of choosing an annual pass for the German Federal Railway instead of a company car.

In 2018 we adopted the E.ON Health, Safety, Environment & Climate Protection Policy Statement, which supersedes our Health, Safety and Environment Policy Statement from 2014. The statement now encompasses climate protection and treats energy management as an aspect of this. It articulates our commitment to comply with all HSE laws and regulations and defines the appropriate management systems for this. 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.

Two other HSE policies that are more specific in nature – our Sustainability & HSE Function Policy and our Health, Safety, and Environment 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 HSE 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 

Goals and performance review

After more than five years, we have finalised the strategic transformation of E.ON. We started with the decision in 2014 to spin-off Uniper and thus E.ON's commodity-exposed activities, such as fossil-fuelled power generation. Although we have taken considerable steps to reduce our direct emissions over the last years, we have set ourselves additional ambitious targets: In 2020 the E.ON Management Board set new climate targets that, in the future, are also to serve as KPIs that are relevant for management purposes. The exact details will be determined in 2021. By reducing GHG emissions we intend to become carbon-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 can be affected by temporary fluctuations caused by weather patterns and other factors. A period of several years is necessary to determine whether the action we're taking is 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. 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 2018 we underscored our commitment to reduce the carbon footprint of our own operations by setting the target of making all E.ON buildings carbon-neutral by 2030. In 2020 we formed a project group whose task is to design a road map toward this target. The road map will consist of detailed measures to reduce our buildings' carbon footprint and to foster sustainable property management. The approach is holistic, encompassing employee engagement as well as technical energy-efficiency upgrades.

[→GRI 103-2/3 

Progress and measures in 2020

In February 2020 the E.ON Management Board set new and more ambitious climate targets for 2030 to 2050. At mid-year the European Union presented its hydrogen strategy. The aim is to expand the use of hydrogen and establish a hydrogen economy to support the achievement of the EU's climate targets. The EU also founded the European Clean Hydrogen Alliance, which E.ON joined as part of its plan to grow its business in green gases. The alliance, which consists of around 200 companies and other organisations, is committed to expanding and adopting hydrogen technologies by 2030.

→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 gave E.ON an A rating in 2020 in recognition of our leadership in corporate sustainability. We were among a small number of high-performing companies out of the more than 5,800 that were rated. E.ON's demonstrable actions have made us a global leader in corporate environmental ambition, action, and transparency. The rating is higher than the average rating for Europe (B) and the renewable power generation sector (C). Furthermore, CDP recognised E.ON again as a "Supplier Engagement Leader" in 2020. E.ON is among the top 7 per cent assessed for supplier engagement on climate change, based on our 2020 CDP disclosures.

#GreenInternet Day

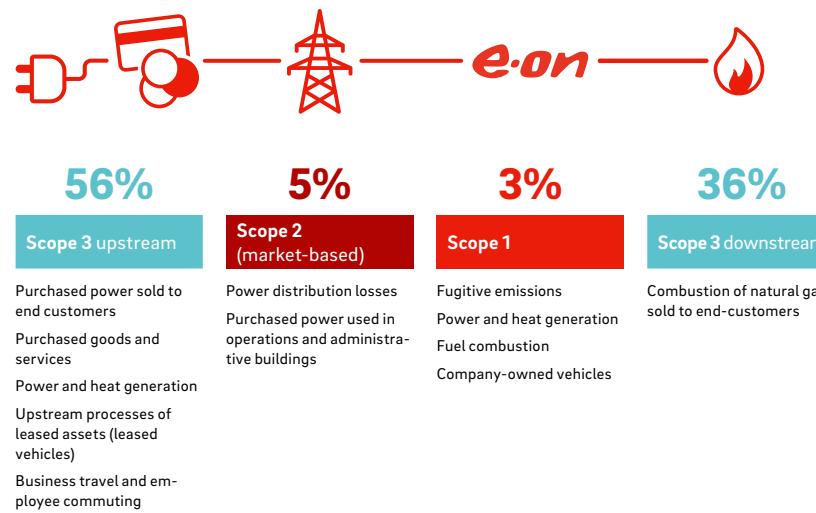
In January 2020 E.ON held the world's first #GreenInternet Day to raise awareness of the internet's growing power consumption. We estimate that data centres will account for 13 per cent of the world's electricity demand by 2030. Similarly, new 5G applications will consume an additional 3.8 terawatt-hours of electricity by 2025 in Germany alone, enough to power Cologne, Düsseldorf, and Dortmund for a year. Consumers' electronic devices, by contrast, use comparatively little electricity. Moreover, the chance of convincing consumers to use their devices less frequently seems remote. Consequently, we believe the most effective solution is to supply data centres with climate-friendly electricity, something E.ON already does. We also provide data centres with low-carbon embedded generation solutions incorporating cogeneration units or fuel cells, often in combination with solar or wind energy.

Carbon reporting according to the GHG Protocol

We calculate our emissions using the globally recognised WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) for the six GHGs covered by the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆). CO₂ is by far our biggest GHG. Although other GHGs like SF₆ and CH₄ contribute to our climate impact, we emit much less of them than CO₂. Global warming potentials 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. The tables below include innogy from 2019 onward in order to foster comparability and transparency in the years ahead. For this reason, the calculation methods were harmonised in 2020. innogy's GHG emissions for 2019, which were initially determined using company-specific emissions factors, were recalculated using the E.ON Group's methods and emission factors and then aggregated with E.ON's figures. This yielded a consistent baseline for our climate target. To maximize transparency, we disclose prior-year figures and the recalculation method below the respective table. 

E.ON's carbon footprint by GHG Protocol scope



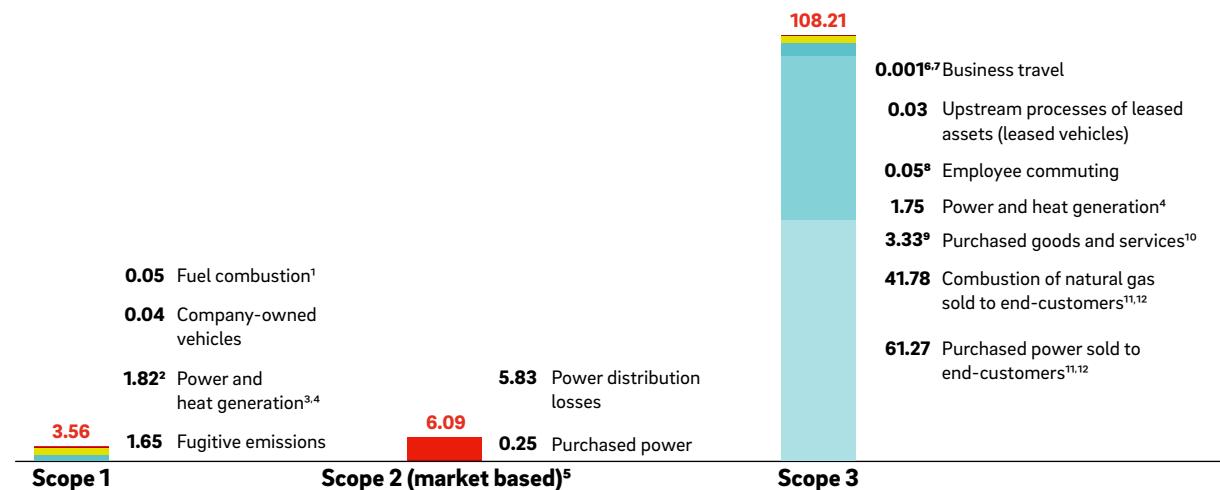
Scope 1 are direct GHG emissions from fuels combusted in sources that we own or control, such as our power and heat plants and vehicle fleet. They also include fugitive methane emissions from our gas distribution networks.

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 power sold to end-customers is purchased. 

E.ON's 2020 carbon footprint (total CO₂ equivalents in million metric tonnes)



¹To heat buildings and technical equipment.

²This figure does not include 107 kilotonnes of CO₂e of biogenic emissions.

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

⁴This figure includes leased CHP plants operated by our customers and plants for reserve and emergency heat and power generation.

⁵From 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.

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

⁷Partially based on prior-year figures for the category car rental.

⁸This figure does not include an offset of approximately 501 metric tonnes of CO₂.

⁹We estimate that, on average, half of our employees worked from home in 2020 owing to Covid-19. However, since the calculation method was updated in 2020, comparability with prior years is limited.

¹⁰This figure does not include an offset of approximately 55 metric tonnes of CO₂.

¹¹Includes capital goods.

¹²Figures include residential, commercial, and industrial customers.

¹²Scope 3 emissions from purchased power and the combustion of natural gas sold to end-customers are from energy sold to residential and B2B customers only. Energy sold to sales partners and the wholesale market is not included.

Our direct and indirect CO₂e emissions totalled 117.85 million metric tonnes in 2020, 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 8 per cent year on year, indirect emissions declined by about 10 percent. ☑

Scope 1 [→ GRI 305-1 ☑]

Total CO ₂ equivalents in million metric tonnes	2020	2019 ⁴	2018
Power and heat generation ^{1,2}	1.82 ³	1.93 ⁵	2.60
Fugitive emissions	1.65	1.88	1.95
Company-owned vehicles	0.04	0.05	0.02
Fuels combustion ⁶	0.05	0.03	0.01
Total	3.56	3.88	4.58

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 our ability to manage our emissions and makes progress toward our targets more transparent.

²The Greenhouse Gas Protocol and DEFRA attribute no direct CO₂ emissions to energy generated at renewables facilities and nuclear power stations. This figure includes emissions from power and heat generation from CHP assets leased to B2B customers since 2018.

³This figure does not include 107 kilotonnes of CO₂e of biogenic emissions.

⁴Prior-year figures were adjusted owing to changes in methodology and the scope of recalculations, as specified in the text.

⁵This figure does not include 101 kilotonnes of CO₂e of biogenic emissions.

⁶To heat buildings. Combustion of natural gas for heating technical equipment is included from 2020 onward.

Our 2020 Scope 1 emissions totalled 3.6 million metric tonnes of CO₂e, slightly less than the adjusted prior-year figure of 3.9 million metric tonnes of CO₂e. The decrease is mainly attributable to fugitive emissions reduction.

The 2019 report disclosed Scope 1 emissions for 2019 of 4.91 million metric tonnes of CO₂e for E.ON and 0.87 million metric tonnes for innogy. In 2020 we recalculated innogy's 2019 emissions using E.ON's emission factors, which are based on the internationally recognised factors of the International Energy Agency (IEA) and the UK Department for Environment, Food, and Rural Affairs (DEFRA).

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, overall, emissions from owned and leased assets are almost equal. For heat generation, by contrast, 73 per cent of emissions are from owned assets and 63 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 global-warming potential is very high, which is reflected in their high CO₂e. However, our fugitive emissions are quite small in proportion to the quantity distributed and used: in 2020 just 0.4 per cent of methane and 0.2 per cent of SF₆ were lost. Going forward, we intend to reduce fugitive emissions by continually improving and modernising our gas networks as well as our monitoring of leaks.

Scope 2 [→ GRI 305-2 ☑]

Total CO ₂ equivalents in million metric tonnes	2020	2019	2018
Power distribution losses (location-based) ¹	4.19	4.51 ²	2.69
Power distribution losses (market-based) ^{3,4}	5.83	7.19	3.96
Purchased power (location-based)	0.30	0.31 ²	0.20
Purchased power (market-based)	0.25	-	-
Total (location-based)	4.49	4.82	2.89
Total (market-based)	6.09	-	-

¹Based on the emission factors of the national electricity mixes for specific geographic regions.

²Prior-year figures were adjusted owing to changes in methodology and the scope of recalculations, as specified in the text.

³Based on the emission factors of the national residual mixes for specific geographic regions.

⁴Power distribution losses in Sweden were completely offset by the purchase of green electricity.

We recorded location-based Scope 2 emissions of 4.49 million metric tonnes of CO₂e in 2020, slightly less than in 2019. A decline in emissions from power distribution losses was the main factor. For 2020 we disclose, for the first time, market-based Scope 2 emissions from our own electricity consumption.

The 2019 report disclosed location-based Scope 2 emissions in 2019 of 2.73 million metric tonnes of CO₂e for E.ON and 3.05 million metric tonnes for innogy. In 2020 we recalculated innogy's 2019 power distribution losses and purchased power used in buildings and operations using E.ON's emission factors, which are based on the IEA's factors. innogy's market-based power

distribution losses in 2019 were not available for our 2019 report. They were calculated for this report using E.ON's calculation method and added to the E.ON figure for 2019.

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 each of our electricity suppliers. 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. 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 2020.

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, which 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 3 [→ GRI 305-3]

Total CO ₂ equivalents in million metric tonnes	2020	2019	2018
Purchased power sold to end-customers ^{1,2}	61.27	70.78 ³	35.57
Combustion of natural gas sold to end-customers ^{1,2}	41.78	44.30 ³	22.63
Purchased goods and services ⁴	3.33 ⁵	3.29 ⁶	2.93
Power and heat generation (leased assets) ⁷	1.75 ⁸	1.70 ⁸	-
Employee commuting	0.05 ⁹	0.05	0.03
Upstream processes of leased assets (leased vehicles)	0.03	0.06 ¹⁰	0.05 ¹⁰
Business travel ¹¹	0.001 ¹²	0.01	0.01
Electricity distribution losses (other grid operators)	– ¹³	0.08	0.09
Total	108.21	120.27³	61.31

¹Figures include residential, commercial, and industrial customers.

²Scope 3 emissions from purchased power and the combustion of natural gas sold to end-customers are from energy sold to residential and B2B customers only. Energy sold to sales partners and the wholesale market is not included.

³Prior-year figures were adjusted owing to changes in methodology and the scope of recalculation, as specified in the text.

⁴Includes capital goods.

⁵This figure does not include an offset of approximately 55 metric tonnes of CO₂.

⁶This figure does not include an offset of approximately 2,005 metric tonnes of CO₂.

⁷From 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.

⁸These figures do not include 2.3 metric tons of CO_{2e} of biogenic emissions.

⁹We estimate that, on average, half of our employees worked from home in 2020 owing to Covid-19. However, since the calculation method was updated in 2020, comparability with prior years is limited.

¹⁰Figures for leased vehicles are for the respective prior year.

¹¹Based partly on prior-year figures.

¹²This figure does not include an offset of approximately 501 metric tonnes of CO₂.

¹³This 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 2020 Scope 3 emissions of 108.21 million metric tonnes made up the lion's share of our total carbon footprint. We recorded a slight reduction compared with 2019 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.

The 2019 report disclosed Scope 3 emissions for 2019 of 59.67 million metric tonnes of CO₂e for E.ON and 88.13 million metric tonnes for innogy. In 2020 we recalculated innogy's 2019 emissions using E.ON's emission factors, which are based on the IEA and DEFRA's factors as well as an E.ON-specific emission factor for the recalculation of purchased goods and services. Also, innogy's figures for purchased power and combustion of natural gas sold to end-customers were checked against E.ON's materiality threshold for reporting boundaries. 

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. 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](#).

- **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, and is informed on a quarterly basis by the Chief Sustainability Officer (CSO) about important initiatives and developments as well as key performance indicators. The CSO manages and monitors all of the company's sustainability activities and chairs the Sustainability Council, 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**

E.ON's business operations directly contribute to the avoidance of CO₂e. 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. The acquisition of innogy's networks and customer business substantially strengthened our core businesses and therefore enhances our ability to promote sustainability. But it also changes our carbon footprint. In 2020 we set new climate targets and intend to be carbon-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. We therefore review, on an ad hoc basis, a range of climate scenarios, including those that are consistent with the goal of limiting the global rise in temperatures to less than 2 degrees Centigrade. Among them are the IEA's Sustainability Development Scenario and a scenario we developed ourselves. We use these scenarios to analyse the factors that could influence E.ON's enterprise value and its ability to achieve long-term profitability by capturing business opportunities created by the transition to a low-carbon future. Scenario analysis was also part of the process of setting our new climate targets in 2020. Also, climate protection is one of three focus dimensions in the new sustainability strategy E.ON adopted in 2020.

- **Risk management**

E.ON plans to continually monitor and assess its sustainability, climate, and other non-financial risks and opportunities and their potential impact in the short, medium, and long term. In 2018 we began to integrate the assessment and management of these risks more systematically into our overall → [risk management](#). In 2020 we completed the task of organisationally integrating climate risk assessment into E.ON's enterprise risk management (ERM) process, which will now be the standard ERM process from 2021 onward. Risk managers at our units were actively involved in this process. They identified climate risks and chances in the country or countries where their unit operates for the three-year medium-term planning period and beyond. 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 and analyses progress in greater depth every three years as part of a trend analysis; the next in-depth analysis will be at year-end 2022 and use our 2019 figures as the baseline.

E.ON's business operations directly contribute to the avoidance of CO₂e. 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. Consequently, we also disclose avoided emissions. This also applies to the annual reporting for our Green Bonds, which includes disclosures on the metric tonnes of CO₂e avoided by the projects funded.

In 2020 E.ON issued another three Green Bonds totalling €2.25 billion. A Green Bond is a fixed-interest security whose issuance proceeds are used to fund low-carbon infrastructure and energy-efficiency projects. In October 2019 E.ON concluded a €3.5 billion syndicated credit facility whose credit margin is linked in part to the performance of certain ESG ratings. This gives us additional financial incentives to pursue a sustainable corporate strategy.



GRI 302:
Energy

Being an exemplary environmental steward

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 own energy consumption – plays an important role in our environmental management and helps us reduce our greenhouse-gas emissions. Its implementation is assured by our operational health, safety, and environment (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've also defined our own environmental standards, which are mandatory across E.ON. 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 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 progress toward our company-wide reduction targets for direct and indirect emissions.

[→[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 (except, as stated above, for very small ones and those with insignificant risks and potential impact) to have an environmental management system certified to ISO 14001 or EMAS. In 2020 the coverage rate was 86 per cent. In compliance with the Energy Services Act in Germany, we also introduced ISO 50001 at those units that already had an HSE management system. In 2020, 80 per cent of our business units had an energy management system (EMS) certified to ISO 50001 or conducted audits according to EN16247. 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, such as the new standard for HSE risk management we adopted in 2020.

[→ 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, reducing the energy consumed by ventilation and air-conditioning, and using smart building controls that automatically adjust interior temperatures depending on exterior temperatures and the day of the week (workday or weekend). At 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. We monitor the EMS's effectiveness by means of systematic audits, an annual management review, and confirmation by an accredited certification organisation. In 2020 these mechanisms confirmed the EMS's effectiveness. E.ON UK and some other units intend to put 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 E-Mobility. They include an attractively priced leasing contract for an electric vehicle (EV), an at-home charging point, and a certified renewable power tariff enabling employees to charge their EV with clean energy.

For projects with a considerable public or ecological impact, we conduct an environmental impact assessment during the development stage of new power lines, 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 dialogue 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. Westnetz, an E.ON DSO in west-central and southwest Germany, has replaced the gravel surfaces around transformer stations with grass to provide a better habitat for plants and animals and is also a leader in ecological corridor management. An interview with Westnetz's → [Michael Wahl](#) provides more information. In addition, many E.ON DSOs have tree-planting initiatives.

[→ 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 SE 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 since 2018, 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 2020 the initiative made more progress toward this objective: its members put a total of more than 80,000 EVs on the street and installed nearly 10,000 charging stations. In support of EV100, E.ON's offices and facilities have about 2,280 charging points for employees, guests, and customers; 1,350 of the charging points were added in 2020. 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 2020 we added 273 EVs to our company fleets, giving us a total of more than 1,300 EVs company-wide, with over 1,000 of them 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 2020

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

Activities for staycationers

The Covid-19 pandemic impelled many families to spend their 2020 summer vacation at home. Lechwerke (LEW), an E.ON energy provider and grid operator in south-central Germany, responded by organising a series of nature walks on topics such as bats, wild herbs, and river ecosystems. The activities, which were suitable for children and adults of all ages, were designed to reinforce awareness of nature conservancy and climate protection. Social distancing rules were observed at all times.

Less paper, more trees

E.ON's mission is to partner with customers to make tomorrow better. One small way we do this is by encouraging customers across our markets to switch to electronic billing, which conserves paper. In 2020 E.ON Romania gave its customers extra encouragement: for each customer that opted for paperless billing in September and October, we planted a tree in a forest in Mureş and Suceava counties in north-central Romania. Trees provide oxygen, sequester carbon, and create habitats for animals and other plants. As a result of the campaign, we planted 18,000 trees covering a total area of about 3.5 hectares.

Air bee and bee

Pollination can be essential for food production. Without pollinating insects, there would be no apples, oranges, tomatoes, strawberries, or vegetable oil. The declining population of wild bees and other pollinators is therefore a global concern. E.ON Energidistribution, an E.ON DSO in Sweden, decided to do its part to protect wild bee populations. In consultation with county administrative boards, it 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 at several substations to provide nesting places for solitary wild bees, bumblebees, and other pollinating insects. Also, nectar- and pollen-rich flowers were planted on the grounds of substations in areas with less abundant food sources for the insects. In 2021 E.ON Energidistribution will continue to partner with public authorities and other stakeholders to help protect pollinators and, ideally, increase their numbers. Similarly, Hansewerk, an E.ON DSO in northern Germany, has an

ongoing programme to transform grassy landscapes around its facilities into wildflower meadows to support wild bees. In 2020, it created 2.1 hectares of such meadows.

Environmental Network

In the fourth quarter of 2020 around 35 employees from 11 E.ON companies in Germany formed the E.ON Environmental Network (EEN), a forum for sharing information on operational environmental issues, environmental management, sustainability as well as related legislation, standards, and benchmarks. In addition, employees at E.ON companies in six other countries took steps to form a European Environmental Network with the same objectives. In the years ahead, we intend to increase the number of such networks. The EEN brings together experts from our network and customer solutions businesses. The innogy integration has enriched our knowledge base on environmental management and broadened our perspectives. The EEN works closely with the HSE and Sustainability teams and meets on a quarterly basis, if necessary using virtual presence technology, as was the case in 2020.

Green power for U.K. businesses too

As part of our commitment to a sustainable and renewable future, in 2019 E.ON UK began supplying all 3.3 million of its residential customers with 100 per cent certified renewable electricity at no extra cost. In 2020 we extended this offer to eligible small businesses. They can now also get renewables-backed electricity when they renew their contract with us. Sustainable energy for everyone, at no extra cost: this was likely one of the reasons why the 2020 Uswitch Energy Awards said E.ON UK provided the "Best green services" and "Best value for money" among larger suppliers.

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

E.ON consumed 240 million GJ of energy in 2020, 12 million GJ more than in 2019 (which didn't include innogy). The increase reflects the innogy integration. To reduce the electricity consumed by our buildings, in 2018 we set the target of making them all carbon-neutral by 2030 (see "Goals and performance review").

Environmental incidents

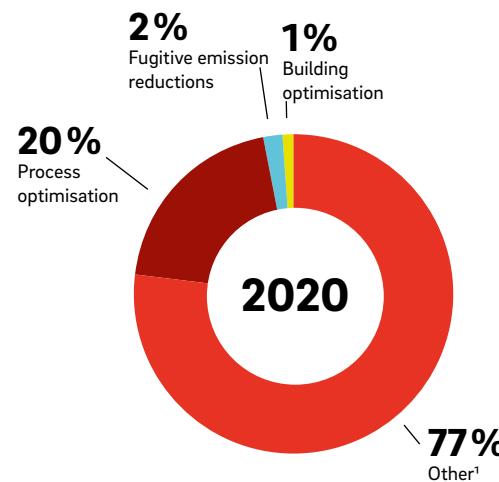
E.ON had two serious incidents in 2020. One took place at Händelöverket, a combined-heat-and-power (CHP) plant in Norrköping, Sweden. In September a pile of wood chips used as biomass fuel for the plant caught fire. The plant's crew and the fire department quickly extinguished the fire. No one was hurt, and the plant was able to continue operating safely because the fire was at

no time close to the building in which it is housed. We conducted a root-cause analysis to prevent similar incidents from occurring in the future. The other incident happened at our asset management station in Örebrö, Sweden. In February fuel from a storage tank leaked inside the work area. Samples were taken from water located in the immediate vicinity to check its pH level. The pH level was found to have surpassed the allowable threshold. In line with the best practice to resolve such situations, citric acid was added to the water to decrease its pH level.

Savings delivered by emission-reduction projects

We regularly carry out projects to reduce our own carbon emissions. In 2020 these projects delivered over 24,625 metric tonnes of CO₂e savings. This primarily reflects the innogy integration, which led to an additional number of projects. Also, our regional units purchased more green power.

Carbon emission reductions achieved through targeted projects



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

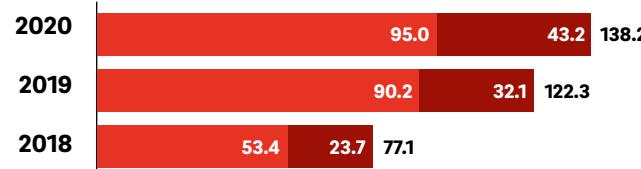
Avoiding and recycling waste

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)

■ Recovered ■ Disposed

E.ON's total non-hazardous waste decreased from 454.3 metric kilotonnes in 2019 to 373.8 metric kilotonnes in 2020. This can be attributed to our UK business, which had a decrease in activities. E.ON recovered 83.3 per cent of its non-hazardous waste.

Hazardous waste (metric kilotonnes)

■ Recovered ■ Disposed

We produced 138.2 metric kilotonnes of hazardous waste in 2020, around 16 metric kilotonnes more than in 2019. We recovered 68.7 per cent of it. The increase can be partly attributed to ashes and slag from our new facility in Högbytorp outside Stockholm, which was only partly operational in 2019.

Other atmospheric emissions¹

Metric tonnes	2020 ²	2019
NOx emissions	1,682	1,198
SO ₂ emissions	850	985
Dust emissions	133	134

¹For generation assets over 20 MW.

²Includes innogy from 2020 onwards.

Fossil-fuelled power plants emit nitric oxide (NOx), 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 NOx, SO₂, and dust emissions are mostly attributable to small-scale gas-fired CHP plants and larger plants for district heat networks. NOx emissions rose due to the integration of innogy, but this had no impact on the SO₂ and dust emissions.

Responsible water management

Water is a vital resource and one that's becoming scarcer in some 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, after spinning off its large-scale fossil-fuelled power generation business in 2016, E.ON no longer uses 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 risks in the European countries in which E.ON is active are low to intermediate and, according to trend scenarios, are predicted to remain so. Third, due to the profile and locations of our suppliers, our supply chain does not, from today's perspective, pose any discernible water risks.

The integration of innogy and its affiliates has brought new operations into the E.ON Group. In 2020 we began to assess these operations' environmental impact, including their water use. The findings of this assessment, along with the data collected for our 2020 reporting, may affect the materiality of water use for E.ON's future environmental management and reporting.

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. It 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	2020	2019	2018
Fresh water withdrawal	2,186.4	2,106.8	2,316.0
Fresh water discharge	2,140.0	2,059.6	2,278.3
Fresh water consumption	46.4	47.3	37.7

PEL withdrew 2,186.4 million cubic meters of fresh water in 2020, 79.6 million cubic meters more than in 2019. PEL uses fresh water, almost all of which comes from rivers, mainly as cooling water. The need for cooling water depends on power output. Because output was higher in 2020 than in 2019, so was water consumption. 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 one percent 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.

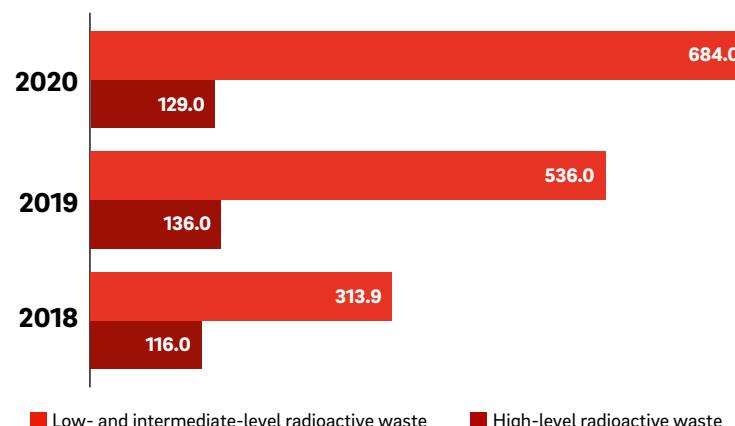
NPP operators package LLW and ILW safely and according to approved standards. After regulatory certification, packaged LLW and ILW becomes the responsibility of the German federal government. Konrad repository for LLW and ILW is currently being built by BGE, the German Federal Company for Radioactive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



For 2020 PEL submitted notification for 148.0 metric tonnes more LLW and ILW than for 2019. As expected, the amount of waste increased due to dismantling projects in which dismantled plant components were declared as radioactive waste. HLW declined by 7 metric tonnes year on year because fewer fuel assemblies were finally discharged.



Care for people and communities

Social

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Occupational
health and safety

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Diversity and
inclusion

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Working conditions and
employee development

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Data protection
and product safety

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Business resilience
management

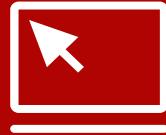
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Closeup on:
Covid-19

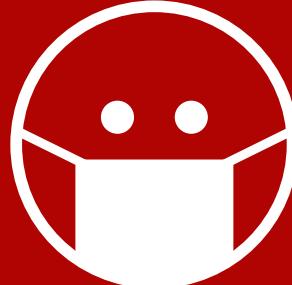
Social

2020 Highlights

We engage with our customers, our employees, and a range of other stakeholders. To achieve lasting success, we need to foster a work environment in which our employees are safe, feel good, and can deliver their best performance.



We held **digital events** throughout 2020 to increase employees' health knowledge and promote their well-being. The events included workshops on a healthy diet, workout videos, and resilience training to help employees deal with stress.



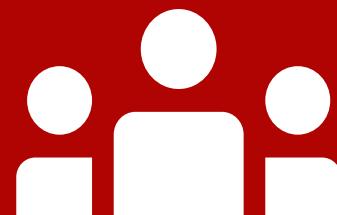
During critical phases of the Covid-19 pandemic, a **daily status report** for all employees was posted on the company intranet. It provided an overview of infection rates at the national, state, and local level, the latest government-imposed restrictions, and the situation within E.ON regarding infection and quarantine rates.



In 2020 E.ON conducted **Be The Human Firewall**, a campaign that highlighted our employees' crucial role in cyber defence. Employees could download an app that conveyed information on cybersecurity in an entertaining way.



We conducted a company-wide **communications campaign** in 2020 to coincide with International Day of Tolerance (16 November). It consisted of video testimonials and interviews with employees highlighting LGBT+, gender, age, disability, and other facets of diversity at E.ON.



We developed and adopted a **new Group People Strategy** in 2020. It sets four People Priorities for the entire group: Future of Work, Diversity & Inclusion, Sustainability, and Leadership.

Fostering a caring culture

Our vision for health and safety (H&S) 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, while 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 our employees and contractors who work on our power grids, gas pipelines, and other industrial facilities or install rooftop solar panels. Caring also encompasses empowering our employees to live healthy, well-balanced lives and actively promoting their overall sense of well-being. In 2020, amid the Covid-19 pandemic, all three aspects—safety, health, and well-being—took on even greater significance. The pandemic posed challenges but also created opportunities for us to bring our caring culture to life. For example, to safeguard our employees' health we made masks compulsory in our offices and facilities well before such policies applied to public places. We also swiftly established rules to provide extra protection to employees in at-risk groups.



GRI 403:
Occupational
health and safety

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](#) , →[GRI 102-11](#) ]

Our approach

Our approach to H&S 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 H&S 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 H&S management system that meets international standards. To ensure ongoing compliance, these systems are audited on an annual basis by our own auditing departments and by independent auditors. 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 H&S 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 H&S experts conduct inspections on a regular basis to identify hazards and risks and to define controls. E.ON and contractor employees attend joint H&S induction meetings, talks, and briefings. In some cases, we provide contractor employees with H&S 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 target-group-specific 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 information leaflets, presentations, training sessions, and a variety of digital formats. Our use of the latter increased significantly in 2020 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 free flu vaccination or colorectal and skin cancer screening), consult company doctors, utilise the services of the employee assistance programme, and use company fitness facilities. For certain prevention measures, former innogy units and E.ON collaborated for the first time this year: In 2020, for example, E.ON and innogy employees in Germany could arrange for a colorectal cancer test for them and their partner at a reduced price. To continually improve the effectiveness of our measures, to learn from positive experiences, and not to repeat mistakes, our Health, Safety, and Environment (HSE) organisation shares information, ideas, and best practices across the new E.ON. For example, we have a number of E.ON-innogy and group-wide discussion forums devoted to specific H&S issues. There are also predefined processes for using Connect, our corporate intranet, to share the lessons learned from incidents.
[→[GRI 103-2](#) , →[GRI 102-11](#) ]

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 H&S 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 division 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.

Furthermore, we intend to place even more emphasis on health by reactivating the International Health Experts Team. Sharing knowledge and experiences between countries will, we believe, improve the new E.ON's health policies. Also, this team is intended to serve as a catalyst for improvement and innovation with regard to health issues.

[→[GRI 103-2](#) , →[GRI 102-11](#)]

Guidelines and policies

In 2018 we adopted the E.ON Health, Safety, Environment & Climate Protection Policy Statement, which supersedes our Health, Safety and Environment Policy Statement from 2013. The statement now encompasses climate protection and treats energy management (efficiency) as an aspect of this. It also articulates our zero-tolerance approach to accidents and work-related diseases: we're committed to ensuring the safety of our employees, customers, and contractors in all work processes at all times and to continually improving these processes as well as our work environment and workplace design. We aspire to be an employer of choice for health management and to foster a work environment that protects and promotes our employees' physical and mental well-being.

Our Sustainability & HSE Function Policy defines HSE roles, responsibilities, management approaches, 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 to have in place an occupational H&S management system certified to ISO 45001, an internationally recognised standard for such systems (ISO 45001 replaced OHSAS 18001). Under this standard, contractors who work for us are indirectly covered by our management systems. In 2020 the coverage rate was 87 per cent. 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 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 2019 to enhance consistency across the group.

A revised group standard on HSE management expectations took effect in 2019. It defines five risk-management aspects 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 as well as identification, evaluation, control, and monitoring. It also contains many examples of our subsidiaries' risk-management processes. One of these is the Independent Review of Integrity and Safety (IRIS) tool, which E.ON UK uses to identify potential risks in new customer solutions.

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, we've adopted procurement policies and standards that require our suppliers to pledge to meet minimum standards for HSE.

In 2020 we developed and adopted a standard for HSE risk management. It defines the minimum requirements for identifying, analysing, evaluating, addressing, 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 will take effect on 1 January 2021.

[→[GRI 103-2](#) , →[GRI 102-11](#)]

Specific actions

Corporate Functions oversees strategic H&S 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 H&S training and other 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. All E.ON units use PRISMA. In 2020 we took steps for all former innogy units to use PRISMA from 2021 onward. 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 division 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 all levels of management including the E.ON Management Board to look after themselves and their colleagues. They therefore need fear no retribution for suspending potentially unsafe work or reporting an incident via PRISMA.

Safety walks give senior managers the opportunity to see our workplaces up close and to talk directly with employees, deepening their understanding of H&S risks and issues. 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 H&S. We added new features to the app in 2020 and made it available to innogy managers.

Alongside familiarising our employees with H&S rules and regulations, some of which are highly technical, we actively motivate them to embrace safe work practices and involve them directly in the process. One example is Connect, our corporate social media platform, on which the HSE team has its own channel to communicate with employees across the company. Furthermore, employees are encouraged to post their feedback and suggestions, creating an ongoing dialogue. The purpose is to spur them to rethink their actions, preferences, and expectations regarding H&S and to stimulate independent thinking and action in our organisation. In addition, their feedback provides our HSE departments with new insights into employees' mindset.

In addition, we thoroughly train our lead investigators to examine fatal and other severe incidents. Training includes methodologies for comprehensive investigations of root causes (barrier-based systematic analysis) 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 refined our processes and the toolbox for conducting sound root-cause analyses. The processes and the tool box will also be adopted in a corporate standard in 2021.

We offer free safe-driving training to employees at almost all units in all countries. The purpose is to reduce accidents and ensure that our employees drive safely on the job and off. Traffic accidents that occur while an employee is working for the company are subject to the same procedures for reporting, analysis, and information sharing as any workplace incident. The number of at-work traffic accidents in 2020 was 70 percent lower than in 2019. The improvement may reflect, among other factors, such as a decrease in at-work traffic due to Covid-19, a positive effect from the employee-awareness training agreed on by the top 100 in 2019.

Employees who have questions or concerns about their physical or mental health can contact our employee assistance programme (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 2020 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.

The Covid-19 pandemic was a source of uncertainty for employees. The HSE division 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 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 !\[\]\(eb5d9e0737fbe725ec1d928d9e93588b_img.jpg\)](#) [\[→GRI 102-11 !\[\]\(a2c93e9c8c9622471b2d2b9d610d820a_img.jpg\)](#)]

Goals and performance review

Our units develop their own H&S improvement plans, which set H&S targets for one or more years. Many units set annual targets for combined TRIF. But our main focus is on targets that help us to reach our goal of zero accidents. In addition, in 2018 the E.ON Management Board defined a set of four personal H&S targets for the top 100 leaders who report directly to them. The programme was continued in 2019 and again in 2020, when innogy's top executives joined it. Its purpose is to further embed our caring culture ambition and bring it to life. In 2020 top executives again participated in H&S upskilling workshops and a company-wide zero level measurement to assess E.ON's H&S cultural maturity. Those actions reinforced our top 100 executives' awareness of their personal targets and led to an increase in their activities related to them. We believe that having our top 100 executives initiate the transformation of our H&S culture has been effective. For example, the rate of severe incidents declined by almost 50 per cent compared with 2019.

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 2020 show that our HSE management systems are largely effective. Most of the deficiencies identified were rectified without delay. However, there remains work to do to ensure that all new or revised policies and processes are fully documented and disseminated. This relates in particular to H&S rules at our distribution system operators (DSOs) in Germany. At some E.ON units outside Germany we found isolated safety deficiencies that could put employees, contractors, and members of the public at risk. The deficiencies were prioritised and gradually rectified. The audits found that there was a general need to continually reinforce employees' and contractors' awareness of their responsibility to look after themselves and each other and to speak up immediately if they perceive a potential safety risk. On balance, we've seen a steady improvement in recent years. We view audits – and the findings and recommendations they yield – as opportunities to foster continuous improvement.

We believe that a strong HSE culture will make E.ON more successful. In 2020 we began developing a new HSE strategy that shows our aim to position E.ON as one of the leading HSE companies. Also, HSE has always been a top priority for the E.ON Management Board. In 2020 the Management Board and the HSE Council therefore decided to set personal H&S targets for the top 100 managers and to endorse E.ON's HSE strategy ("Roadmap 2021-23"), which contains underlying targets for its operating units, including H&S. 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 will take effect on 1 January 2021. They make it even more explicit that E.ON's HSE performance is integral to its long-term success.

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. For many of our health programmes, we calculate the return on investment by comparing their cost with the absences they prevent. 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 , → GRI 102-11]

Progress and measures in 2020

In 2020 E.ON UK took part in the Mind Workplace Well-being Index, which assesses whether there are gaps between an organisation's approach to creating a mentally healthy workplace and staff's perception of it. About 2,000 employees completed the survey. Mind's assessment report awarded E.ON UK the Gold standard for the second time (the first was in 2019). This is Mind's highest rating of workplace well-being.

Digital health campaign

We held digital events throughout 2020 to support employees' well-being and to increase their health knowledge even while many were working remotely owing to the pandemic. The events included workshops on a healthy diet, workout videos to promote health and fitness at home, and resilience training to deal with stress. Many events were available in both German and English.

Well-being Warrior Programme

As part of E.ON UK's participation in the Mind Workplace Well-being Index, in January more than 70 of its employees volunteered to serve as Well-being Warriors in its offices and in the field. They spread the messages of well-being across the organisation in person as well as virtually in light of the pandemic. They also served as signposts to colleagues in need of support. Over 700 hours of Well-being Warrior activities were carried out in the first six months of the year. The programme will continue in 2021.

Pulse Check

Our most important goal is to create a work environment that ensures the health and safety of everyone who works with and for us. In 2020 the Pulse Check, our annual employee survey, therefore included a series of questions on our caring culture. We asked the employees for their thoughts on where we could still improve our safety culture as well as our support for employees' health and well-being in general. We will draw on the answers to these questions to design additional H&S initiatives to be conducted in 2021.

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 topic 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. The programme's achievements in 2020 included the development and adoption of a group-wide standard on HSE risk management, which comes into force on 1 January 2021. Also, we're working on a group-wide standard for contractor management. Supported by outside experts, the Group HSE team developed a methodology for spot checks, an HSE format to analyse a unit's HSE performance. It focuses on coaching and collaboration rather than finicky inspection. The first step is for a unit to fill out a questionnaire, which it then discusses with Group HSE in a virtual presence meeting before Group HSE representatives visit the unit's facilities. Development will continue in 2021 and incorporate peer reviews and a self-assessment tool.



96.3 per cent

Our employees' health rate in 2020. It reflects the number of days actually worked in relation to agreed-on work time. The 2020 figure was again high (2019: 96.0 per cent).

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

	2020
Energy Networks	3.1
Customer Solutions	1.7
Corporate Functions/Other	1.7
Core business	2.4
Non-Core-Business	1.0
E.ON Group 	2.4

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 2.4 in 2020 was similar to the 2019 figure (2.5). Contractor TRIF decreased from 2.5 in 2019 to 2.3 in 2020. Combined TRIF declined from 2.5 to 2.3, which we view as reaffirmation of the measures we are taking to prevent serious accidents. Comparability with the prior year is limited, since innogy was included for only part of 2019. 

Fatal accidents at work

Regrettably, three contractors and two E.ON employees died in workplace accidents in 2020. Two of the contractor employees and one of the E.ON employees received a fatal electric shock. The third contractor employee sustained fatal injuries while unloading a truck, the other E.ON employee from 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. E.ON has seen the organisation's awareness of occupational safety steadily increase for several years while its accident rates have declined. 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. For example, in mid-2020 E.ON subsidiary Westnetz launched a large-scale occupational safety programme. The program is supported by one of the world's most recognized consulting firms for safety and operational risk management. The programme's task force established several work streams and initiated in-house and outside analyses to shed light both cultural as well as technical/process-related issues. 

Employee LTIF¹



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

Lost-time injury frequency (LTIF) measures work-related accidents resulting in lost working hours. Employee LTIF of 1.5 improved (2019:1.9), whereas contractor LTIF of 1.7 was at the prior-year level (2019: 1.7).

Serious incidents and fatalities (SIF) measures accidents and incidents that have caused serious or fatal injuries and that surpass a predefined severity threshold. Combined SIF was 0.12 in 2020 (0.20 in 2019), a year-on-year decline of about 18 per cent.

Employee NMFR¹



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

The near-miss frequency rate (NMFR) records unplanned events that had the potential to cause damage but did not. 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 19.0 in 2020.

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 H&S processes and procedures.

In early 2020 PEL instituted a variety of measures to safeguard its employees and its contractors from infection with Covid-19. It continually 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 and were likely in part responsible for the very low infection rate among PEL employees and contractors.

Fostering an organisation that embraces – and benefits from – difference

Society is diverse. So is our workforce. It's made up of people of different nationalities, genders, generations, ethnicities, cultures, religions, sexual orientations and identities, and 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

In 2020 we made diversity one of the focus dimensions of our new sustainability strategy. 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. The new E.ON now also continues the former innogy's membership in the German Diversity Charter. In 2020 we participated in initiatives organised by the Diversity Charter, such as those in conjunction with International Women's Day and German Diversity Day, and observed these days across our organisation.

[→ 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 local challenges and develop country-specific programmes. Diversity is managed by Group HR/Executive HR together with a network of HR professionals that meets, both in person and using virtual presence technology, 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 continuing innogy's membership in 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 young women. IWIL works with mentors and mentees in Germany and other countries. innogy was one of IWIL's first members.

E.ON and innogy's women's networks merged in 2019 to form a company-wide network called women@E.ON. With about 300 active members in 11 countries, the network aims to empower women to help to shape the new E.ON and be an important part of its success, to increase the visibility of women, and to promote networking.

In addition, 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 focusing on empowering and accelerating women in business, and the European Round Table (ERT), which brings together CEOs and other top executives from around 55 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 Diversity Challenge of the German Diversity Charter, an initiative for young employees to promote diversity in their workplace. innogy participated for the first time in 2018.

In 2020 the CEO Awards for Diversity and Inclusion were conferred for the second time. The awards pay tribute to individuals and activities across E.ON that are making a real difference in the areas of diversity and inclusion. Employees were nominated in the following three categories: diversity champion, diversity initiatives, and best network group. They were judged by a panel including CEO Johannes Teyssen, the Senior Vice President HR/Executive HR, and members of the SE Works Council. The winners included the chair and co-founder of the → E.ON UK's parents network (who was recognised for her exemplary support for parents among E.ON employees in the United Kingdom) the employees of innogy metering and Westnetz metering for their initiative DIVERSITY@INNOGY METERING, and the aforementioned

Women@E.ON network for its long-standing commitment to empowering female colleagues.

[→[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 2020, the proportion of women in first and second levels of management below the Management Board was 35 per cent and 27 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. Beyond compliance with statutory requirements, in 2017 E.ON voluntarily set a company-wide target for increasing the proportion of women across management positions in all countries and business units. The aim is for this proportion to reflect the overall proportion of women in the workforce (32 per cent). Group HR monitors progress toward these targets twice a year and reports it 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 women managers¹



 E.ON in Germany  E.ON Group

¹Includes 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. However, we do monitor pay by gender among our top 100 leaders. This showed that in 2020 women in the top 100 earned no less than men. In 2020 we again reported our gender pay gap in the United Kingdom, as required by law.

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 2020

In 2020 we started initiatives to learn how we can make E.ON an even more open and inclusive employer and to embrace E.ON's existing diversity.

Executive survey on gender diversity

In 2020 E.ON conducted a group-wide quantitative survey of female executives. The purpose was to gain deeper insights into the status quo of, and possible levers for, gender diversity at E.ON. A workshop on gender diversity involving the E.ON Management Board, other executives, and employees from different hierarchical levels and business units was held at the end of November 2020. The next step will be to use the feedback from the survey and workshop to identify action areas and to design and implement measures to address them. We expect implementation to begin in the first half of 2021.

Proportion of female employees by segment¹

Percentages	2020	2019	2018
Energy Networks	22	22 ²	21
Customer Solutions	44	44	43
Corporate Functions/Other	49	49 ²	49
Core businesses	33	33	34³
Non-Core Business	14	13	13
E.ON Group	32	33	32

¹Includes board members, managing directors, and apprentices.

²Prior-year figures have been adjusted.

³Figure includes 19.7 per cent female workforce of Renewables segment in 2018.

At year-end 2020, women accounted for 32 per cent of our workforce, one percentage point less than in the prior year.

Week for Tolerance

We conducted Week for Tolerance, an international communications campaign on Connect, E.ON's corporate intranet, and on E.ON's social media channels. It coincided with International Day of Tolerance, commemorated on 16 November. Input was provided from Group Diversity and Group Communications and consisted of video testimonials and interviews of employees highlighting LGBT+, gender, age, disability, and other facets of diversity at E.ON.

Proportion of severely disabled employees in Germany¹

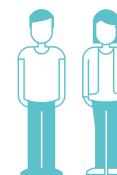
Percentages	2020	2019	2018
Energy Networks	5.4	5.5 ²	5.9
Customer Solutions	4.0	3.8 ²	3.7
Corporate Functions/Other	5.6	4.9 ²	3.2
Core businesses	5.2	5.1	5.0³
Non-Core Business	8.6	8.2	7.6
E.ON Group	5.4	5.3	5.3

¹Excludes board members and managing directors.

²Prior-year figures have been adjusted.

³Figure includes 1.2 per cent disabled employees from Renewables segment in 2018.

At the end of 2020, 2,016 people with severe disabilities or the equivalent were employed at E.ON companies in Germany (2019: 2,027).



115

The number of nationalities our workforce in 2020 (2019: 115).

Better together

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." 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. Doing this amid a continually evolving business environment, rapid techno-logical change, the Covid-19 pandemic, and the innogy integration poses challenges for our HR management. [→[GRI 103-1](#) ]



GRI 401:
Employment



GRI 404:
Training and
Education



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. In 2020 we developed and adopted a new GPS called GPS@E.ON. It sets four People Priorities for the entire group: 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 will be brought to life by group-wide and unit-level people activities, especially by means of existing strategic initiatives. This process will be flexible and modular to reflect differences between business units.

Our group-wide competency model, Grow@E.ON, for example, continues to be a core part of the GPS and is a key enabler of professional development. Grow@E.ON is integrated into all our HR and people processes. It helps to ensure that we recruit, retain, place in the right roles, and develop the people who will continue to propel E.ON's success. We offer a range of career paths. This ensures that we're an attractive employer to people who wish to pursue a specialist or a generalist career. Grow@E.ON was updated in 2020 to reflect E.ON and innogy's integration process, the updated E.ON Story, HSE topics, and our digital transformation. As part of the integration process, all new 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 and the integration process. The new E.ON will inevitably develop its own culture. We intend to actively shape this process instead of simply letting it happen. The foundation has already been laid. The shared corporate culture is based on five new corporate values that guide employees' actions as well as their interactions with each other, customers, and business partners. More than 250 employees representing all E.ON and innogy businesses and all countries where they operate were involved in defining the values: putting our customer first, better together, delivering on our promises, exploring new paths, and behaving mindfully.

[→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. Each unit has its own mechanisms to identify and develop talent and to conduct succession planning. It is a management responsibility to ensure that all new employees receive a company orientation as well as training on important topics like health and safety. For this purpose, the units may use standardised E.ON eLearning modules. Each unit decides which of these and other virtual learning tools as well as courses and training programmes to offer in its training catalogue.

[→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, Grow@E.ON, the employee value proposition (EVP), group diversity targets, global learning content, the expat policy, the pension framework, and global HR IT governance.

The E.ON People Commitments, developed by HR in consultation with the European Works Council and approved by the E.ON Management Board in late 2017, 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. The average length of a foreign deployment is between two and three years.

[→GRI 103-2]

Specific actions

We take action in a variety of areas to make working at E.ON attractive. Flexible work arrangements have been part of our corporate culture for many years. In 2020 the →Covid-19 pandemic underscored the value of these arrangements, which were part of why we were able to respond swiftly and maintain business continuity. 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. Our 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, talent development, and leadership training. 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.

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. The former innogy employees have participated in the surveys since 2018. These surveys, which we call Pulse Checks, include questions about wider corporate matters – such as the E.ON Story, our values, our brand, and the degree to which our employees understand them – as well as current issues, such as, in 2020, the Covid-19 pandemic. Employees' feedback on our handling of the pandemic was very positive. Our most important goal is to create a work environment that ensures the health and safety of everyone who works with and for us. The 2020 survey therefore included a series of questions on our caring culture. We asked the employees for their thoughts on where we could still improve our safety culture as well as our support for employees' health and well-being in general. We will draw on the answers to these questions to design additional H&S initiatives to be conducted in 2021. Employee Net Promoter Score (eNPS) has been an important aspect of these surveys since 2017. It measures employees' willingness to recommend E.ON as an employer. Since then, eNPS has improved from -4 to +25. We analyse survey feedback carefully to identify areas where we may need to improve. More than 28,000 colleagues took part in the 2020 survey and submitted more than 22,000 comments on E.ON and the current situation. The participation rate improved by 2 percentage points year on year to 44 per cent. The findings for the E.ON Group as a whole are published on Connect, our corporate intranet. 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 offer feedback, including during live online chats with a member of the E.ON Management Board that are held multiple times each year.

Our mechanism for recruiting executives applies across E.ON and 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. A biweekly placement conference is held for this purpose at which HR representatives from around the company gather, in person or, more often, virtually, to discuss potential candidates for open positions directly below the top executive level. In addition, we conduct an annual management review and regularly exchange views on talented employees and their development needs at job-family-specific talent board meetings, which we introduced in 2020. These forums help us to ensure the ongoing professional development of talented employees and executives and create 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, which 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) recruit highly qualified university graduates for an 18-24-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 EGPs in Sweden, the Czech Republic, Hungary, and Romania. Due to the restructuring of the U.K. business, the EGP is on hold in the United Kingdom until 2021. In Germany we offer a job starter and a work-study programme.

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. Each unit is responsible for ensuring compliance with our company-wide rules regarding feedback.

[→ 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 the four People Priorities in our GPS@E.ON.

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 placement conferences have a shared platform to systematically track how many women participated in the application process and who ultimately got the job. The platform also allows us to monitor whether selected candidates are from our development pool and reflect our →diversity target. In addition, the aforementioned talent boards focus not only on talent identification and succession but also, in recent years, on diversity issues, such as 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. The talent boards will enable us to evaluate the effectiveness of our talent management once enough data have been collected.

[→GRI 103-2/3]

Progress and measures in 2020

In 2020 we continued taking steps to remain, and to be perceived as, an attractive employer for current employees and for talented people whom we would like 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. After a successful pilot phase in 2020, Talentry will be available at seven of our units in Germany from the beginning of 2021 onward and will be expanded to other countries during the year.

Developing employer brand campaign for digital and tech

To attract increasingly hard-to-find digital and tech talent, we decided to develop 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 the year we contacted digital stakeholders to find flagship projects and role models for the campaign's creative phase. We expect to launch the campaign in the first quarter of 2021.

Digital capability upskilling

In consultation with employee representatives, in 2020 we launched a 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 leader employee development activities. As of year-end 2020, it had 18 sub-projects (global and local) covering issues such as digital skills, digital mindset, new ways of working, and specialist knowledge.

Managing our employees' pension assets responsibly

Sustainability guides the management of our pension assets as well. This happens explicitly (for example, by drawing on the Norwegian State Pension Fund's research and certain embargo lists to avoid some investments) and implicitly (by selecting asset managers that properly take ESG factors into

account in their investment decision process). In addition, we're currently adjusting and harmonising our investment approach in line with the latest corporate and market ESG developments.

Employees by segment¹

<i>Headcount</i>	2020	2019	2018
Energy Networks	40,764	38,814 ²	17,896
Customer Solutions	31,463	33,038 ²	19,692
Corporate Functions/Other	4,029	5,218 ²	2,447
Core businesses	76,256	77,070	41,409³
Non-Core Business	1,870	1,878	1,893
E.ON Group	78,126	78,948	43,302

¹Headcount, excluding board members, managing directors, and apprentices.

²Prior-year figures have been adjusted.

³Figure includes 1,374 employees of the former Renewables segment.

New employee hires and turnover rate [→GRI 401-1]

We hired 6,962 new employees in the reporting period. Our voluntary turnover rate in 2020 was 3.5 per cent, including board members, managing directors, and apprentices (2019: 4.6).

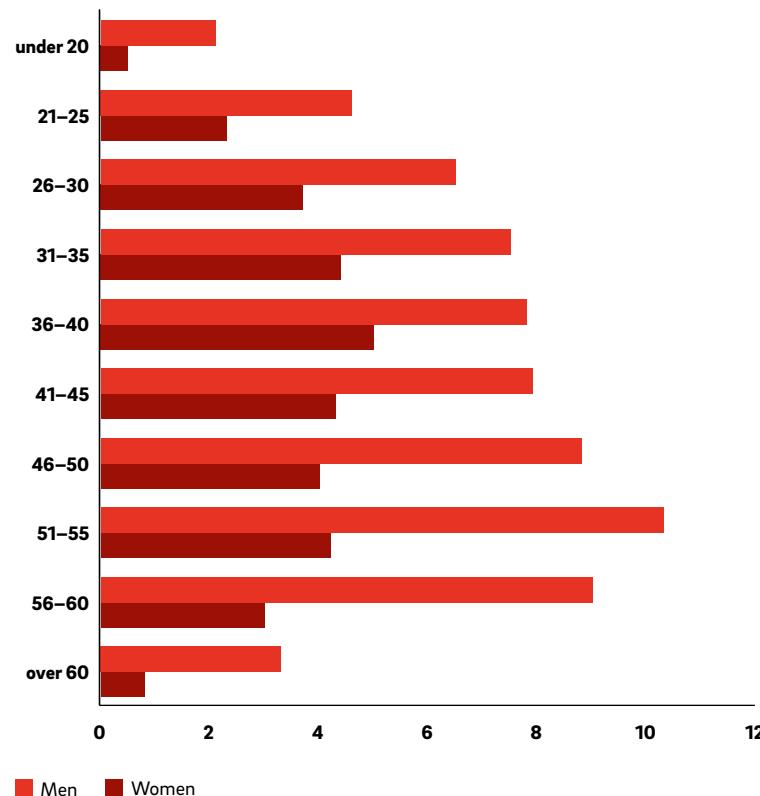
Apprentices in Germany

	<i>Headcount</i>			<i>Percentages</i>		
	2020	2019	2018	2020	2019	2018
Energy Networks	2,098	2,149 ¹	818	7.6	8.0	8.4
Customer Solutions	59	61 ¹	24	0.8	0.8 ¹	0.9
Corporate Functions/Other	199	206 ¹	14	5.4	4.4 ¹	0.7
Core businesses	2,356	2,416	856	6.2	6.2	5.8
Non-Core Business	39	40	43	2.0	2.1	2.2
E.ON Group	2,395	2,456	899	6.0	6.0	5.4

¹Prior-year figures have been adjusted.

At the end of the year, we had a total of 2,395 apprentices and work-study students in Germany. This corresponds to an apprenticeship ratio of 6 per cent. Of apprentices who completed their training in 2020, 575 of 661 were given a permanent or temporary employment contract, which is a very high hiring rate of 87 per cent (2019: 240 of 262, or 92 per cent). This is one of the ways we're addressing the shortage of skilled workers.

Workforce age distribution in 2020¹



¹Includes board members, managing directors, and apprentices.

At year-end 2020, 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 2020 around 20 per cent of our employees were under the age of 31, 50 per cent between 31 and 50, and around 30 per cent older than 50.

GRI 418:
Customer
privacy 2016

Comprehensive cybersecurity and product safety

We process the personal data of customers, employees, business partners, suppliers as well as other individuals. In addition to protecting personal data, we conduct robust cybersecurity at our energy networks and customer solutions businesses in order 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, such as 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' data very seriously. "Personal data" means any information relating to an identified or identifiable natural person. The EU General Data Protection Regulation (GDPR), which took effect in 2018, and the data protection laws in different countries provide individuals with rights to control and protect the use of their personal data. In 2020 the former innogy's data protection organisation was integrated into E.ON's organisation. In the course of the innogy integration, we revised our Data Protection Management System (DPMS), related group directives, policies, guidelines, and templates. We disseminated these documents in newsletters and Connect, our corporate intranet. The 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 2020 internal audits were conducted of

several E.ON units regarding the status of their data protection management. These audits also confirmed that our approach to data protection is largely compliant with GDPR requirements. In addition, we studied major data breach cases 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 2020 we continued to take all steps necessary to comply with the GDPR with regard to our business partners, stakeholders, customers, and other relevant parties, including those affected by the innogy transaction. These steps included revising data protection contracts and other documents, informing all relevant parties (thereby enabling them to exercise their rights to delete, rectify, and transfer data), and reviewing 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 2021.

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. The ISMS is certified for those parts of the organisation where this is mandatory. 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. We have a 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. In addition, we analysed major data breach cases that became public and, where necessary, used the lessons learned from them to further improve our own data protection and IT security and to harden our IT infrastructure.

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 Cybersecurity 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, such as 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.

In 2020 the Information Security division was renamed Cybersecurity and was reassigned to the CEO's area of responsibility. Cybersecurity 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 cybersecurity organisation across E.ON. Our Chief Information Security Officer (CISO) reports directly to the CEO and works closely with the IT function's Chief Digital Technology Officer. 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, Cybersecurity) 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.

In 2020 the E.ON Information Security Standards, which were introduced in 2018, became the cybersecurity rules for the entire new E.ON. To facilitate certification, the standards reflect ISO 2700x requirements. Our People Guideline summarises the main cybersecurity rules that are relevant for all employees. This guideline was made available to employees of the former innogy from October 2020 onward. Using the ISO 2700x framework will make it easier for employees to design or operate new IT or operational technology solutions with the level of cybersecurity we want.

[→GRI 103-2, →GRI 102-11]

Specific actions

Our employees receive training in data protection every two to three years. New employees typically receive such 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 2020, more than 88 per cent of our employees had completed it.

We use eLearning, phishing simulations, and in-house workshops such as live hacking demonstrations to familiarise our employees with cybersecurity risks, their obligation to keep confidential company information secure, and the proper way to handle such information. In 2020 the phishing awareness campaign involved simulated phishing emails being sent to employees on several days during the year. Furthermore, we enhanced our penetration-testing capacity in order to make our applications and services more robust 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 E-Mobility 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.

Whenever we are the product manufacturer or deemed to be such, we are legally obliged to comply with a number of requirements. These include the installation of a system ensuring the traceability of these products and a concept for corrective measures. In case 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. Our successful performance of these tasks in 2020 was confirmed by a law firm; we intend to repeat such outside reviews in the years ahead. Similarly, the reviews conducted by our internal audit team in 2020 again found no significant shortcomings with the DPMS. In addition, all open procedures with data protection authorities were closed without any sanctions being imposed 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 Cybersecurity and Data Protection Council.

We assess the maturity of our ISMS domains regularly and report the assessment to E.ON's Cybersecurity and Data Protection Council on a quarterly basis. 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, →GRI 102-11 

Progress and measures in 2020

Human Firewall campaign

In 2020 E.ON conducted Be The Human Firewall, a campaign highlighting our employees' crucial role in our cyber defence system. Employees could download the Human Firewall app that conveyed information on cybersecurity in a playful way in order to increase employees' awareness and knowledge. Human Firewall media contained QR codes that employees could scan to take part in quizzes and potentially win a prize.

Cybersecurity Month

As innogy did in 2019, in 2020 E.ON for the first time participated in European Cybersecurity Month conducted each October by the European Network and Information Security Agency. Throughout the month, E.ON organised a variety of digital events including live hacking demonstrations, penetration tests, and presentations on the psychology of manipulation, hunting adversaries in big networks, and other topics. The aim was to raise employees' awareness of how to protect themselves against cyberattacks.

E.ON Bug Bounty

We ran the E.ON Bug Bounty campaign in the second half of 2020. Employees were encouraged to report security gaps in applications, servers, and websites and thus to help the Cybersecurity team to combat data misuse and report potential vulnerabilities. Employees received vouchers for an online retailer worth €50 to €100 as a reward. The vouchers' value was doubled during Cybersecurity Month.

Systematic crisis prevention and 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 2020 the Covid-19 pandemic posed serious, unforeseen challenges. In response, we instituted systematic procedures to safeguard our employees and customers.

[→ GRI 103-1, → GRI 103-1 

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.

[→ 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 two 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 

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 102-11 

Goals and performance review

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.

Corporate Business Resilience, supported by the Corporate Audit function, is the second line of defence. Its role is to ensure that all units comply with the minimum requirements of the Business Resilience function policy for crisis management and to make recommendations for improvement.

[→GRI 103-2, →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 2020 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 2020 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 Group Crisis Management, and reports their results. The exercises are required by law and in some cases may be organized on short notice by Germany's nuclear regulatory agency.

Resilience during the pandemic

E.ON's top priorities during the Covid-19 pandemic were to ensure a secure energy supply as well as the health and safety of employees and customers. Our power, gas, and heat networks, which secure the energy supply in large parts of Europe, continued to run stably throughout 2020, even under particularly challenging conditions. We were able to draw on previously prepared pandemic and crisis plans, which we implemented accordingly. This 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 received special equipment to minimise the risk of infection. In many parts of the company, we made arrangements for a large proportion of employees to work from home. This enabled us to ensure the provision of customer service as well.

Many European countries relaxed the restrictions on public life and the economy in the summer of 2020. E.ON too took steps to enable many of its employees to return to their jobs responsibly. However, the number of Covid-19 infections rose across Europe from September to December. This resulted in many cities and regions being classified as high-risk areas, which in such cases led to additional selective restrictions on daily life. Throughout 2020, E.ON continuously analysed the risk situation resulting from the Covid-19 pandemic and, where necessary, fine-tuned its response measures. In addition, we temporarily shortened work schedules in some countries, particularly in the United Kingdom.

Safe workplaces

Business Resilience, HSE, Legal Affairs, and other departments worked together effectively to manage and coordinate E.ON's response to the pandemic. We rapidly put in place comprehensive measures to keep E.ON's workplaces safe. These measures were accompanied by an awareness campaign using a variety of media (intranet posts, posters, stickers). The campaign addressed hygiene and other issues, such as the organisational plans for E.ON offices and facilities regarding social distancing, the restriction of canteen operations, and facility-specific policies. We defined a basic supply of masks, respirators, and disinfectant (including quality checks to detect fakes) to ensure our ability to procure and distribute these materials and devices. We also restricted the maximum capacity of buildings and workspaces to maintain social distancing at all times, procured additional personal protective equipment (including FFP2 and FFP3 masks), mitigated contact risks between employees and customers, and substantially reduced business travel. In addition, we evaluated the effectiveness and feasibility of various measures (such as the reliability of mouth and nose protection, rapid-result antibody/antigen tests, and employee temperature checks). For a majority of E.ON employees, their most frequent workplace was their own home. On average, more than 70 per cent of staff worked from home in 2020. We took a variety of steps to make their home offices as safe, productive, and comfortable as possible. Our employees in Germany, for example, had free access to online advisors who supported them in making their home office more ergonomic. The measures we took – from home office arrangements to protective equipment – helped keep our people healthy: E.ON employees' infection rate was much lower than the respective regional rate.

Communications

Employee communications were particularly important during the pandemic. During critical phases, a daily status report for all employees was posted on the company intranet. It provided an overview of infection rates at the national, state, and local level, the latest government-imposed restrictions, and the situation within E.ON regarding infection and quarantine rates. We established communications guidelines for both reactive as well as proactive communications to employees and to outside stakeholders (contractors, enterprise partners). Line managers periodically received an updated FAQ document to help them provide the latest information to their teams. The intranet also had a corona content hub where employees could find descriptions of all corona-related measures taken by the E.ON SE crisis management team and a FAQ section. Employees also had the opportunity to address specific questions to a special pandemic email address. E.ON provided a variety of support services

to employees and line managers alike, such as counselling, podcasts on issues like mental health, and webinars. A variety of intranet communities addressed topics related to Covid-19 such as daily coping tips. We also offered digital programmes to help employees and their families deal with the pandemic. These included recommendations on mental health or a virtual spring vacation program for children. The aim of the latter was to give parents a break and provide our employees' kids with pedagogically oriented entertainment. At various times during the year, members of the E.ON Management Board made video statements to talk about the pandemic and its impact on E.ON.

Employee survey

In June 2020 about 2,100 employees, nearly all of them from Germany and the United Kingdom, participated in an anonymous survey on E.ON's pandemic response. About 96 per cent said they feel E.ON has kept them well informed about the pandemic, around 83 per cent that the company has taken effective measures to safeguard employees' health. A majority of respondents found it easy to structure their work routine, to work effectively, and to maintain virtual contact with colleagues. About half found little difference between in-person and virtual-presence meetings, whereas 11 per cent felt that the pandemic had adversely affected their work. Our annual employee survey, the →[Pulse Check](#), which was conducted in the fourth quarter, also included a number of pandemic-related questions. Employees' feedback on our handling of the pandemic was very positive.

A special team worked throughout 2020 to assess our response to the pandemic, document the lessons learned, propose ways for E.ON to be better prepared for future pandemics, and identify work practices that we want to retain even after the pandemic. It became evident, for example, that the crisis management team needs additional resources in a longer-term crisis. We therefore provided it with more support staff. In addition, the crisis management and business resilience networks intensified their communications during the pandemic in order to maintain ongoing dialogue between different functions.

Make sustainability our guiding principle

Governance



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Good corporate
governance

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Compliance and
anti corruption

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Human rights and
supplier management

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Stakeholder
engagement

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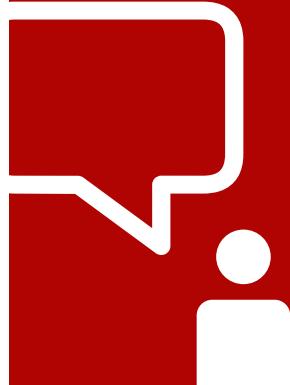
Community
involvement

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Closeup on:
Tax

Governance

We view compliance as an absolute must. We can only achieve lasting success if we manage our company ethically, responsibly, and transparently.



In 2020 we made available **a new eLearning module** to foster a speak-up culture in which employees feel encouraged to openly address their concerns. To foster a listen-up culture, Compliance Officers group-wide received training to identify potential reasons for, and consequences of, employees remaining silent.

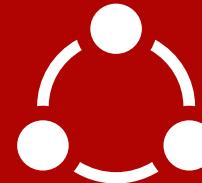


6 safety events

were held with our contractors in 2020. For example, Bayernwerk, an E.ON distribution system operator in southeast Germany, conducted an online forum in which participants could submit questions by means of a chat function.



2020 Highlights



E.ON's Sustainability Council was reorganised in order to further integrate sustainability into the company. A key topic of discussion in 2020 was the company's new climate targets.



enviaM, an E.ON energy supplier based in eastern Germany, organised a week-long online conference to discuss Germany's climate policy and its implications for social cohesion. The conference generated **90,000 page views** and **3,200 interactions**.



Nearly **2,200 employees** group-wide volunteered for a total of more than **12,000 hours**.

A pacesetter in 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 2020, 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. The → [Corporate Governance Report](#) in our 2020 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 defines our sustainability strategy 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 key performance indicators on a quarterly basis and, in the case of extraordinary events, on an ad hoc basis. E.ON CEO Johannes Teyssen has been our CSO since the end of 2019.

E.ON's Sustainability Council, consisting of the CEO and seven Senior Vice Presidents (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. 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 and in 2020 met three times. Among the key issues it discussed in 2020 were the company's climate strategy as part of its new sustainability strategy and non-financial risk assessments.

The Supervisory Board's Innovation and Sustainability Committee also provides sustainability advice to the Management Board and to the full Supervisory Board. In 2020 the committee was involved in the development of the new climate targets.

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 Health, Safety and Environment team.

[→ [GRI 102-18](#) 

Systematic risk management

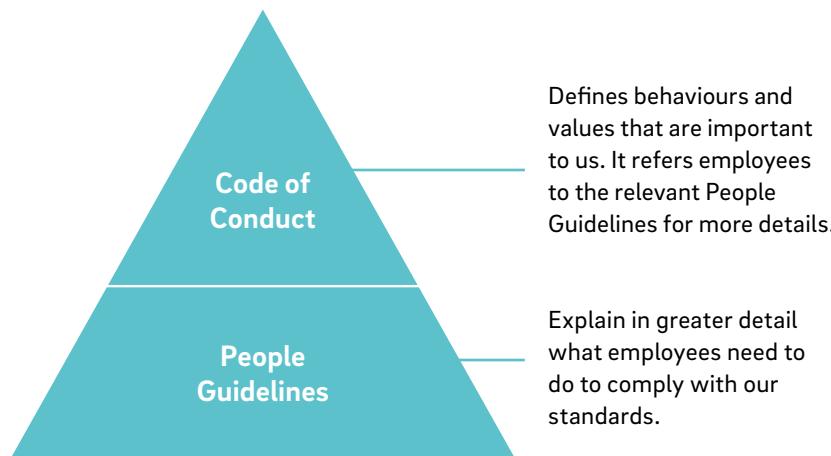
Every business activity involves risks. To mitigate them, we conduct systematic risk management that's embedded in our workflows. Our → [Annual Report](#) describes in detail our management system for assessing risks and chances and the measures we take to limit risks. Our risk management system addresses a wide variety of risks. These include legal and regulatory risks, operational and IT risks, finance and treasury risks, strategic risks, as well as environmental, social, and governance (ESG) risks. In 2020 ESG enterprise risk management focused on climate change and human rights risks. 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 2020 we had no material reportable risks for non-financial issues.

[→ [GRI 102-11](#) , → [GRI 102-11](#) 

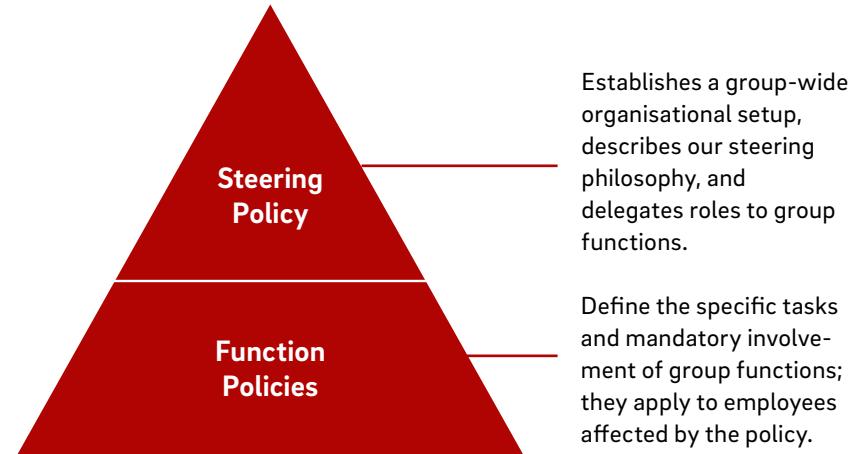
Binding policies and guidelines

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 Sustainable Development Goals and align our company policies and commitments to them. Our → [Sustainability Channel](#) contains a list of our commitments.

The innogy takeover in 2019 didn't result in E.ON's guidelines and policies becoming automatically binding for innogy. After revising E.ON's guidelines in 2020, effective 1 January 2021, we will have a largely uniform set of policies. With a small number of exceptions, these guidelines and policies will apply to all group companies including the former innogy companies.

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 2020.

[→[GRI 102-12](#) ]

UN Global Compact
(since 2005)

The UN Global Compact (UNGC) 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 multi-national 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. Leonhard Birnbaum, a member of the E.ON Management Board, currently heads the WEC's European arm.

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

We welcome outside assessments of our sustainability performance. Independent sustainability ratings and rankings help us to identify our strengths and weaknesses and improve our performance. Our →[Sustainability Channel](#) shows the latest results.

Ensuring strict compliance, combating corruption

The goal of compliance at E.ON is to prevent, detect, and respond to corporate misconduct. It's therefore our responsibility never to deceive, lie to, or otherwise deliberately harm our customers, business partners, or other stakeholders. Strict compliance with laws and company policies – the foundation of good corporate governance – is therefore essential to retain our stakeholders' trust. 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 companies. Anyone at our company guilty of corruption may be subject to fines and criminal prosecution. We closely monitor compliance with laws and our own policies. If violations occur, we deal with them transparently and, if necessary, take disciplinary action. [→[GRI 103-1](#) , →[GRI 102-11](#)]



Our approach

We're committed to combating corruption in all its manifestations and support national and international efforts directed against it. We also reject it as a member of the UN Global Compact. 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 crime.

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 encompasses 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. Due to the integration of innogy's CMS, an audit in accordance with the IDW Assurance Standard 980 was conducted in 2019 and successfully completed with regard to anti-corruption.

[→ 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's supplemented by ten group-wide People Guidelines which explain in greater detail how employees can be sure that they're doing things right.

One of them is our Anti-Corruption People Guideline, which 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]

Specific actions

In 2020 we continued to make new eLearning courses available to employees group-wide. Courses are tailored to the needs of each unit (see "Progress and measures in 2020" below). Since 2010 all employees have had to complete a Code of Conduct eLearning module on a regular basis. New material was added to the module in 2020. Employees in units without internet access receive this training in an offline format. New managers undergo integrity training, which familiarises them with their obligations regarding compliance.

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. Employees of the former innogy must also complete this training to ensure that they're aware of the new E.ON's guidelines. Training is available in a variety of formats: face-to-face classroom training as well as digital and hybrid training.

We also use a variety of tools to continually assess which of our business areas is or could be exposed to the risk of compliance violations. These tools include compliance risk assessments (CRAs), which are conducted on a regular

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're instructed to report it immediately. If they wish, they may do so anonymously through internal reporting channels or a group-wide whistle-blower hotline, operated by a law firm in all E.ON languages. In 2019 the hotline was published on E.ON's website, and in 2020 a weblink was included in the updated Supplier Code of Conduct to enable third parties to report misconduct.

E.ON subjects potential suppliers to prequalification, which involves checking their identity and 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 a state-of-the-art, IT-supported workflow that helps us verify counterparties' identity and 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

The effectiveness of our CMS is the main indicator of our compliance performance for purposes of management control. All compliance measures, policies, processes, controls, and so forth are assessed and guided 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 include assessing whether and how prescribed measures are implemented across 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.

Because our CMS is consistent throughout E.ON, we follow a uniform roadmap. The purpose of the roadmap and all preventive measure 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. Presentations must be approved in advance by Group Compliance. Progress along the compliance roadmap was on schedule in 2020.

In 2020 our annual employee survey included questions about employees' experience when contacting Group Compliance and their willingness to openly report and discuss unethical behaviour. 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 2020

In 2020 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. Members of our Group Compliance team serve on the boards of a variety of organisations. For instance, at year-end 2020 we were a board member and deputy chairman of the criminal law working group at the German Institute for Compliance (DICO). 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. For example, E.ON employees played a key role in DICO's submission of a statement to the Federal Ministry of Justice regarding draft cooperation criminal legislation in Germany and the Federal Ministry of Finance regarding draft legislation on financial integrity in Germany.

Promoting a speak-up and listen-up culture

In 2020 we made available a new eLearning module to foster a speak-up culture in which employees feel encouraged to openly address their concerns. The content, which was provided by a number of departments at Corporate Functions (Sustainability, Cybersecurity and Data Protection, Compliance), addresses 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.

Number of compliance notices¹

	2020 ²	2019	2018
Fraud	58	57	65
Conflicts of interest	6	3	4
Other breaches of internal guidelines	71	47	16
Total	135	107	85

¹Categories were adjusted in 2020, which limits comparability.

²Former innogy units are included from 1 July 2020 onward.

In 2020 the number of compliance notices rose from 107 to 135. We adjusted the categories in 2020, which limits comparability: breaches of internal guidelines are now included in the former category "Other" instead of in the category "Fraud." The resulting investigations found that none of the incidents reported was serious.

Fines for non-compliance

E.ON paid a total of €279,385 in fines for non-compliance with laws in Romania and in Germany in 2020. The fines in Germany were incurred solely by Westnetz, an E.ON subsidiary. No fines were imposed on us for incorrect tariff information or non-compliance with environmental regulations.

Online training

In response to social-distancing guidelines, in 2020 we offered compliance employees across E.ON online training on company compliance processes, German corruption law, and other topics. Employees of the former innogy were required to take online training, which was available in English and German. A total of 20 online training sessions were conducted.

Scientific research to assess the success of anti-corruption measures

In 2020 we established an interdisciplinary partnership 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. The purpose is to foster a behavioural- and evidence-based approach to our compliance programme as well as compliance in general. The project, which begins in 2021 and is expected to last two years, is funded by the KBA-Nota Sys Integrity Fund.

Respecting human rights in our supply chain

The new E.ON's strategy is encapsulated in four statements. One of them is that "WE take sustainability as the guiding principle in business." This commitment brings with it the obligation to ensure respect for human rights in all aspects of our business, including our supply chain. Consequently, we expect our suppliers worldwide to meet minimum standards for environmental, social, and governance (ESG) performance, including respect for human rights. E.ON procures goods and services predominantly 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 6 per cent of our purchase volume (a slight increase from 2019 resulting from a greater focus on offshoring digital activities to India). We assess our suppliers' ESG performance prior to doing business with them. Moreover, we subject suppliers in higher-risk countries or categories to particular 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 ethically, 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.

[→ GRI 103-2  , → GRI 102-11 ]

Organisation and responsibilities

Our CEO Johannes Teyssen 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. They inform the Chief Human Rights Officer about current developments and incidents and advise him about 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. Furthermore, the Group Supply Chain function, in collaboration with the Sustainability department, is responsible for addressing ESG aspects along the supply chain.

[→ GRI 103-2  , → GRI 102-11 ]

Guidelines and policies

We've defined standards for ethical behaviours and business practices in a Code of Conduct, which is binding for all our employees. The Code was last revised at the start of 2018. It obliges our employees to contribute to a non-discriminatory and safe work environment and to respect human rights. In 2019 we updated our Human Rights Policy Statement from 2008. It 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. We've been a UNGC signatory 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 we introduced a new mandatory training model on compliance, human rights, and cyber and data security. For details, see "Progress and measures in 2020" 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. The function performs these tasks in compliance with legal requirements, company policies, as well as health, safety, and environmental (HSE) and sustainability standards. The function is not responsible for a variety of transactions, including commodity, financial, real estate, insurance, and taxes.

The standards for human rights, working conditions, environmental protection, and ethical business practices that we require our suppliers to meet are defined in our Supplier Code of Conduct, which was updated in 2020 and adopted by former innogy units. It therefore applies to all of the new E.ON's 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 prequalification process (see "Specific actions" below) consists of 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. It also ensures that we adopt a structured approach to managing our relationships with suppliers (see "Specific actions" below).

We've issued a Slavery and Human Trafficking Statement annually since 2017. It describes the steps we take to prevent and combat human rights violations along our supply chain. The statement fulfils our obligations under the UK Modern Slavery Act. We review the statement annually and publish it 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 300 MW electric, just over 1,400 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 assessment, 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 2020, the suppliers involved in 99.3 per cent of the non-fuel purchase orders and call-off contracts at the units of the former E.ON had completed the onboarding process. In October 2020 the supplier onboarding process was rolled out at former innogy units. 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 services. 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, such as conducting a supplier audit (to assess, among other issues, whether the supplier complies with our standards for human rights, working conditions, and environmental protection) or requiring 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.

Our supplier risk assessment analyses four categories of risks: financial, market, CSR, and performance. The assessment is embedded in existing processes, ensuring that risks are monitored on an ongoing basis. For example, we evaluate CSR risks as part of supplier performance reviews and the on-boarding process.

Following the comprehensive assessment conducted 2018, in 2019, and 2020 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 key performance indicators (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. At the end of 2019 E.ON and innogy drew on their respective best practices to harmonise the supplier performance review (SPR) process. The harmonised process has been in place since 1 January 2020. Since then, innogy's key suppliers have been assessed for their ESG performance as well, an aspect that had not been part of the former innogy's SPR. The total number of reviews in 2020 increased by 88% relative to 2019. Furthermore, we again carefully scrutinised our non-fuel supply chain's greenhouse-gas (GHG) emissions (see "Progress and measures in 2020" below).

In January 2020 we established a Supply Chain Corona Task Force to continuously monitor our direct suppliers and their critical suppliers to safeguard procurement from different markets and regions. The task force held extensive discussions with a number of suppliers to find joint solutions for keeping the supply chain intact.

Sweden is home to over 90 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 Värme Sverige, which operates a district heating business in Stockholm, Malmö, and other cities. In 2020 we evaluated 18 suppliers, which together provide more than 99 per cent of the biomass we consume in Sweden.
[→GRI 103-2 , →GRI 102-11]

Goals and performance review

Our goal is to prevent human rights abuses, environmental damage, and corporate malfeasance by identifying the associated risks along our value chain from a holistic viewpoint. Our onboarding 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 is set in motion to ensure that the situation is rectified without delay. If it's not, we terminate our business dealings with the supplier. In 2020 no business dealings were terminated because no compliance violations were detected.

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 whistle-blower hotline which is connected to the offices of a law firm. 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. The law firm forwards the information to Group Compliance, which provides it to the appropriate department or unit. 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 2020 no violation of human rights was reported through these channels.

[→ GRI 103-2/3  , → GRI 102-11 ]

Progress and measures in 2020

In 2020 we continued to refine our approach to human rights and supplier management. After updating our Human Rights Policy Statement and Code of Conduct, we incorporated a section on human rights in a new eLearning module on compliance, human rights, and cyber and data security. This module, which we made available to all E.ON companies in May 2020, is mandatory for all employees and conducted annually. From October 2020 onward it was made available to employees of the former innogy. At year-end, 87.3 per cent of employees had completed this training.

German National Action Plan

As in 2019, in April 2020 E.ON again participated in the German government's voluntary National Action Plan (NAP) monitoring. The NAP, which defines guiding principles for embedding human rights due diligence (HRDD) in corporate strategy and business processes, encourages companies to conduct voluntary HRDD. As part of its participation in the 2019 NAP monitoring, E.ON conducted a rigorous benchmarking and a human rights risk assessment encompassing 80 per cent of its current and anticipated expenditures in all purchasing categories. In 2020 Group Supply Chain designed a systematic process for rolling out the risk matrix developed in 2019. The purpose of the matrix, which breaks down risks by country and purchasing category, is to mitigate any potential risk of human rights violations. In 2021 we plan to review the matrix with regard to the new E.ON's suppliers (including the former innogy's suppliers, which were not included in 2020) and to update it on a regular basis. If this process identifies such risks, suppliers will have to take additional steps, such as presenting a corrective action plan or agreeing to on-site audits, in order to successfully pass the onboarding process. All of the above-mentioned activities are embedded into Group Supply Chain's overall supplier relationship management (SRM) system.

Health, safety, and environment events

In 2020 we tripled the number of safety events with contractors, from two in 2019 to six in 2020. Amid the Covid-19 pandemic, most events were conducted online. For example, Bayernwerk, an E.ON distribution system operator in southeast Germany, held an online forum in which representatives of Bayernwerk, Group Supply Chain, and a number of contractors discussed networks of the future, work safety culture, the professional of tomorrow, and other topics. Workshops on a variety of topics (mental health, positive error culture, electric mobility) were offered as well. In addition, the events addressed the

pandemic's impact on contractors and explored ways to ensure they continue to work in a safe environment.

Assessing non-fuel suppliers

In 2020 we again scrutinised our non-fuel suppliers to identify those with a large carbon footprint and explored ways to encourage their decarbonisation. The next step, which will take place in the first half of 2021, will be to conduct a more in-depth analysis of non-fuel suppliers' climate performance and to recommend amelioration measures. This project will continue in 2021.

Supply chain forums

Four one-hour online forums were held in 2020 for Supply Chain staff group-wide. They consisted of a chat between two senior Supply Chain managers on issues like compliance, HSE, and sustainability. Their purpose was to refresh staff's knowledge and foster a common understanding of how we manage our supply chain. The forums were recorded and can later be shown to new hires.

Non-Core Business: uranium procurement:

The nuclear power plants operated by our subsidiary PreussenElektra consume uranium fuel. We maintain high procurement standards by incorporating our Supplier Code of Conduct into our contracts for procuring uranium and nuclear fuel assemblies. The code is supplemented by the Nuclear Fuel Purchasing Amendment, which defines the standards for the procurement of nuclear fuel. The E.ON Nuclear Fuel Policy from 2014 stipulates the procedure for selecting and verifying new uranium suppliers. We purchase uranium exclusively from established suppliers with proven experience. In addition, we conduct reviews and on-site audits of new long-term suppliers and of current suppliers if there's a reasonable suspicion of misconduct. In 2020 we concluded one spot sales contract for natural uranium and one purchase contract for spot delivery of enriched uranium, each for delivery in 2020. The latter completes PreussenElektra's uranium purchases for its nuclear power plants still in operation; these plants will close by year-end 2022 at the latest.

GRI 102:
General
Disclosures
2016

Dialoguing with stakeholders, learning from their feedback

Our long-term business success depends to a large degree on our ability to understand and address our stakeholders' expectations. Equally important is helping our customers, our employees, policymakers, and other stakeholders to understand our business activities and their role in propelling the energy transition. This enhances our ability to earn stakeholders' trust and maintain our good reputation. Moreover, dialogue helps us identify stakeholders' concerns early and address them whenever we can as we expand our distribution grids, invest in digital infrastructure, and launch new businesses, such as green hydrogen.

Our discussions with policymakers are important for us as well: to make large, long-term investments in infrastructure and new energy solutions for customers, 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, amendments that we believe are essential for the energy transition's success, to which our business is entirely committed. Although the energy transition enjoys broad public support in many European countries, 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 factor in 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 – 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. On the right 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 and 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 officeholders, 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-generation 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, 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, our Customer Immersion programme brings our senior managers and employees into direct contact with residential and business customers in a variety of formats, including small-group discussions and online chats. 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 790,000 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](#)]

Progress and measures in 2020

In 2020 the Covid-19 pandemic rendered face-to-face events largely impossible. This of course affected our interactions with stakeholders. To continue the dialogue and not lose touch, we turned to digital formats.

enviaM Climate Week

In October 2020 enviaM, an E.ON subsidiary in eastern Germany, used its social media channels to conduct a discussion of Germany's climate policy and its implications for social cohesion (#enviaMKlimawoche). The purpose was to address climate policy from a variety of different perspectives and to present climate protection as an opportunity for businesses and the general public alike. The 19 virtual speakers, who included Bodo Ramelow (Prime Minister of Thuringia) and Dr. Dr. h.c. Hans Joachim Schellnhuber (founder of the Potsdam Institute for Climate Impact Research), discussed ways to achieve a balance between climate, economic, and social objectives. In a single week, the event generated around 90,000 impressions and 3,200 interactions on enviaM's social media channels.

#GreenInternet Day

In January 2020 E.ON inaugurated #GreenInternet Day to raise awareness of the internet's growing power consumption. The campaign resulted in 21.7 million impressions on E.ON's social media channels, which include Google, Facebook, and Instagram. For more information, visit the →[Climate protection](#) chapter.

E.ON Innovation Days

We held our annual E.ON Energy Innovation days in October 2020. The three-day conference again explored how innovation is propelling the transition toward a connected and sustainable world. The 2020 event itself was connected: owing to the Covid-19 pandemic, it was held entirely online. The three main topics – electrification, connectivity, and digitalisation – were selected for their appeal to entrepreneurs, experts, academics, and government representatives. The more than 50 speakers included E.ON CEO Johannes Teyssen and Monika Sturm, Head of Blockchain Incubator at Siemens Energy. Over 5,000 people registered for the event.

European Sustainable Development Week

E.ON observed the EU-wide European Sustainable Development Week (ESDW), which was held from 18 September to 8 October 2020, by conducting a two-week series of events to reinforce employees' awareness of, and

engagement in, sustainability. The first week focused on sustainability at E.ON, the second on a more sustainable lifestyle. Presentations by E.ON CEO Johannes Teyssen and other experts, which were webcast to employees in 17 E.ON units via the company intranet, covered topics like E.ON's contribution to climate protection, sustainable finance, and biodiversity. E.ON's social media posts during ESDW reached as many as 1.6 million outside stakeholders.

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 2020, however, the corona pandemic prevented PEL from conducting some of its originally planned information events for stakeholders, such as the public talks at Grohnde and Unterweser NPPs. Press conferences, by contrast, were held online. The dialogue group for residents near Brokdorf NPP, created in 2019, continued in 2020. 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 the periodic discussions with commission members, PEL is true to its strategy of transparent communications and ensures that the public is well informed and involved at all times.

Actively engaged in shaping our community

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. These activities help address social needs and support our corporate vision of "improving people's lives."

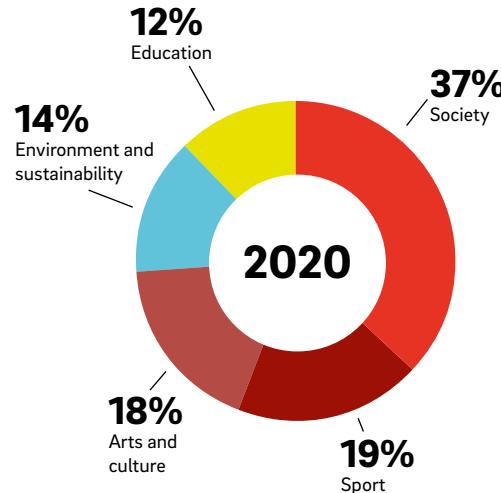
Our unit representatives know their country's needs and challenges best. So we let them decide which projects and organisations to support. We believe that this approach gives our community involvement activities a greater

societal impact. A map with a selection of our community involvement projects can be found in the → [Sustainability Channel](#) on E.ON's corporate website.

Our community investments in 2020

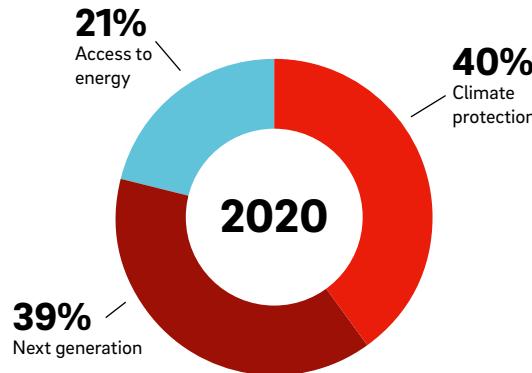
We report our corporate giving by the categories listed below.

Corporate giving by categories



Alongside corporate giving, we make strategic investments in community involvement, which are typically more long-term in nature. In 2020, 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 €11 million in 2020 (2019: €6 million). The increase was attributable to innogy, which was included in 2020 but not in 2019.

E.ON Foundation

The integration of innogy into the E.ON Group included the former innogy foundation, which was renamed the E.ON Foundation. It 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 2020 the foundation made about €75,000 in donations and provided slightly more than €1.25 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

Again in 2020, our employees were actively involved in non-profit projects in all of the countries in which we operate. In total, 1,332 E.ON employees performed 11,405 hours of volunteer work in 2020. 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.

Ensuring responsible 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 flexible 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 or their unit's Tax function, Group Compliance or the 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 installed on 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 put in place tax compliance management systems according to IDW audit standard PS 980 at its major operations in Germany. The system's 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.

To avoid tax evasion and profit shifting, E.ON has issued mandatory transfer price directives 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 schemes. 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 price schemes 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 in order to remain compliant at all times and 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 anonymously through internal reporting channels or a group-wide external 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 (APA) 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.

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Assurance Report

About this report

E.ON has published a Sustainability Report annually since 2004 and exclusively online since 2008. This is the third E.ON Sustainability Report to be available in English only. It was published in late March 2021. The reporting period is the 2020 calendar year. As a rule, the editorial deadline was 31 December 2020; however, there is some commentary on events from the first quarter of 2021. You can download a pdf version of this report from the → [Sustainability Channel](#) at [eon.com](#). The previous report was published in March 2020. 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 conduct a → [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: [→ [GRI 102-50/51/52](#)]. 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 Combined Non-financial Report in late March 2021, which complies with the reporting requirements of the German CSR Directive Implementation Act (Section 315 in conjunction with Sections 289c to 289e of the German Commercial Code) and is included in → [our 2020 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 key performance indicators, GRI and SASB standards, 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 2020").

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 key performance indicators ("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, last year's reporting included a number of innogy KPIs after this date. This 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, internal collating and reporting processes are clearly indicated. 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.

[→[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. 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 ("E.ON" rather than "E.ON SE").

Audit

As with previous reports, key sections of this report were audited with limited assurance by PricewaterhouseCoopers GmbH. The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) issued by the International Federation of Accountants. Audited 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 audit. [→[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 central to 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, 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 2020, a total of €4.6 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

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

Recognising the importance of a common definition of sustainable activities, E.ON has updated its Green Bond Framework and use of proceeds categories to be aligned as much as possible with the current version of the proposed EU Green Bond Standard and EU taxonomy for sustainable economic activities, in addition to the ICMA Green Bond Principles.

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 ¹	UN SDG	EU economic activities
 Electricity networks	<p>Electricity distribution infrastructure and equipment² 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 any grid connections of power plants that are more CO₂ intensive than 100gCO₂/kWh (as a proxy for this threshold any direct grid connections of power plants other than wind or solar energy will be excluded)</p>		<ul style="list-style-type: none"> • Transmission and distribution of electricity <p>(NACE: D.35.12, D.35.13)</p>
 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)³ • hydrogen production, storage, and distribution infrastructure⁴ 	 	<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 heating⁵ • production of heating/cooling from waste heat • cogeneration of heating/cooling and electricity from bioenergy and geothermal energy.⁶ 		<ul style="list-style-type: none"> • District heating/cooling distribution • Production of heat/cool 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>		<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 consist of the definition, metrics and thresholds included in this table as well as the applicable Do No Significant Harm criteria and minimum safeguards.

²The asset value of all eligible electricity distribution infrastructure and equipment will be included in the Eligible Green Portfolio.

³For Bioenergy: 1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive. 2. The GHG savings from the use of biomass in cogeneration installations are at least 80% in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001. [...]

⁴Production, storage and distribution of hydrogen that meets the criteria for manufacture of hydrogen: 1) direct CO₂ emissions from manufacturing of hydrogen with threshold of 2,256 metric tonnes CO₂e per metric tonne of H₂, 2) electricity use for hydrogen produced by electrolysis is at or lower than 58 MWh per metric tonne of hydrogen, 3) average carbon intensity of the electricity used for hydrogen manufacturing is at or below 100 g CO₂e per kWh; 4) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases or the conversion/repurposing of existing natural gas networks to 100% hydrogen and retrofit of gas transmission and distribution networks to integrate hydrogen and other low-carbon gases.

⁵Construction, operation and refurbishment of pipelines and associated infrastructure for distributing heating and cooling where the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU (refurbishment to start < 3yrs) OR The activity is the following: (a) modification to lower temperature regimes; (b) advanced pilot systems (control and energy management systems, Internet of Things).

⁶For bioenergy, please see footnote 5 – For geothermal: The lifecycle GHG emissions from the combined generation of heat/cool and power from geothermal energy are lower than 100g CO₂e per 1 kWh of energy input to the combined generation. Lifecycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified lifecycle GHG emissions are verified by an independent third party.

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 de-carbonised 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 Medicom Village, a new life science research park in Sweden consisting of 80,000 square metres of office space and 40,000 square metres of laboratories. E.ON's innovative ectogrid technology ensures maximum waste heat recovery and efficiency by integrating heating and cooling generation in one system. This significantly reduces primary energy consumption and thus helps our customers to reduce carbon emissions. 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 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 significant 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") as published in the draft Delegated Act for climate change mitigation and climate change adaptation activities of November 2020. 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
- E.ON excludes any direct grid connections of energy production facilities above 100g of CO₂ per kWh.

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 to the best degree possible. Assets are included in the portfolio at their current IFRS balance sheet value, which will be updated annually to reflect investment and depreciation under IFRS. Capital expenditures are included in the portfolio for the amount of the initial expenditure, subject to annual depreciation 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.

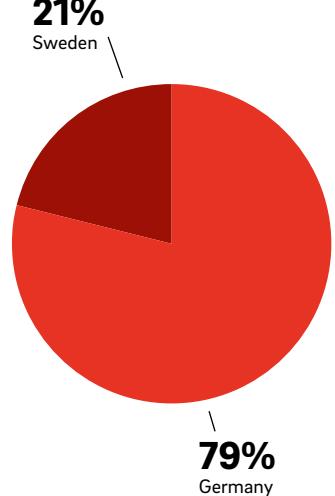
Portfolio of assets and capital expenditures allocated to Green Bonds along with impact KPI as of year-end 2020

Use of bond proceeds for eligible Green Projects

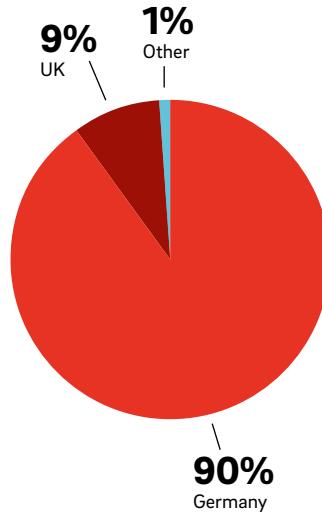
Green activities	Valuation	Eligible assets & investments € millions	EU economic objective
Electricity Networks	Balance Sheet value	16,674.8	Climate change mitigation
Renewable Energy	Balance Sheet value	193.1	Climate change mitigation
Energy Efficiency	Capital expenditures, considering annual depreciation	162.3	Climate change mitigation
Clean Transportation	Balance Sheet value	89.2	Climate change mitigation
		17,119.3	✓

E.ON's Green Bond portfolio consists of €17,119.3 million in eligible projects and assets. As of year-end 2020, E.ON had issued €4,600 million in Green Bonds (details on outstanding Green Bonds see page 118), leaving €12,519.3 million unallocated. E.ON considers projects in the Energy Efficiency category referring to capital expenditures and applies IFRS book values for the remaining categories. Accordingly, reporting the amount or share of new projects provides for no meaningful information as the year-on-year development of book values always is a net figure considering both, investments into new assets and depreciation of existing assets. Considering only the capital expenditures in the Energy Efficiency category for the reporting year results in a share of new projects of ~1%.

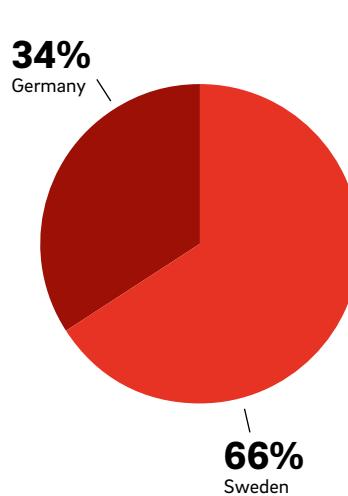
Electricity Networks



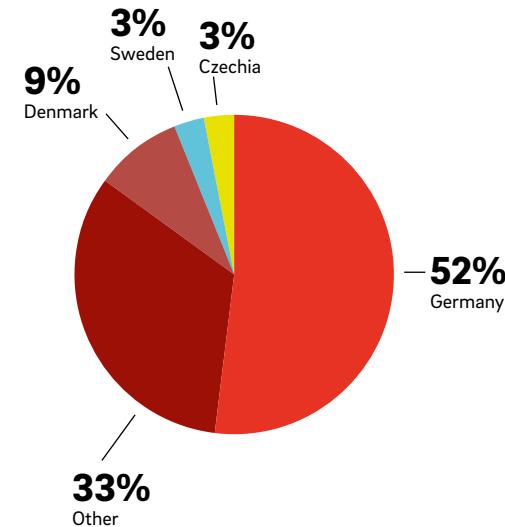
Renewable Energy



Energy Efficiency



Clean transportation



Impact reporting for allocated portfolio

	Avoided emissions (million metric tonnes CO ₂ e) ¹	Total renewable capacity (GW)	Renewable capacity added (GW)	Relative share of renewable capacity in total capacity (%)	Heat delivered to new connections (GWh)	Efficiency improvement (%)	Smart meters installed (thousand units)	Number of EV charging points
Electricity Networks								
Grid connections of renewable energy	59.06	70.42	2.58	84				
Smart grid components installed	0.16					2 ²	8,454 ³	
Renewable Energy								
Renewable energy production and storage units	0.31	0.35	0.06					
Energy Efficiency								
Integrated on-site business and city energy solutions	0.25				33			
Clean Transportation								
Electric vehicle (EV) charging stations and supporting infrastructure	0.03							9,484

¹Avoided emissions were calculated using the UNFCCC Harmonized Framework. Details on the calculation methodology and assumptions are available → [online](#).

²Average relative consumption reduction per smart meter installed.

³Number of smart meters installed including digital meters.

Reporting according to GRI

We've 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. → **Audited 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

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GRI Disclosures**GRI 102: General Disclosures****Organisational profile****102-1:** Name of the organisation

→About E.ON*

102-2: Activities, brands, products, and services →About E.ON*
→2020 Annual Report (pp. 18 ff.)**102-3:** Location of headquarters

→About E.ON*

102-4: Location of operations

→About E.ON*

102-5: Ownership and legal form →About E.ON*
→2020 Annual Report (pp. 168 ff.)

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 July 2020 that The Capital Group Companies, Inc. holds an (indirect) stake of 9.99 per cent of E.ON's share capital. Furthermore, E.ON was notified in April 2020 that Capital Income Builder holds a (partially indirect) stake of 4.90 per cent of E.ON's share capital. In January 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.

102-6: Markets served →About E.ON*
→2020 Annual Report (p. 18, pp. 40 ff.)**102-7:** Scale of the organisation →About E.ON*
→2020 Annual Report (pp. 27 ff., pp. 40 ff., pp. 116 ff.)
→www.eon.com***References, additions, and omissions****GRI Disclosures****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**102-12:** External initiatives **102-13:** Membership of associations**Strategy****102-14:** Statement from senior decision-maker**References, additions, and omissions**

→About E.ON*
→Working conditions and employee development
→ESG figures*

→Human rights and supplier management
→2020 Annual Report (pp. 40 ff., p. 149, p. 306)

→Report profile*
→2020 Annual Report (pp. 14 f., p. 197)

→2020 Annual Report (pp. 57 ff.)
→Customer experience
→Environmental management*
→Occupational health and safety
→Data protection and product safety*
→Business resilience management*
→Good corporate governance
→Compliance and anti-corruption
→Human rights and supplier management

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.

→Lower-carbon households
→Climate protection
→Environmental management*
→Diversity and inclusion
→Good corporate governance
→Human rights and supplier management
→Stakeholder engagement*

→Good corporate governance
→Stakeholder engagement*

→Foreword*

GRI Disclosures**Ethics and integrity**

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

102-17: Mechanisms for advice and concerns about ethics

Governance

102-18: Governance structure

Stakeholder engagement

102-40: List of stakeholder groups

102-41: Collective bargaining agreements

102-42: Identifying and selecting stakeholders

102-43: Approach to stakeholder engagement

102-44: Key topics and concerns raised

References, additions, and omissions

→[Sustainability strategy and material topics](#)
 →[Climate protection](#)
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GRI Disclosures**Stakeholder engagement**

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

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102-54: Claims of reporting in accordance with GRI Standards

102-55: GRI content index

102-56: External assurance

References, additions, and omissions

→[Report profile*](#)
 →[2020 Annual Report](#) (pp. 138 ff.)

→[Sustainability strategy and material topics](#)
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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 **References, additions, and omissions**[→Compliance and anti-corruption](#)[→Compliance and anti-corruption](#)[→2020 Annual Report \(p. 163\)](#)

The 2020 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 300: Environmental**GRI 302: Energy (2016)****103-1/2/3:** Management approach **302-1:** Energy consumption within the organisation[→Lower-carbon households](#)[→Cleaner companies, greener communities](#)[→Environmental management*](#)[→Climate protection](#)

Our disclosures include following parameters:

- Fuel consumed for energy generation (fossil, nuclear, and renewable fuel) for company purposes
- Power and district heat consumption
- Fuel combustion for heating
- Vehicle fuel consumption
- Power distribution losses (resold power and gas are excluded)

GRI 305: Emissions (2016)**103-1/2/3:** Management approach [→Lower-carbon households](#)[→Cleaner companies, greener communities](#)[→Climate protection](#)**GRI Disclosures****305-1:** Direct (Scope 1) GHG emissions **References, additions, and omissions**[→Climate protection](#)

Our disclosures are based on CO₂ equivalents, which include CH₄, N₂O, and CO₂ emissions, with the following exceptions:

- Fugitive CH₄ emissions from the handling, transport, and distribution of natural gas
- Fugitive emissions from equipment of various cooling agents with a defined global warming potential
- Fugitive sulphur-hexafluoride (SF₆) emissions from line losses

The baseline year is 2019. Global warming potential 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.

[→Climate protection](#)

Our disclosures are based on CO₂ equivalents, which include CH₄, N₂O, and CO₂ emissions.

For baseline year and consolidation approach, see 305-1.

[→Climate protection](#)

Information about Scope 3 biogenic CO₂ emissions is not available. We do not record emissions from the combustion or biodegradation of biomass that occur in our upstream value chain.

Our disclosures are based on CO₂ equivalents, which include CH₄, N₂O, and CO₂ emissions.

For baseline year and consolidation approach, see 305-1.

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**403-7:** Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**References, additions, and omissions**[→Working conditions and employee development](#)[→Working conditions and employee development](#)[→ESG figures*](#)

The 2020 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](#)**GRI Disclosures****403-9:** Work-related injuries**References, additions, and omissions**[→Occupational health and safety](#)

E.ON uses the following key performance indicators to monitor and report incidents:

- "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

TRIF and LTIF are reported for both E.ON employees and contractors' employees. NMFR is only reported for E.ON employees.

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

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](#)**403-10:** Work-related ill health**GRI 404: Training and education (2016)****103-1/2/3:** Management approach **404-2:** Programmes for upgrading employee skills and transition assistance programmes[→Occupational health and safety](#)[→Working conditions and employee development](#)**GRI 405: Diversity and Equal Opportunity (2016)****103-1/2/3:** Management approach **405-1:** Diversity of governance bodies and employees[→Diversity and inclusion](#)[→Diversity and inclusion](#)[→Working conditions and employee development](#)[→ESG figures*](#)

GRI Disclosures**GRI 412: Human rights assessment (2016)**103-1/2/3: Management approach

412-3 (core): Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

GRI 417: Marketing and labelling (2016)103-1/2/3: Management approach

E.ON-specific: Results of surveys measuring customer satisfaction

GRI 418: Customer privacy (2016)103-1/2/3: Management approach

418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

References, additions, and omissions**GRI 412: Human rights assessment (2016)**

→Human rights and supplier management

→Human rights and supplier management
→Compliance and anti-corruption

→Customer experience

→Customer experience

**GRI 417: Marketing and labelling (2016)**

→Data protection and product safety*

→Data protection and product safety*

Due to confidentiality constraints and the sensitivity of such data, we are unable to provide information about substantiated complaints concerning data breaches.

GRI Disclosures**GRI G4 Sector Disclosures Electric Utilities: Access (2013)**103-1/2/3: Management approach

G4-EU28: Power outage frequency (SAIFI)

G4-EU29: Average power outage duration (SAIDI)

References, additions, and omissions

→Reliable and smart grids

→Reliable and smart grids

→Reliable and smart grids

Pages marked with an asterisk (*) were not audited. All disclosures, with the exception of the sector-specific disclosures, are based on GRI SRS 2016.

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 environmental, social, and governance (ESG) issues that are crucial to companies' financial performance. The table below shows how E.ON's disclosures for 2020 relate to the SASB's Electric Utilities and Power Generators Standard. In the future, we will continue to expand our disclosures and map them against SASB's standards.

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: 3.56 million metric tonnes of CO₂e</p> <p>E.ON discloses its Scope 1, 2, and 3 GHG emissions.</p> <p>Our disclosures are based on CO₂ equivalents, which include CH₄, N₂O, and CO₂ emissions, with the following exceptions:</p> <ul style="list-style-type: none"> • fugitive CH₄ emissions from the handling, transport, and distribution of natural gas • fugitive emissions from equipment of various cooling agents with a defined global warming potential • fugitive sulphur-hexafluoride (SF₆) emissions from line losses. <p>The baseline year is 2019. Global warming potential is relative to a 100-year time horizon.</p> <p>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.</p> <p>The percentage of Scope 1 GHG emissions covered under emissions-limiting regulation or emissions reporting-based regulations is not available.</p> <p>→Climate protection</p>
Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	IF-EU-110a.2	<p>Purchased power sold to end-customers: 61.27 million metric tonnes of CO₂e</p> <p>Power distribution losses:</p> <p>4.19 million metric tonnes of CO₂e (location-based)¹</p> <p>5.83 million metric tonnes of CO₂e (market-based)^{2,3}</p> <p>→Climate protection</p>
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 2020: 9,280,007) • 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</p> <p>→Lower-carbon households</p> <p>→ESG figures</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	Data are not available

Accounting Metric	Category	Code	Response
Air Quality			
Air emissions of the following pollutants: (1) NOx (excluding N2O), (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>NOx emissions: 1,682 tonnes⁴ SO₂ emissions: 850 tonnes⁴ Dust emissions: 133 tonnes⁴</p> <p>Fossil-fuelled power plants emit nitric oxide (NOx), 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 NOx, 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.</p> <p>→Environmental management</p>
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>We only gather data on PreussenElektra's water management (see below "Description of water management risks").</p> <p>Fresh water withdrawal: 2,184.3 million cubic metres Fresh water consumption: 46.4 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.⁵</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: Four.⁶</p> <p>Three incidents occurred in Sweden and one in the United Kingdom. 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>E.ON considers its water risks to be low for three main reasons. First, after spinning off its large-scale fossil-fuelled power generation business in 2016, E.ON no longer uses 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 risks in the European countries in which E.ON is active are low to intermediate and, according to trend scenarios, are predicted to remain so. Third, due to the profile and locations of the suppliers, our supply chain does not, from today's perspective, pose any discernible water risks.</p> <p>The integration of innogy and its affiliates has brought new operations into the E.ON Group. In 2020 we began to assess these operations' environmental impact, including their water use. The findings of this assessment, along with the data collected for our 2020 reporting, may affect the materiality of water use for E.ON's future environmental management and reporting.</p> <p>→Environmental management</p>

Accounting Metric	Category	Code	Response
Coal Ash Management			
Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	IF-EU-150a.1	Not applicable.
Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	IF-EU-150a.2	Not applicable.
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>12,683 customers were disconnected in 2020.</p> <p>Our assistance for vulnerable customers varies according to the market situation, customer needs, and 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 experience</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	Data are not available.

Accounting Metric	Category	Code	Response
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 key performance indicators to monitor and report incidents:</p> <p>"Total recordable injury frequency" (TRIF): 2.3 per million hours of work</p> <p>"Serious incident and fatality rate" (SIF): 0.1 per million hours of work</p> <p>Fatal accidents: 5</p> <p>"Near miss frequency rate" (NMFR): 19.0 per million hours of work</p> <p>TRIF, SIF, and fatal accidents are reported for both E.ON employees and contractors' employees. NMFR is only reported for E.ON employees.</p> <p>Data on the total recordable incident rate (TRIR) are not available.</p> <p>→Occupational health and safety →ESG figures</p>
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.
Customer electricity savings from efficiency measures, by market	Quantitative	IF-EU-420a.3	Data are not available.
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	<p>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.</p> <p>A breakdown of our nuclear power units by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column is not applicable.</p>
Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	IF-EU-540a.2	<p>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 H&S processes and procedures.</p> <p>→Occupational health and safety →Business resilience management</p>

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.																																																																						
(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	IF-EU-550a.2	<p>SAIDI power⁷</p> <table> <thead> <tr> <th colspan="3">2020</th> </tr> <tr> <th></th> <th>Scheduled</th> <th>Unscheduled</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>7</td> <td>16</td> <td>22</td> </tr> <tr> <td>Sweden</td> <td>25</td> <td>121</td> <td>146</td> </tr> <tr> <td>Hungary</td> <td>117</td> <td>61</td> <td>178</td> </tr> <tr> <td>Czech Republic</td> <td>145</td> <td>47</td> <td>192</td> </tr> <tr> <td>Romania</td> <td>288</td> <td>358</td> <td>646</td> </tr> <tr> <td>Slovakia⁸</td> <td>143</td> <td>65</td> <td>208</td> </tr> <tr> <td>Poland</td> <td>9</td> <td>44</td> <td>53</td> </tr> </tbody> </table> <p>SAIFI power⁷</p> <table> <thead> <tr> <th colspan="3">2020</th> </tr> <tr> <th></th> <th>Scheduled</th> <th>Unscheduled</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>0.1</td> <td>0.3</td> <td>0.4</td> </tr> <tr> <td>Sweden</td> <td>0.2</td> <td>1.2</td> <td>1.4</td> </tr> <tr> <td>Hungary</td> <td>0.4</td> <td>0.8</td> <td>1.3</td> </tr> <tr> <td>Czech Republic</td> <td>0.6</td> <td>0.8</td> <td>1.4</td> </tr> <tr> <td>Romania</td> <td>0.9</td> <td>3.6</td> <td>4.6</td> </tr> <tr> <td>Slovakia⁸</td> <td>0.5</td> <td>1.2</td> <td>1.7</td> </tr> <tr> <td>Poland</td> <td>0.2</td> <td>0.8</td> <td>1.0</td> </tr> </tbody> </table>	2020				Scheduled	Unscheduled	Total	Germany	7	16	22	Sweden	25	121	146	Hungary	117	61	178	Czech Republic	145	47	192	Romania	288	358	646	Slovakia ⁸	143	65	208	Poland	9	44	53	2020				Scheduled	Unscheduled	Total	Germany	0.1	0.3	0.4	Sweden	0.2	1.2	1.4	Hungary	0.4	0.8	1.3	Czech Republic	0.6	0.8	1.4	Romania	0.9	3.6	4.6	Slovakia ⁸	0.5	1.2	1.7	Poland	0.2	0.8	1.0
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Accounting Metric	Category	Code	Response
CAIDI power⁷			
2020			
<i>Interruptions per minute</i>		Scheduled	Unscheduled
Germany		85	48
Sweden		157	101
Hungary		285	72
Czech Republic		264	58
Romania		310	98
Slovakia ⁸		274	54
Poland		46	58
		Total	
			56
			107
			142
			142
			141
			121
			55
→Reliable and smart grids			

¹Based on the emission factors of the national electricity mixes for specific geographic regions.

²Based on the emission factors of the national residual mixes for specific geographic regions.

³Power distribution losses in Sweden were completely offset by the purchase of green electricity.

⁴For generation assets over 20 MW.

⁵Excludes our joint venture in Turkey

⁶Excludes innogy.

⁷Figures are for the respective previous year: 2020 for 2019. Totals may deviate due to rounding.

⁸DSO in which we have a 49 per cent stake.

Activity Metric	Category	Code	Data 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: 40.7 million A more detailed breakdown of our customer groups cannot be provided.</p> <p>→About E.ON</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 colspan="6">2020</th> </tr> <tr> <th>Billion kWh</th> <th>Germany</th> <th>United Kingdom</th> <th>The Netherlands/ Belgium</th> <th>Other¹</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Residential and SME</td> <td>31,5</td> <td>22,4</td> <td>7,6</td> <td>30,6</td> <td>92,1</td> </tr> <tr> <td>I&C</td> <td>30,9</td> <td>33,7</td> <td>6,2</td> <td>29,4</td> <td>100,2</td> </tr> <tr> <td>Sales partners</td> <td>72,5</td> <td>-</td> <td>-</td> <td>3,8</td> <td>76,3</td> </tr> <tr> <td>Customer groups</td> <td>134,9</td> <td>56,1</td> <td>13,8</td> <td>63,8</td> <td>268,6</td> </tr> <tr> <td>Wholesale market</td> <td>61,4</td> <td>0,8</td> <td>6,5</td> <td>12,0</td> <td>80,7</td> </tr> <tr> <td>Total</td> <td>196,3</td> <td>56,9</td> <td>20,3</td> <td>75,8</td> <td>349,3</td> </tr> </tbody> </table> <p>→2020 Annual Report (p. 42)</p>	2020						Billion kWh	Germany	United Kingdom	The Netherlands/ Belgium	Other ¹	Total	Residential and SME	31,5	22,4	7,6	30,6	92,1	I&C	30,9	33,7	6,2	29,4	100,2	Sales partners	72,5	-	-	3,8	76,3	Customer groups	134,9	56,1	13,8	63,8	268,6	Wholesale market	61,4	0,8	6,5	12,0	80,7	Total	196,3	56,9	20,3	75,8	349,3
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Length of transmission and distribution lines	Quantitative	IF-EU-000.C	<p>Total length of networks: 1.31 million kilometres</p> <p>→About E.ON</p>																																																
Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	IF-EU-000.D	<p>Owned generation by energy source in percentages</p> <p>Natural gas/oil:² 1.4</p> <p>Nuclear (Non-Core Business):³ 95.9</p> <p>Coal:⁴ 0.0</p> <p>Other (includes biomass, wind and solar): 2.7</p> <p>→ESG figures</p>																																																
Total wholesale electricity purchased	Quantitative	IF-EU-000.E	<p>Data are not available.</p>																																																

¹Excludes E.ON Business Solutions²Includes 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.

Sustainability key performance indicators

We assess the effectiveness of our sustainability strategy and initiatives by monitoring key performance indicators (KPIs). Capital markets in particular want standardised environmental, social, and governance (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, last year's reporting included a number of innogy KPIs after this date. This 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. 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.

Reviewed disclosures display the icon. KPIs that are particularly important to us have a blue-shaded background.

Sample presentation of key figures

DVFA/EFFAS	2020	2019	2018
Key figure XX E/S/G-XX-XX	XX <input checked="" type="checkbox"/>	XX	XX

The diagram shows two black rectangular boxes with white text. The left box contains 'DVFA/EFFAS-ID' and has an upward-pointing arrow above it, pointing towards the '2020' column. The right box contains 'Assured' and has an upward-pointing arrow above it, also pointing towards the '2020' column.

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	2020	2019 ¹	2018
Greenhouse gas emissions (total CO ₂ equivalents in million metric tonnes, location-based)	E03-01	116.26 <input checked="" type="checkbox"/>	128.98	68.78
Greenhouse gas emissions (total CO ₂ equivalents in million metric tonnes, market-based)	E03-01	117.85 <input checked="" type="checkbox"/>	-	-
Scope 1	E02-01	3.56 <input checked="" type="checkbox"/>	3.88	4.58
Scope 2 (location-based) ²	E02-01	4.49 <input checked="" type="checkbox"/>	4.82	2.89
Scope 2 (market-based) ^{2,3}	E02-01	6.09 <input checked="" type="checkbox"/>	-	-
Scope 3	E02-01	108.21 <input checked="" type="checkbox"/>	120.27	61.31

¹Prior-year figures have been adjusted.

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

³2020 is the first year for which we've reported market-based Scope 2 emissions.

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

Environmental management

	DVFA/ EFFAS	2020	2019	2018
Energy consumption within the organisation (million GJ)	E01-01	240 ¹	228	239 ²
Business units certified to ISO 14001 (percentages)	E33-01	86 ¹	100 ³	99
Business units certified to ISO 50001 (percentages)		80 ¹	97	86
Number of environmental incidents				
4 (major)		0	0	0
3 (serious)		2	1 ⁴	1 ⁵
2 (moderate)		34	36	10
1 (minor)		246	260	153
0 (inconsequential)		509	599	412
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	485 <input checked="" type="checkbox"/>	529	520
Short term		58 <input checked="" type="checkbox"/>	59	28
Long term		427 <input checked="" type="checkbox"/>	470	492
Fresh water consumption (million cubic metres) ⁸	E28-01	46.4	47.3	37.7

¹Includes innogy from 2020 onward.

²A change in the scope of consolidation limits the information value of a comparison with the subsequent year's figures.

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

⁴Oil leak at a CHP plant operated by E.ON Business Solutions in the United Kingdom.

⁵The depressurisation of a gas pipeline at our Avacon subsidiary resulted in the unintentional release of oil.

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

⁷Audited disclosures from the E.ON Annual Report.

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

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

Waste

	DVFA/ EFFAS	2020	2019	2018
Non-hazardous waste (metric kilotonnes)		373.8	454.3	78.9
Recovered		311.5	436.5	73.6
Disposed		62.2	17.8	5.3
Hazardous waste (metric kilotonnes)	E06-01	138.2	122.3	77.1
Recovered		95.0	90.2	53.4
Disposed		43.2	32.1	23.7
Total waste (metric kilotonnes) ¹	E04-01	511.9	576.6	156.0
Total amount of waste recycled (percentages) ²	E05-01	79.4	91.3	81.4
Low and intermediate-level radioactive waste (metric tonnes)	E08-01/02	684.0	536.0	313.9
High-level radioactive waste (metric tonnes)	E08-03	129.0	136.0	116.0

¹Hazardous and non-hazardous waste.

²Percentage of recycled hazardous and non-hazardous waste.

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

Social

Employee matters

	DVFA/ EFFAS	2020	2019	2018
Group employees (headcount)¹		78,126	78,948	43,302
New hires ³				
Fulltime equivalent (FTE)		6,363	5,421	5,478
Headcounts		6,962	5,708	5,579
Permanent employment contracts (percentages)		59	66	69
Employees with full-time contracts (percentages) ³		88	88 ⁴	92
Employees with permanent employment contracts (percentages) ³		93	94	95
Employees with collective bargaining agreements (percentages)		82	81	83
Employees with part time contracts ³		9,530	9,657 ⁴	3,328
Average length of service (years) ³		14	14	14
Voluntary turnover rate (percentages)³	S01-01	3.5	4.6	4.8
Apprentices in Germany (headcount)		2,395	2,456	899
Apprentice ratio in Germany (percentages)		6.0	6.0	5.4
Female workforce (percentages) ³	S10-01	32	33	32
Women managers (percentages) ⁵	S10-02	21	21	21
Severely disabled employees in Germany (percentages) ⁶		5.4	5.3	5
Severely disabled employees in Germany (headcount) ⁶		2,016	2,027 ⁴	861
Nationalities (number)		115	115	100
Average age (in years) ⁴		42	42	42
Average employee age (percentages)³	S03-01			
<30 years		20	20	19
31-50 years		50	50	53
>50 years		30	30	28

¹Excludes board members, managing directors, and apprentices.

²Audited disclosures from the E.ON Annual Report.

³Includes board members, managing directors, and apprentices.

⁴Prior-year figures have been adjusted.

⁵Includes board members and managing directors.

⁶Excludes board members and managing directors.

For more information, visit the →Employee matters chapter.

Occupational health and safety

	DVFA/ EFFAS	2020	2019	2018
Combined TRIF¹		2.3	2.5 ²	2.4
Employee TRIF		2.4	2.5 ²	2.5
Contractor TRIF		2.3	2.5 ²	2.1
Employee LTIF³		1.5	1.9 ²	1.9
Contractor LTIF³		1.7	1.7 ²	1.5
Business units certified to ISO 45001 (percentages)		87	100 ^{4,5}	99
Employee and contractor fatal accidents		5.0	3	5
Employee health rate (percentages)⁶		96.3	96.0	96.3

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 from 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.

⁶Includes board members, managing directors, and apprentices.

For more information, visit the →Occupational health and safety chapter.

Community involvement

	DVFA/ EFFAS	2020 ¹	2019	2018
Corporate giving (€ in millions)		7.9	3.8	2.3
Strategic community involvement (€ in millions)		3.3	2.0	5.7
Total community investments (€ in millions)		11.1	5.8	8.0
Involvement of E.ON employees (number of volunteer hours)		11,405	8,745	11,807

¹Includes innogy from 2020 onward.

For more information, visit the →Community involvement chapter.

Governance

Customers

	DVFA/ EFFAS	E.ON 2019	E.ON 2018	E.ON 2017
Number of power and gas customers in Europe (millions)	V11-02	40.7 ¹	39.6 ²	21.0
Installed smart meters (millions) ³	V11-02	8.5	4.4	3.4
Customer loyalty development	V06-01	Visit the →Customer experience chapter.		
Reduction of CO ₂ emissions at commercial and industrial customers (metric tonnes)		585,001	673,169	688,814

¹Audited disclosures from the E.ON Annual Report.

²Prior-year figures have been adjusted.

³Includes smart meters in Slovakia (DSO in which we have a 49 per cent stake).

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

Power generation

	DVFA/ EFFAS	2020 ¹	2019	2018
Owned generation by energy source (percentages)	E26-01			
Natural gas/oil ²		1.4	1.4	1.7
Nuclear (Non-Core Business) ³		95.9	69.2	64.6
Coal ⁴		0.0	0.2	0.2
Other (includes biomass, wind and solar)		2.7	29.2 ^{5,6}	33.5 ^{5,6}

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.

⁶Prior-year figures have been adjusted.

Energy networks

DVFA/ EFFAS	2020	2019 ²	2018
Power system length (thousand kilometres) ¹	1,165	1,139	757
Gas system length (thousand kilometres)	148	151	96
Power distribution losses (percentages)	3.8 ³	4.2	4.2

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

²Prior-year figures have been adjusted.

³Includes innogy from 2020 onward.

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

Compliance

DVFA/ EFFAS	2020 ¹	2019	2018
Procurement volume in countries with corruption risks (percentages) ²	16.2	17.2	14.3
Number of compliance notices ³	135	107	85
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 our corporate headquarters 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	2020	2019	2018
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 12,000 participants from over 160 countries, the Global Compact is the world's largest sustainability initiative.

Basis for company policies and standards

Being a signatory 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: Support and respect internationally proclaimed human rights

Principle 2: Eliminate any participation in human rights abuses

Labour

Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Eliminate all forms of forced and compulsory labour

Principle 5: Eliminate child labour

Principle 6: Eliminate discrimination in respect of employment and occupation

Environment

Principle 7: Support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

Principle 10: 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](#)

→[Human rights and supplier management](#)
 →[Working conditions and employee development](#)
 →[Compliance and anti-corruption](#)
 →[Good corporate governance](#)
 →[Diversity and inclusion](#)

→[Climate protection](#)
 →[Environmental management](#)
 →[Lower-carbon households](#)
 →[Cleaner companies, greener communities](#)
 →[Good corporate governance](#)
 →[Sustainability strategy and material topics](#)

→[Compliance and anti-corruption](#)
 →[Good corporate governance](#)
 →[Stakeholder engagement](#)

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 Sustainability Strategy

- E.ON Health, Safety, Environment and Climate Protection Policy Statement
- SDG Self-Commitment by the E.ON Board of Management
- Climate Commitment
- E.ON Sustainability Strategy
- Task Force on Climate-related Financial Disclosure (TCFD)

- E.ON Code of Conduct
- People Guideline on Anti-corruption
- Supplier Code of Conduct
- E.ON Sustainability Strategy

Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information

To E.ON SE, Essen

We have performed a limited assurance engagement on the disclosures denoted with "☒" in the sustainability report of E.ON SE, Essen (hereinafter: "the Company"), for the period from 1 January to 31 December 2020 (hereinafter: "the Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol "☒".

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter: "GRI-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures denoted with "☒" in the Report based on the assurance engagement we have performed. Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures denoted with "☒" in the Company's Report for the period from 1 January to 31 December 2020 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Analytical evaluation of selected disclosures in the Report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures denoted with "☒" in the Company's Report for the period from 1 January to 31 December 2020 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Essen, 23 March 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink	ppa. Theres Schäfer
Wirtschaftsprüfer	Wirtschaftsprüferin
German public auditor	German public auditor

Independent Practitioner's Limited Assurance Report

To E.ON SE, Essen

We have been engaged to perform a limited assurance engagement on the disclosures related to the use of bond proceeds for eligible green projects (hereinafter also "the Use of Proceeds") denoted with "☒" in the period from January 1, 2018 to December 31, 2020 and on the disclosures related to the environmental benefits included in the schedule "Impact reporting for allocated portfolio" (hereinafter also the "Environmental Benefits") denoted with "☒" in the Appendix "Green Bond Reporting" of the "2020 E.ON Sustainability Report" of E.ON SE, Essen, (hereinafter "the Company") in the period from January 1, 2020 to December 31, 2020 (hereinafter "Green Bond Report"). Our engagement in this context relates solely to the disclosures denoted with the symbols "☒" and "☒".

Management's Responsibility for the Green Bond Report and the Use of Proceeds

Company's Management is responsible for the preparation and presentation of the Green Bond Report including the disclosures related to the Use of Proceeds and to the Environmental Benefits as well as for the use of bond proceeds in accordance with the eligibility criteria as set out in section "Green Projects" (the "Eligibility Criteria") as well as the impact methodology as set out in section "Reporting" of the E.ON Green Bond Framework and the "E.ON impact reporting: avoided emissions methodology" (together the "Impact Criteria").

This responsibility includes: designing, implementing and maintaining internal control relevant to the proper preparation and presentation of the Green Bond Report including the disclosures related to the Use of Proceeds and the Environmental Benefits as well as to the proper use of bond proceeds and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Audit Firm's Independence and Quality Control

We have complied with the German professional provisions regarding independence as well as other ethical requirements. The audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the

Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures related to the Use of Proceeds for eligible green projects denoted with "☒" and on the disclosures related to the Environmental Benefits included in the schedule "Impact reporting for allocated portfolio" denoted with "☒" in the Green Bond Report based on our work performed.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that, in all material respects,

- the total amount of eligible assets and investments disclosed in the Green Bond Report and denoted with "☒" has not been invested in accordance with the Eligibility Criteria and the total amount of proceeds from green bonds as at year-end 2020 does not exceed the total amount of eligible assets and investments and
- the Environmental Benefits included in the schedule "Impact reporting for allocated portfolio" denoted with "☒" in the Green Bond Report have not been determined in accordance with the Impact Criteria.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement of the disclosures related to the Use of Proceeds considering the Eligibility Criteria and of the disclosures related to the Environmental Benefits considering the Impact Criteria.

Within the scope of our work we performed amongst others the following procedures:

- We have obtained an understanding of (i) the Eligibility Criteria and (ii) the assets and investments for which the proceeds of the green

bond issued by E.ON SE had been used (hereinafter the "Eligible Green Projects").

- We have obtained an understanding of the Impact Criteria.
- We have made enquiries of the Company's management and those with responsibility for the preparation and presentation of the Green Bond Report regarding the management and the process of recording and reporting of the disclosures related to the Use of Proceeds and the Environmental Benefits in the Green Bond Report, the systems used in the process and the related internal control system.
- We have identified the likely risks of material misstatement of the disclosures related to the Use of Proceeds and the Environmental Benefits in the Green Bond Report.
- We have obtained a listing prepared by the Company of assets and investments in, expenditures for and/ or costs incurred in connection with the Eligible Green Projects and agreed the information on the listing with the respective disclosures related to the Use of Proceeds in the Green Bond Report.
- We have inspected minutes of the Green Bond Committee and other relevant meetings regarding the consideration and approval of assets and investments in, expenditures for and/ or costs incurred in connection with the Eligible Green Projects.
- We have, on a sample basis,
 - agreed the disclosures related to the Use of Proceeds in the Green Bond Report to the respective information in the Company's project accounting system and underlying documentation of the Company regarding the Use of Proceeds in the period from January 1, 2018 to December 31, 2020;
 - evaluated whether assets and investments in, expenditures for and/ or costs incurred in connection with the Eligible Green Projects were used in accordance with the Eligibility Criteria; and assessed whether assets and investments in, expenditures for and/ or costs incurred in connection with the Eligible Green Projects in the period from January 1, 2018 to December 31, 2020 are equal or more than the proceeds of the green bond to qualify for its refinancing.
 - agreed the disclosures related to the Environmental Benefits in the Green Bond Report to information on the estimated total quantities of electricity fed into the grid, share of electricity fed into the grid from renewable energy sources by type, installed generation capacities from renewable energy sources and number of installed smart meters in the Company's management information systems for technical information in the period from January 1, 2020 to December 31, 2020.

- We have considered the disclosure and presentation of the Use of Proceeds and the Environmental Benefits disclosed in the E.ON Green Bond Report.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that, in all material respects,

- the total amount of eligible assets and investments disclosed in the Green Bond Report and denoted with "" has not been invested in accordance with the Eligibility Criteria and the total amount of proceeds from green bonds as at year-end 2020 does not exceed the total amount of eligible assets and investments and
- the Environmental Benefits included in the schedule "Impact reporting for allocated portfolio" in the Green Bond Report have not been determined in accordance with the Impact Criteria.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company about the results of the limited assurance engagement. The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

Essen, 23 March 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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Publisher

E.ON SE
Brüsseler Platz 1
45131 Essen
Germany

Concept, copywriting, and layout

E.ON SE
Stakeholder Reporting GmbH, Hamburg

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