

Non-Financial Statement 2024

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General information

Preamble

In accordance with European Union (EU) Directive 2014/95/EU regarding the disclosure of non-financial information (NFRD) and its implementation through the Austrian Sustainability and Diversity Improvement Act (*Nachhaltigkeits- und Diversitätsverbesserungsgesetz*, NaDiVeG), VERBUND summarises the required information in accordance with Section 267a of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) (NaDiVeG) in the Non-Financial Statement section of the Group management report of the Integrated Annual Report 2024.

Since financial year 2021, VERBUND has been obliged, moreover, to disclose information in accordance with the European Taxonomy Regulation (EU) 2020/852. This reporting obligation is fulfilled by way of the Non-Financial Statement “Environmental Information” section in the Non-Financial Statement.

In accordance with section 267a(5) of the Austrian Commercial Code (UGB) (NaDiVeG), VERBUND can rely on national, Union-based or international frameworks when preparing the Non-Financial Statement. All disclosures in the Non-Financial Statement are aligned with the European Sustainability Reporting Standards (ESRS) for the first time. The contents include all disclosures of material relevance to VERBUND regarding environmental, social and employee matters, as well as information on respecting human rights and combating corruption and bribery. Details can be found in the topic-specific ESRS, especially E1 to E5, S1, S2 and G1. This includes consideration of interactions with the business model, material impacts, risks and opportunities, the implemented policies and the due diligence processes. The application of the new ESRS instead of the Global Reporting Initiative (GRI) sometimes results in changes to metrics, which does not always allow a comparison with previous year figures. Previous years' figures are therefore only shown where they are comparable.

At the time the Non-Financial Statement was prepared, the transposition of Directive (EU) 2022/2464 regarding corporate sustainability reporting (CSRD) into Austrian law (through the Austria Sustainability Reporting Act (NaBeG)) was not yet complete. The following disclosures in the Non-Financial Statement are therefore reported on a voluntary basis according to ESRS.

ESRS 2 General Disclosures

Basis for preparation (BP)

Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement

This report presents the consolidated Non-Financial Statement of VERBUND AG prepared in accordance with NaDiVeG and ESRS. It describes the material impacts, risks and opportunities related to the material topics identified in the materiality assessment for VERBUND for financial year 2024 (1 January to 31 December 2024). Both the reporting period and the entities included in the report correspond to the scope of consolidation of financial reporting. Material events after the reporting date were included in the same way as for financial reporting, up until 19 February 2025. In the event of deviations from the financial scope of consolidation due, among other reasons, to specific ESRS requirements, this is noted in the respective section.

The reported information is supplemented by material impacts, risks and opportunities along the value chain. The availability of strategies, actions, metrics and targets for the value chain is initially limited at the time of reporting. These are reported on a selective basis.

In the 2024 reporting year, VERBUND did not make use of the option of omitting metrics in accordance with ESRS 1 section 7.7. (Classified and sensitive information and information on intellectual property, know-how or results of innovation) and disclosures in accordance with Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

Disclosure requirement BP-2 – Disclosures in relation to specific circumstances

Time horizons

The time horizons for VERBUND's reporting are based on the periods defined in ESRS 1 section 6.4. A short-term, namely <1 year time horizon corresponds to the reporting period, medium-term from one to five years, and long-term more than five years.

A deviation in the time horizons arises in the implementation of the EU Taxonomy: the relevant metrics must always be reported for the past financial year. An exception is made for CapEx planning, which always encompasses the next three planning years as defined specifically for VERBUND. A climate risk and vulnerability assessment is carried out as part of the process of classifying economic activities under the EU Taxonomy. For this purpose, climate projection scenarios are always considered for the current year (reporting year) and, based thereon, in 10 years and in 30 years, in accordance with Appendix A of the EU Taxonomy Regulation Climate Delegated Act.

The resilience analysis uses the time horizon of 2025 to 2034, coinciding with the budget and strategic investment planning period.

Value chain estimations

Where metrics include estimated information about value chains, this is separately noted in the quantitative disclosures specific to each topic. This arises in particular in E1 in terms of Scope 3 emissions and in E5 in relation to waste volume data.

If available, predominantly qualitative information regarding the value chain is provided. In accordance with the best-effort approach, VERBUND strives to successively expand on these disclosures and supplement them with quantitative information.

Sources of estimation and outcome uncertainty

VERBUND uses estimates for metrics and/or components thereof in certain cases, but only if no precise metrics or other factors are available. These estimates can create uncertainties, but every possible effort is made to minimise them. Insofar as estimates were applied in the calculation, this is noted in the relevant data point for the specific issue. Estimate sources are explicitly listed in E1, E3 and E5.

Changes in preparation or presentation in sustainability information

As of financial year 2024, VERBUND will no longer be reporting on the basis of the GRI standards, but will instead apply ESRS for its reporting under the NaDiVeG in view of its future obligations under the CSRD. This impacts the reporting structure, content, and metrics of this report, meaning the 2024 Non-Financial Statement is not comparable to the 2023 Non-Financial Report.

Reporting errors in prior periods

Since this is the first time reporting in accordance with ESRS, figures from the previous year are only reported where available and comparable. Previous year figures are not reported for metrics first reported in accordance with ESRS. Accordingly, errors arising from the comparison with previous reporting periods are particularly relevant in the case of metrics where comparative values are available. Any errors that have occurred will be rendered transparent. In the 2024 reporting period, VERBUND was not aware of any errors from previous reporting periods.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

In addition to the NaDiVeG, VERBUND has applied EU Taxonomy rules to the 2024 Non-Financial Statement; these are explained in the Environmental information section. Otherwise, no other legal regulations or standards are applied in this report. VERBUND is using the Integrated Annual Report 2024 as a UN Global Compact progress report.

Incorporation by reference

In its Non-Financial Statement, VERBUND also refers to other parts of the Integrated Annual Report, especially the Corporate Governance Report. References are made in accordance with the requirements of ESRS 1 section 9.1, and comply with the following requirements set out therein:

- They represent a separate element of information and clearly identify that a disclosure requirement or data point is being addressed
- They are published at the same time as the management report
- They are the same language as the Non-Financial Report (in Deutsch)
- They exhibit the same (limited assurance) or a higher level of assurance (reasonable assurance) than the Non-Financial Statement

For the utilisation of synergies, the following ESRS disclosure requirements are predominantly or entirely reported in the Corporate Governance Report (page 28) of the Integrated Annual Report:

- ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies
- ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Use of phased-in disclosure requirements in accordance with ESRS 1 Appendix C

VERBUND has more than 750 employees, which is why the table in Appendix C with phase-in provisions is not material. The application of disclosure requirements subject to a phased-in process is detailed in the ESRS disclosure requirements list in the section on ESRS 2 IRO-2.

Governance

Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies

In addition to all of the Group's employees, the administrative, management and supervisory bodies also play a key role in shaping the corporate culture. They have a decisive impact on corporate culture and promote it through their role model effect, through appropriate rules and by enacting suitable measures. The following disclosures concerning the role of administrative, management, and supervisory bodies relate to VERBUND AG as a reporting entity.

Austrian stock corporation law prescribes a dual management system that provides for strict separation of the executive board as a managing body and the supervisory board as a supervisory body. The two boards are strictly separated in terms of their duties and responsibilities in accordance with the provisions of Austrian stock corporation law. The Executive Board acts as the management body and is responsible for the operational functions of the company, whereas the Supervisory Board is the control or supervisory body that monitors and reviews the operating activities of the Executive Board. Accordingly, this report exclusively covers the Executive Board as the management body and the Supervisory Board as the supervisory body.

Simultaneous membership of both the Executive Board and the Supervisory Board is not permitted. The Executive Board manages the Group's business activities and represents the Group externally. It is responsible for all operating activities, for the organisational and operational structure of the Group and for its corporate strategy, which it coordinates with the Supervisory Board. The Executive Board is not required to take instruction from either the Supervisory Board or the Annual General Meeting. However, certain significant Executive Board management actions require the approval of the Supervisory Board and/or its committees. Rules of procedure set out the details of the working partnership between the Executive Board and the Supervisory Board. In particular, they contain the areas and aspects of business activities subject to prior approval by the Supervisory Board. Appropriate value-based limits have been set for this purpose. It should be emphasised that prior to execution, significant transactions by Group companies must also be approved within the defined framework not only by the boards of the respective Group company, but also by the Supervisory Board of VERBUND AG.

Details on the composition of the Executive Board, its working methods and distribution of responsibilities, its diversity, its expertise and its skills can be found in the Consolidated Corporate Governance Report 2024 and in the section on ESRS G1.

The Supervisory Board of VERBUND AG is comprised of ten shareholder representatives elected by the Annual General Meeting and five members delegated by the Works Council. The shareholder representatives are appointed for a maximum of five years, with the Supervisory Board required to propose its nominees to the Annual General Meeting. Reappointment is possible. For every two shareholder representatives on the Supervisory Board, there is one member delegated by the employee representatives granted the same rights and duties as the former.

The Supervisory Board of VERBUND AG does not perform any operating activities. It advises the Executive Board and supervises its management of the Group. To this end, the Supervisory Board receives regular and comprehensive information from the Executive Board on the performance, position and strategy of the Group as well as on its risk position and risk management. In accordance with the law and the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex, ÖCGK*), and

also in accordance with its rules of procedure, the Supervisory Board forms several committees, including a Sustainability and Strategy Committee.

The Consolidated Corporate Governance Report (page 28) of the Integrated Annual Report 2024 contains detailed information on the Supervisory Board's working methods, its meetings and composition, and its committees; the independence of the members of the Supervisory Board; the self-evaluation of the Supervisory Board; the management of conflicts of interest; as well as its diversity and expertise.

Sustainability organisation at VERBUND

VERBUND has issued an internal Group policy for ensuring compliance with the principles of sustainability in all of the Group's actions and decisions. The primary responsibility for sustainability and the aforementioned policy lies with the Group Executive Board, which determines the strategic sustainability performance targets. The Executive Board member responsible for sustainability ensures that sustainability is integrated into the business processes and reports to the Supervisory Board on sustainability and progress in achieving the targets. The Supervisory Board's Strategy and Sustainability Committee particularly focuses on impacts, actions and targets concerning sustainability. However, other committees, such as the Audit and Remuneration Committee, also deal with sustainability-related risks and opportunities, internal controls and sustainability-related remuneration.

Sustainability forms an integral part of corporate development at VERBUND AG. The management has operational responsibility for relevant environmental and sustainability matters, which are developed for the Group by a team that includes environmental and sustainability officers at Group level.

The Corporate Responsibility Committee (CRC) is also established at VERBUND's highest management level. This committee comprises representatives of the fully consolidated companies, the divisional heads from the holding company, the Chairperson of the Group's Work Council representatives, the Group Compliance Officer, the Head of Corporate Responsibility, the Group Sustainability Officer, the Group Environmental Officer and the Group Health Officer. The CRC meets bi-annually. With respect to these topics, the CRC's tasks and areas of responsibility include the following: advising the Executive Board member responsible for CR on the strategic issues under their purview, defining strategic corporate responsibility goals and passing on suggestions from the companies and holding company divisions represented.

At the operational level, there is also the environmental team, which is made up of the Group Environmental Officer, the company environmental officers, and subject-specific experts from specialist departments. The team meets four times a year to discuss environmentally relevant events and topics.

Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The content of Disclosure Requirement ESRS 2 GOV-2 is reported in the Consolidated Corporate Governance Report (page 28) in the Integrated Annual Report 2024. VERBUND AG is a listed stock corporation domiciled in Austria. Its corporate governance framework is derived from Austrian and European law, including, but not limited to, stock corporation and capital market law, the Austrian Commercial Code (UGB) including the regulations governing employee co-determination, the Company's Articles of Association, the rules of procedure for the Company's Boards and, finally, the Austrian Code of Corporate Governance (ÖCGK).

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

The remuneration policy pursuant to Section 78a of the Austrian Stock Corporation Act (*Aktiengesetz*, AktG) for the Group Executive Board of VERBUND AG is aimed at promoting the long-term and sustainable development of the Company. Sustainability targets are therefore embedded in both the Executive Board's short- and long-term variable compensation components.

According to the remuneration policy, personnel and sustainability targets derived from VERBUND's sustainability strategy are generally integrated into the short-term incentive (STI) with a weighting of 20 to 30%. The Remuneration Committee annually defines up to three criteria from the categories of environment and energy, economy, social affairs, and governance for the human resources and sustainability goals, along with the weighting assigned to them. For financial year 2024, the Remuneration Committee agreed targets with the members of the Executive Board for the three sustainability criteria Occupational safety, Culture and transformation, and Diversity and inclusion, each given a weighting of 10% in the short-term remuneration. The occupational safety sustainability criterion was split into the following targets of Lost Time Incident Frequency Rate, instructions for occupational safety, and audit, which were respectively accorded a 5%, 2%, and 3% weighting. The diversity and inclusion sustainability criterion was split into the following targets of proportion of women among new employee hires and number of people with disabilities among new employee hires/new registrations with a 6% and 4% weighting.

Similarly to the short-term incentive, for the long-term incentive (LTI) up to three criteria were derived from the VERBUND sustainability strategy and accorded a weighting of 20 to 30%.

For financial year 2024, as sustainability objectives, each with a weighting of 10%, the Remuneration Committee defined the targets for the 2024 long-term incentives (LTI tranche 2024–2027) as follows: expansion of the flexibility portfolio by 800 MW, expansion of the renewables portfolio by 1,200 MW, and the achievement of three key milestones in the hydrogen sector. The three key milestones in the hydrogen sector are: ready-to-build status and commissioning of local electrolysis capacity (up to 60 MW in total, at least 30 MW), the conclusion of two upstream H₂ JDAs for imports (two agreements), and the submission of all necessary documentation for the conclusion of an upstream shareholder agreement for H₂ imports.

As a result, a total of 17% of the contractually promised remuneration (assuming 100% target achievement) is linked to sustainability targets. The share of the short-term remuneration granted and owed under Section 78c of the Austrian Stock Corporation Act (AktG) for financial year 2024 that is linked to sustainability-related targets is 7%.

Long-term remuneration is based on virtual performance shares. The long-term remuneration was vested up to the end of financial year 2023 based on the 2020 remuneration policy, with a measurement period of three years.

In addition to the financial targets "relative total shareholder return (TSR)" and "free cash flow before dividends", the long-term remuneration's 2022–2024 tranche also included the sustainability target "expansion of new renewables generation", with weightings of 30%, 35% and 35% respectively.

The share of the long-term remuneration granted and owed in 2022 (LTI tranche 2022–2024) pursuant to Section 78c of the Austrian Stock Corporation Act (AktG) linked to sustainability-related targets was 10%.

As a result, of the total compensation granted and owed pursuant to Section 78c of the Austrian Stock Corporation Act (AktG), a total of 18% is linked to sustainability-related targets.

The Remuneration Committee of the Supervisory Board of VERBUND AG is responsible for the structure and implementation of the Executive Board's compensation based on the remuneration policy and for reviewing these on its own initiative. The remuneration policy is usually implemented through the annual setting of objectives in line with the given strategy (both for the short-term and for long-term remuneration), determining realised target achievement, and, where appropriate, taking the further actions required to implement the remuneration policy. At the start of each financial year, the Remuneration Committee of the Supervisory Board defines the objectives (including the sustainability targets) within the scope of their responsibilities in the Group. At the end of the financial year, target achievement is assessed by the Remuneration Committee. In addition, the Remuneration Committee regularly conducts an overall review of the remuneration policy and the sustainability matters it contains, updating these as necessary. In accordance with Section 78a of the Austrian Stock Corporation Act (AktG), the remuneration policy is submitted to the Annual General Meeting for a vote on each material amendment once every fourth financial year at the latest.

For financial year 2024, the Remuneration Committee did not take climate-related targets into account in the short-term remuneration (STI). In the long-term remuneration (LTI) promised in financial year 2024, the sustainability-related targets of expanding the flexibility portfolio, expanding the renewables portfolio, and achieving three key milestones in the hydrogen sector, each with a weighting of 10%, were likewise to be considered climate-related targets.

Accordingly a total of 10% of the contractually promised remuneration (assuming 100% target achievement) was linked to climate-related considerations. The share of the short-term remuneration granted and owed (STI) for financial year 2024 pursuant to Section 78c of the Austrian Stock Corporation Act (AktG) that was linked to climate-related considerations was zero.

The disbursement of the 2022 long-term remuneration granted under the 2020 remuneration policies (LTI tranche 2022–2024) was assessed at 35% across this period based on the “Expansion of new renewables generation” target, which is linked to climate-related considerations.

The resulting share of the long-term remuneration 2022 (LTI tranche 2022–2024) granted and owed in accordance with Section 78c of the Austrian Stock Corporation Act (AktG) that was linked to climate-related considerations was 10%.

As a result, of the total compensation granted and owed to the Executive Board pursuant to Section 78c of the Austrian Stock Corporation Act (AktG), a total of 10% was linked to climate-related targets.

The performance of the Chairman of the Executive Board and its full members was not assessed in financial year 2024 in relation to the GHG emissions reduction targets reported under Disclosure Requirement E1-4. The Remuneration Committee of VERBUND AG's Supervisory Board will evaluate and review the inclusion of GHG emission reduction targets as sustainability goal sub-targets.

Disclosure Requirement GOV-4 – Statement on due diligence

The ESG due diligence process serves to fulfil the sustainability-related due diligence requirement. Due diligence is the key process by which VERBUND determines how the actual and potential negative impacts on the environment and people in connection with its business activities are managed, prevented, mitigated and accounted for. These include negative impacts connected with VERBUND's

own operations and its upstream and downstream value chain, including through its products or services, as well as through its business relationships.

The ESG due diligence process is based on the OECD Guidelines for multinational companies. The outcome of the undertaking's sustainability due diligence process informs the undertaking's assessment of its material impacts, risks and opportunities. ESG due diligence can therefore be viewed as a preliminary stage of the materiality assessment process.

The ESG due diligence process is based on numerous corporate processes related to ESG. The key ones are summarised below:

The VERBUND Code of Conduct for Sustainable Business forms the basis for VERBUND's responsible business conduct by VERBUND with the aim of meeting all legal, contractual, ethical and voluntary requirements. In its Code of Conduct, VERBUND undertakes to respect human rights, to comply with labour standards, to protect the climate and the environment, to fight corruption, to engage in fair competition and to comply with tax regulations. The Code applies to all managers and employees and supports them in their decisions and actions in their everyday working life in their dealings with colleagues, customers, suppliers, local residents and all other stakeholders. The Code uses examples to describe issues, offers detailed definitions and refers to additional mission statements, information and internal policies such as the Group's "Human rights due diligence" policy. Furthermore, VERBUND's Supplier Code of Conduct (SCoC) also obliges suppliers and business partners to comply with the above principles.

Due to the unbundling regulations, the grid companies Austrian Power Grid and Gas Connect Austria have implemented independent, integrated management systems for sustainability, environmental and occupational health and safety management and created equivalent codes and guidelines.

The positive and negative impacts of business activities on the environment and society are identified, analysed and periodically updated, and stakeholders integrated in the context of a materiality assessment.

Sustainability risks in the supply chain are identified and assessed through regular hotspot analyses. These analyses also consider information from recognised external sources, such as the Business and Human Rights Resource Center. Risk mitigation actions and processes are derived from the analysis and integrated into the regulatory system and into contracts with business partners.

The Group-wide whistleblower system plays a key role in ensuring that due diligence requirements are met. The VERBUND Integrityline enables anonymous information to be submitted easily and securely by external parties, for example by employees of business partners. All reports are treated confidentially, independently and objectively, with a special focus on data protection and personal privacy for the whistleblowers and the individuals concerned.

The following table provides an overview of key elements of due diligence, and a reference showing where these are explained in detail in this Non-Financial Statement.

Core elements of due diligence	Paragraphs in the Non-Financial Statement
a) embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
b) engaging with affected stakeholders in all key steps of the due diligence	ESRS SBM-2 ESRS 2 IRO-1
c) identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3
d) taking actions to address those adverse impacts	Actions are covered in the respective topic-specific standards E1 to E5, S1 to S4, G1
e) tracking the effectiveness of these efforts and communicating	The effectiveness, metrics and targets are covered in the respective topic-specific standards E1 to E5, S1 to S4, G1

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

VERBUND has implemented a Group-wide internal control and risk management system (ICS), the effectiveness of which is monitored by the Supervisory Board's Audit Committee. The operational structure, the process map and the checks are documented regularly in ARIS (the process modelling tool) and published on the intranet (including the risk control matrix). VERBUND's organisational structure is continually adapted to address changing internal and external conditions.

The sustainability reporting is established on the basis of these pre-existing ICS accounting processes and it will be extended step-by-step. In the first step, the following processes were modelled in ARIS, material risks were prioritised on the basis of qualitative estimates and controls were defined:

- Collection of non-financial data (e.g. environmental and personnel metrics)
- Preparation of qualitative content for the Non-Financial Statement

The material risk in these processes are that incorrect data or information are included in the Non-Financial Statement or that correct data or information is completely missing. To avoid this, VERBUND uses software solutions for collecting the data, and assigns separate roles for the data collectors and validators. In addition, tolerance thresholds are in place for the collection of data to flag any excessive deviations from the previous year's figures. Data collection and validation are performed on the basis of the dual control principle. To ensure that the information published is correct, as part of the preparation of the report, a number of correction and approval loops are established for the designated executives, reporting team and executive assistants. Finally, the Integrated Annual Report including the Non-Financial Statement is approved by the Executive Board.

The Executive Board and Supervisory Board are informed of any identified risks, controls and deviations. The purpose of the defined processes and controls is to ensure compliance with CSRD and ESRS requirements, and to ensure that figures and content are correctly presented in the Non-Financial Statement.

Strategy

Disclosure Requirement SBM-1 – Strategy, business model and value chain

The climate crisis is the defining issue of our time. Europe is simultaneously experiencing an energy crisis, which is leading to a high level of uncertainty on European energy markets. Transforming to a carbon-free energy system and weaning ourselves off fossil fuels as quickly as possible while safeguarding security of supply are therefore essential.

Achieving this requires a reconstruction of our energy system and a massive push of investment and growth in wind power, solar energy and green hydrogen, accompanied by an expansion of the necessary grid infrastructure and energy storage in Europe. Successful integration of the required generation units is crucial to facilitate the transition to a largely carbon-free energy market. In addition, energy increases at existing power plants will continue to make a strong contribution to modernising and transforming the present-day energy system.

A more sustainable, renewable future is the key focus of the three strategic directions of VERBUND's Mission V Strategy 2030. All of VERBUND's ambitions are geared towards a climate-neutral, supply-secure Europe. To this end, VERBUND is pursuing science-based emission reduction targets with the aim of achieving net zero by 2050. VERBUND already generates around 96% of its electricity from renewable energy and takes action to protect nature and promote biodiversity. Sustainability is therefore a key element of all three strategic pillars, making it an integral element of strategy and business model.

Accordingly, the operationalisation of Mission V and the objectives derived from the three strategic pillars set out below are directly interconnected with VERBUND's sustainability ambitions.

Strengthening VERBUND's position as an integrated utility in the home market

- Expand, modernise and conserve hydropower plants in Austria and Germany in order to preserve and further strengthen renewable generation technology, with biodiversity in mind.
- Further develop the last remaining site for the generation of thermal electricity and thermal energy from natural gas to a future H₂-ready site.
- Decarbonise the industrial sector and residential customers by offering guarantees of origin (GO) certified green electricity, photovoltaic, battery storage and e-mobility solutions.
- Expand the power grid as an important contribution to the successful integration of wind power and photovoltaic installation, and to secure supplies in Austria.
- Contribute to the development of the European hydrogen economy by adapting the existing gas network infrastructure for transporting hydrogen while ensuring security of supply.

Expanding green generation and flexibility in Europe

- Expand the renewable generation technologies wind power and photovoltaic in the European markets of Austria, Germany, Spain, Italy, Romania and Albania to contribute to the decarbonisation of the European energy supply.
- Push for hybridisation and land dual use (agri-photovoltaic) to exploit the full potential of technologies and land, taking biodiversity actions into account.
- Project development and construction of flexibility assets for better integration of volatile forms of generation such as wind and photovoltaic into the electricity market.

- Needs-based marketing of individual consumption and generation flexibility, as well as customers' energy storage in short-term energy markets, in order to stabilise the electricity grids and help integrate renewable energies into the energy system.

Positioning VERBUND as a European hydrogen player

- Build the green hydrogen economy through local H₂ generation directly at customers' sites and by importing H₂.
- The European hydrogen economy is an important enabler for achieving climate targets and reducing dependency on fossil fuels.
- Contribute to the decarbonisation of energy and CO₂-intensive industry (hard-to-abate) and to securing Austria's position as an industry hub with competitive, green hydrogen.

VERBUND has 4,424 employees in Austria, Germany, Spain, Romania and Italy to help implement Mission V and related sustainability goals.

As a responsible energy provider, VERBUND operates in specific business sectors, such as the generation of thermal electricity and heat, which currently still uses fossil fuels such as natural gas, as well as in the operation of gas networks. However, VERBUND has already taken steps to reduce its future use of fossil fuels. This is achieved particularly through investing in transitioning to green hydrogen, with VERBUND's objective being to minimise its CO₂ emissions and assume a leading role in the decarbonisation of the energy sector, while the Group continues to contribute to the stability of the energy grid and security of supply through its thermal plant and gas grid.

Revenue from the gas grid and from electricity generated using natural gas amounts to €514.21m. There are no taxonomy-aligned revenues from the gas business as defined in Article 8(7)(a) of Commission Delegated Regulation (EU) 2021/2178. More information on the EU Taxonomy can be found in the relevant section of the Non-Financial Statement. In addition, no products and services prohibited in certain markets have been identified. A breakdown of total revenues, as stated in the financial statements, and a listing of the significant ESRS sectors was not provided for 2024 due to the application of the phase-in provision.

The following tables provide an overview of the most important products and markets in which VERBUND operates, as well as the most important changes to markets and products. It also outlines the key sustainability targets related to the products and services on offer, as well as the stakeholders.

Marketing own generation on energy markets

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
Hydropower	AT, DE, AL	Production and marketing of electricity from hydropower plants (run-of-river hydropower plants and storage power plants)	None	VERBUND currently generates approximately 25,000 GWh from run-of-river hydropower plants, primarily in Austria and Germany. The strategic planning for this generation technology envisages generation of approximately 25,650 GWh by 2030, corresponding to an increase of approximately +3%. With this goal, VERBUND underscores its commitment to electricity generation from sustainable sources of hydropower,

Marketing own generation on energy markets

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
Wind power	AT, DE, ES, RO	Generation and marketing of electricity from wind power plants	None	which supports its sustainability goals in turn. In the wind and photovoltaic sector, VERBUND currently has a total installed capacity of 1,180 MW in Spain, Romania, Austria, and Germany (in descending order based on available capacity). The strategic planning assumes this will increase by 2030, bringing the generation volume to approximately 25% of VERBUND's total generation. This ambitious goal demonstrates the great importance VERBUND attaches to generation technologies in the new renewables sector.
PV	AT, DE, ES, IT	Generation and marketing of electricity from photovoltaic installations	None	
Thermal power	AT	Marketing of electricity and district heating from thermal power plants (gas)	None	For its thermal generation, VERBUND is planning to retrofit the last remaining combined cycle gas turbine power plant in Styria (Mellach) over the medium term, so that it can be powered by hydrogen ("H ₂ -ready"). From today's perspective, the estimated cost of this project is approximately €100m. Nevertheless, this strategic step is a key milestone in terms of moving in a sustainable direction, including with regard to VERBUND's thermal generation.
Flexibility/ storage	AT, DE	Pumped storage power plants: operation and marketing of flexibility offered by pumped storage power plants Battery storage: operation and marketing of flexibility offered by battery storage systems	None	To manage the increased need for flexibility, VERBUND is installing and operating large-scale battery storage systems in Austria and Germany. VERBUND is playing a pioneering role in these two markets. At the end of 2024, battery storage systems with a capacity of 110 MW were in operation and used on the control power and intraday markets. The aim is to build and operate 1,000 MW capacity in the core market AT/DE by 2030. In addition, VERBUND is planning to increase its commitment to pumped storage power plants by around 30% from the current 3,900 MW of installed capacity by 2030. This again impressively underscores the relevance of flexibility for VERBUND, and its strategic importance for a sustainable and forward-looking energy market.

B2B sales (Industry & Wholesale)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
Supply of individual	AT, DE, FR	Procurement, supply and structuring of individual	None	VERBUND supplies industrial and wholesale customers in Austria and

B2B sales (Industry & Wholesale)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
electricity products to industry and wholesale (commodity products)		electricity products (hydropower, wind power, photovoltaic, thermal generation, etc.) for distributors, municipal utilities and industrial customers.		Germany with electricity products with varying characteristics (including delivery form, labelling, market access) while maintaining a leading position in green electricity. The plan is to supply industrial customers with green electricity to help them transition towards the carbon-free procurement of electrical energy.
Guarantees of origin (green electricity solutions for electricity labelling/carbon footprint)	Europe-wide	Trading in emission allowances and guarantees of origin (green electricity)	None	VERBUND is the market leader in Austria and the leader in the guarantee of origin segment (especially in Germany in the wholesale segment), and enjoys a strong position in Europe. VERBUND sells allowances both independently and in conjunction with electricity from its own assets or through third-party procurement. VERBUND regards activities related to guarantees of origin as an important strategic component that will continue to play a key role in its overall portfolio in the future.
Marketing of renewable energy (direct marketing, provisions of the German Renewable Energy Sources Act (<i>Erneuerbare-Energien-Gesetz</i> , EEG) regarding photovoltaic installations over 20 years old)	AT, DE, LUX	Direct marketing of the generation of wind power plants, hydropower plants and photovoltaic systems to generation companies with individual marketing strategies and pricing models	None	New renewable energies for third-party plants will support the ambitious growth trajectory in the wind and photovoltaic industries, as well as the expansion of hydropower by means of new plants and the modernisation of existing power plants. In addition to wind power and photovoltaic systems, VERBUND also markets small hydropower plants in the Austrian, German and Luxembourg markets. These activities are likewise expected to be further intensified in the coming years.
Power Pool – demand response	AT, DE	Marketing the service flexibility of suppliers, industrial and service companies, and green electricity producers on the short-term energy markets through the VERBUND-Power Pool	None	Increasing demands on the electricity market resulting from the increased need for flexibility demand innovative, customised flexibility solutions for industrial and service companies as well as green electricity producers. VERBUND's Power Pool means these companies can market their flexibility assets on the control power and intraday markets, and generate attractive additional revenue. It also helps stabilise the power grid while making a significant contribution to integrating renewable energy into the energy system. VERBUND is a leading supplier

B2B sales (Industry & Wholesale)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
				in Austria and also has a nationwide presence in Germany. VERBUND is working to expand its activities in both markets.
B2B solar power	AT	Design, construction, financing and operation of open-field solar installations and photovoltaic carports for industrial and large customers	None	In partnership with industrial customers, VERBUND develops and constructs photovoltaic systems for self-consumption. In addition to rooftop and open space facilities, carports with integrated photovoltaic systems will also be built. In 2023, VERBUND strengthened its independence and its position in the photovoltaic market in the long term by acquiring a full-service photovoltaic supplier for large-scale systems and a wholesale business for photovoltaic modules, inverters and mounting structures, among other products, thereby setting the stage for achieving its ambitious targets in the B2B photovoltaic sector.
B2B e-mobility	AT, DE, through SMATRICS subsidiary, also Northern IT	Design, installation, financing and commissioning as well as charging management, operation, service and maintenance of e-charging infrastructure (wallboxes and rapid-charging stations) for industrial and large customer applications	None	With competitive products and services for industrial and real estate customers, to name but a few, VERBUND is actively involved in the construction of charging infrastructure and is therefore helping with the implementation of e-mobility, especially in Austria and Germany. Current activities will be expanded on in coming years, particularly in Germany and Austria.

B2C sales (residential customers & SMEs)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
Supply of electricity and natural gas products (commodity products) to residential customers, commercial	AT	B2C supply of electricity from 100% hydropower and natural gas to private households, commercial customers and SMEs	None	VERBUND supplies private households, agricultural and commercial enterprises up to 100,000 kWh throughout Austria with clean electricity generated from 100% hydropower and natural gas. VERBUND also provides customers in the SME segment with a reliable supply of electricity and natural gas. In addition to electricity and natural gas, another focus of VERBUND is on expanding its

B2C sales (residential customers & SMEs)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
enterprises and SMEs				range of products and services by adding other energy solutions and/or services.
B2C photovoltaics incl. storage systems	AT	B2C photovoltaic installations with capacities up to approx. 10 kWp with option for battery storage to increase the rate of self-usage	None	To actively encourage the transition to clean energy, VERBUND acts as a full-service provider in the construction of photovoltaic systems for private households. Its full-package solution includes testing, planning, assembly and commissioning of the system. The electricity supply is rounded off with electricity from 100% solar power.
B2C e-mobility	AT	B2C eCharging: Wallboxes as a standalone product or as part of a full-service package with installation and service packages or charging cards when travelling, plus the VERBUND charging assistant to manage energy flows; B2B eCharging for SME (fleet, guests, employees or visitors)	Expansion of the product range	As a sustainable addition to photovoltaic solutions, VERBUND offers an appealing line of electromobility products and services for both commercial and residential customers. From the self-installed wallbox to a full-package solution including a charging card and electricity contract.
B2C heat pumps	AT	Mediation of sales of full-package heat pump solutions with partner Viessmann, combined with a competitive 100% hydropower heat pump tariff	New B2C product	To push a sustainable and environmentally friendly form of heating, VERBUND offers a full-package heat pump solution in cooperation with its qualified installation partners. The solution includes everything from planning and design up to installation of the high-quality heat pump, delivery included. In addition, VERBUND offers an attractive 100% hydropower heat pump tariff.

VERBUND Value Chain



The chart above shows the upstream and downstream VERBUND value chain along with the Group's own business activities.

Upstream value chain

The upstream value chain encompasses all processes and activities that subsequently enable VERBUND's own business activities. This requires the construction of appropriate energy infrastructure facilities by, or in partnership with external partners and the procurement of structural, plant and infrastructure components from suppliers. These include turbines, generators, inverters, converters, transformers, photovoltaic modules, rotor blades, cables, masts and electronic or electromechanical components. Natural gas is also purchased to operate the Mellach natural gas power plant and supply customers.

To obtain, develop and secure these inputs, procurement strategies have been established, which involve assessing the respective market situation and making trade-offs regarding quality and supply risks for their management and further development.

Own business activities

VERBUND is a vertically integrated electric utility. Its own business activities comprise the generation, transmission, storage and distribution of electricity and natural gas, the transmission of natural gas, and, in the future, the production and distribution of hydrogen.

Its electricity and electricity-related business activities comprise the generation, storage, transmission and distribution of electricity and natural gas. The majority consists of the generation of electricity, primarily from hydropower, and to a significant and increasing extent, from new renewable energy – especially onshore wind and photovoltaic energy – and a small share from still natural gas-based thermal

power. The latter is material to maintaining grid stability in the Austrian high- and ultra-high voltage grid, and to fulfilling commitments under district heating supply contracts with the Styrian state capital of Graz. Alongside these important functions performed by the Mellach combined cycle gas turbine power plant, pilot tests are currently being carried out to convert this generation unit to a 100%-hydrogen-based operation. This portfolio of sustainable assets is enhanced by VERBUND's strong commitment to storing electric energy in pumped storage power plants, as well as in the battery sector, which is still in its infancy. Within Austria, sales in both the B2B and B2C sectors for highly-complex photovoltaic (full-package) solutions, energy marketing and e-mobility also play a prominent role, supplemented by sales of photovoltaic systems in the B2C sector.

In addition, the transmission of electricity as part of Austria's ultra-high and high-voltage grid through the independent VERBUND subsidiary, Austrian Power Grid AG, and the transport of gas through Austria via the similarly independent VERBUND subsidiary, Gas Connect Austria GmbH, make a significant contribution to value creation; both companies are subject to unbundling and operate within their own respective regulatory regimes.

In the prospective hydrogen sector, with its strong focus on sustainability, VERBUND is active in hydrogen generation through industrial customer projects, in retrofitting existing gas pipelines for hydrogen transport (with a focus on Gas Connect Austria pipelines), in consortia projects for importing hydrogen and in setting up future hydrogen sales channels in Austria. As previously mentioned, the planned medium-term conversion of VERBUND's only thermal gas power plant in Mellach to hydrogen-only combustion is also rooted in the concept of sustainability.

Through its services and products, VERBUND supports decarbonisation among residential and industrial customers, while making a substantial contribution to the security of supply in Austria. VERBUND offers shareholders and investors opportunities for sustainable investments through its renewable generation portfolio and green finance schemes.

Downstream value chain

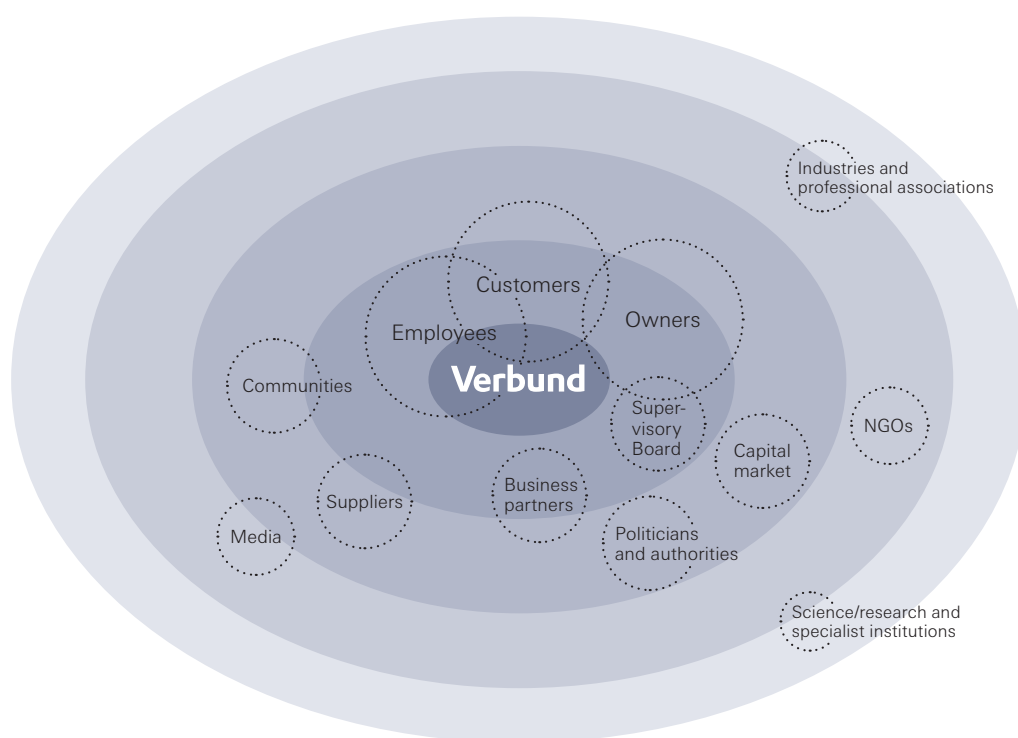
From a downstream perspective, the electricity produced by VERBUND is transported through the Austrian Power Grid transmission grid or by third-party distribution directly to industrial and residential customers for their consumption. Natural gas is also sold to residential customers, allowing them to consume it downstream. Alongside that, downstream waste is generated through the construction of new plants, rehabilitation projects, dismantling and demolition works, and its proper disposal is continuously monitored. For most of these plants, the conditions for achieving full recyclability are not yet in place. Metal components such as steel and copper are already highly recyclable, leading to a considerable reduction in waste.

Disclosure Requirement SBM-2 – Interests and views of stakeholders

VERBUND's corporate success is founded on the professional relationships based on trust with its employees, business partners, local residents, customers and owners, as well as with political stakeholders, public authorities, interest groups and NGOs. As a silent stakeholder, nature is taken into account. VERBUND strives to achieve regular engagement with all relevant stakeholder groups. In doing so, VERBUND supplies information through various channels on developments in energy and climate policy, engages in discourse on current and future challenges in the energy market and proposes constructive solutions. Relationships with VERBUND's stakeholder groups are planned and managed centrally by the holding company. Operational implementation of measures is handled by the respective

departments within VERBUND and by the VERBUND subsidiaries, or also jointly, depending on the stakeholders in question. Infrastructure projects that directly affect habitats where people live are a particularly sensitive matter. In order to guarantee the quality of communications in these projects, VERBUND's basic principles are laid down in the form of a corporate policy. This policy must be adhered to with respect to all investment and construction plans and projects implemented by VERBUND in and outside Austria that impact the public, as well as in joint projects. Key elements of the policy are the provision of early and detailed information to those affected, along with an invitation to engage in an open dialogue.

The main stakeholders were updated as part of the most recent stakeholder analysis in 2023/2024:



Affected stakeholders comprise all individuals and groups affected by VERBUND's business activities. They include business partners, customers, employees and local residents, among others. By contrast, interested stakeholders include all users of the Non-Financial Statement, such as investors, NGOs or other interest groups. The table below lists various platforms VERBUND uses to engage the defined stakeholder groups. The results of the various dialogue formats are considered by the relevant VERBUND staff as part of the respective projects, processes and actions.

Format	Description	Examples:
Information	To keep VERBUND's stakeholders up to date, the Group provides them with regular information on the most important current topics and news about VERBUND.	External: Website publications such as brochures etc. Public relations activities Newsletters The customer platform Social media Local resident briefings The VERBUND business breakfast Internal: Intranet Employee informational events Management conferences Top-level management meetings
Stakeholder dialogue	As VERBUND wants to know what is really important to its stakeholders, it regularly asks them for feedback. This makes it even easier to integrate different opinions into VERBUND's activities.	External: Social media The VERBUND business breakfast VERBUND's customer service number (call centre) Customer satisfaction survey One Day at VERBUND Hydropower dialogue INSPIRE energy talk Munich Energy Club EU energy forum INSPIRE energy talk Internal: Employee survey Management conferences Top-level management meetings Executive Club Issue management workshop
Participatory events	VERBUND values stakeholder participation in projects and initiatives in order to promote an active exchange of information and mutual learning.	External: Roundtable meetings NGO roundtable Internal: Expert workshops

Internal stakeholders were engaged by in-house experts as part of the materiality assessment, and selected external stakeholders were also engaged through stakeholder dialogues for ESG issues (see ESRS 2 IRO-1).

VERBUND did not alter its strategy and business model in 2024 on the basis of divergent stakeholder interests, nor are any adjustments planned.

VERBUND's Group Executive Board was informed of the results of the materiality assessment and the integration of the external stakeholders' perspective by means of a written report and an oral presentation delivered at an Executive Board meeting. The Supervisory Board was informed by way of a presentation made to its Sustainability Committee.

Given the special importance of the Group's own workforce (employees), workers in the value chain, affected communities, consumers and end-users as affected stakeholders, these are discussed in greater detail below.

VERBUND's employees make a vital contribution to the Group's success. Their commitment and entrepreneurial actions enable the continuous further development and implementation of VERBUND's strategy. It was clearly evident once again in the past financial year how the dedication and flexibility of VERBUND's employees contributes to the Group's success. In spite of various crises and the tense political situation, all of VERBUND's projects went ahead and VERBUND continued to consistently pursue its strategy.

VERBUND is committed to fully safeguarding the interests, viewpoints and rights of its workforce as encapsulated by Standard S1 with regard to both its own employees and non-employee workers. The interests and viewpoints of these parties are incorporated into the strategy and business model through workers' representatives. Austrian labour law sets out a number of rights to which the works council is entitled in relation to information, co-determination and consent as well as minimum notification periods for occupational changes, which VERBUND expressly upholds. For detailed information on the collaboration, see Disclosure Requirement S1-2, "Processes for engaging with own workers and workers' representatives about impacts".

The interests and rights of workers in the value chain are also an important concern for VERBUND, and these are prioritised in cooperation with suppliers, including with the aid of the Supplier Code of Conduct (SCoC) and safety actions applicable on VERBUND construction sites. In this context, attention is paid both to compliance with labour law standards and to respecting human rights. Further details on the policies, actions and cooperation with workers in the value chain can be found in ESRS S2.

VERBUND places great value on taking affected communities (local residents) into consideration. The determination of significantly affected communities considered all local and global communities that could potentially experience material impacts due to VERBUND's business activities, products or services as well as from the processes within the VERBUND value chain. For VERBUND, this primarily includes local groups and sections of the population directly or indirectly affected by the Group's operating activities and projects. VERBUND takes its responsibility towards communities potentially affected by the activities along its value chain seriously. This includes, for example, communities potentially directly or indirectly affected by the processes of extracting and disposing of resources such as metals and minerals used, among other things, in the production of plant components and technical components. VERBUND continuously strives to improve its monitoring and management systems to ensure that affected communities' rights and interests are respected and safeguarded throughout the value chain to the greatest possible extent. Details on specific policies and actions can be found in the ESRS S3 section.

As VERBUND supplies households throughout Austria with clean electricity from hydropower and other renewable energies as well as natural gas, consumers and end-users are another essential VERBUND stakeholder group. Aside from electricity and natural gas, VERBUND is also on hand to provide its residential customers with expertise in photovoltaic systems, efficient heat pumps for homes and full-service e-car charging packages. The opinions of customers are regularly gathered through customer surveys and ongoing analyses of customer feedback, and they contribute to the continuous

development of VERBUND processes. For more information on policies and actions, see the ESRS S4 section.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Sustainability is a key pillar of VERBUND's strategy and is incorporated in all strategic focus areas, making it an integral part of the strategy and business model. The strategy and business model were therefore also considered in relation to all sustainability matters as part of the materiality assessment in order to identify impacts, risks and opportunities, which was ensured, among other things, by the participation of experts from the Strategy division.

The financial effects of VERBUND's material risks and opportunities are significantly influenced by the following factors: wholesale prices for electricity, the Group's own generation from hydropower, wind power and solar power, the contribution to earnings from flexibility products and ongoing developments in the energy market. Given the ongoing precarious energy situation in many countries, the numerous geopolitical uncertainties, the risk of regulatory intervention and therefore the high volatility of the key factors influencing VERBUND's results, the expected short and medium-term financial effects on financial position and financial performance are fraught with high uncertainty.

VERBUND's investment plan for the period 2025 to 2027 entails both growth CapEx and maintenance CapEx. Most of the capital expenditure goes towards expanding and maintaining the regulated Austrian power grid. In addition, VERBUND will be investing primarily in projects involving new renewables and hydropower plants.

The following table provides an overview of the sustainability matters identified as material to VERBUND as well as the most important impacts, risks and opportunities, and where they arise – within the Group's own activities or within its upstream and downstream value chain. In terms of the value chain, the majority of impacts, risks and opportunities result from activities found in the upstream value chain. Details on impacts, risks and opportunities can be found in the relevant topic-specific standards. All topics are material in the short term; only the topic of waste is first considered material in the long term. There are significant changes compared to the 2023 materiality assessment given that the materiality assessment was previously performed on the basis of the GRI. These changes particularly concern the methodology and level of detail for the assessed impacts, risks and opportunities. No additional impacts, risks and opportunities have been identified with respect to entity-specific disclosures.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
ESRS E1 - Climate change	Climate change mitigation, climate change adaptation, energy
Material impacts from business activities	VERBUND contributes to the decarbonisation of the power system by expanding the use of renewable energies. By using fossil fuels to cover security of supply, VERBUND generates greenhouse gas emissions, which accelerates climate change.
Material impacts along the value chain	By procuring goods, trading electricity and selling natural gas, VERBUND generates indirect GHG emissions along its upstream and downstream value chains routes, which accelerates climate change.
Material risks and opportunities	The following financially material risk drivers, which may be influenced positively and/or negatively by factors directly or indirectly related to climate change, have been identified: electricity prices (carbon prices, generation energy mix, etc.), CapEx (rising procurement prices, etc.), regulatory framework conditions, extreme weather events, generation volatility and necessary technological adaptations.
Interaction with strategy and business model	A more sustainable, renewable future is the key objective of the three focus areas of VERBUND's Mission V Strategy 2030. The Climate Transition Plan based on the strategy defines greenhouse gas reduction targets for 2030, 2040 and 2050.
ESRS E2 – Pollution	Pollution of air
Material impacts from business activities	In relation to the sub-topic air pollution, emissions into the air potentially harmful to people, animals and the environment are particularly relevant. These mainly result from the combustion of natural gas at VERBUND's two thermal power plants and from the natural gas compressors in the Gas Connect Austria gas network.
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.
Material risks and opportunities	No financially material risk drivers that could be influenced positively and/or negatively, either directly or indirectly, by factors related to pollution have been identified.
Interaction with strategy and business model	Contribution to the development of the European hydrogen economy by converting the existing infrastructure to hydrogen while ensuring security of supply.
ESRS E3 – Water and marine resources	Water
Material impacts from business activities	In terms of the thermal power plants, the withdrawal of cooling water from surface waters that adversely affect the biological water balance is considered essential. Water withdrawal from surface waters for electrolyser facilities may become relevant in the future.
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
Material risks and opportunities	Regulatory frameworks (e.g. regulatory tightening and/or restrictions or changes to water usage rights) have been identified as financially material risk drivers that can be positively and/or negatively influenced directly or indirectly by factors related to water resources, and consequently have an impact on both the volume of generation and the plant's value.
Interaction with strategy and business model	Further development of the last remaining site for the generation of thermal electricity and heat generation from natural gas to a future H ₂ -ready site.
ESRS E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss, impacts on the state of species, impacts on the extent and condition of ecosystems, impacts and dependencies of ecosystem services
Material impacts from business activities	Impacts on biodiversity through changes in land use, or sealing through new construction work, or expansion of renewable energy generation. Potential impacts on biodiversity, population size and gene pool. Improving recreational function and recreational opportunities such as cycle paths, renaturalized areas. Changes in morphology and the water balance by operating hydropower plants.
Material impacts across the value chain	Purchases of products containing critical raw materials leads to exploitation of natural resources in the upstream value chain.
Material risks and opportunities	Regulatory frameworks (e.g. restrictions due to and/or tightened environmental protection requirements for projects) and reputational risks have been identified as financially material risk drivers that can be positively and/or negatively influenced directly or indirectly by factors related to biodiversity and the ecosystem.
Interaction with strategy and business model	VERBUND implements actions as its' sites for the protection, conservation and restoration of species, habitats and ecosystems.
ESRS E5 – Circular economy	Resources inflows, including resource use, waste
Material impacts from business activities	Resource consumption through the use of construction materials (concrete, steel, aluminium) and waste generation at the end of a plant's life.
Material impacts along the value chain	Resource consumption in the upstream value chain through the purchase of products and waste disposal in the downstream value chain.
Material risks and opportunities	No financially material risk drivers that could be influenced positively and/or negatively, either directly or indirectly, by factors related to the circular economy have been identified.
Interaction with strategy and business model	Extending the useful life of plants through maintenance and repairs. Technically sound and appropriate use of resources and commissioning of professional, authorised waste collectors and processors.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
ESRS S1 – Own workforce	Working conditions, equal treatment and opportunities for all, other work-related rights
Material impacts from business activities	<p>Work-related accidents can occur, particularly in the operation of plant and on construction sites, and these adversely affect the health and ability to work of the affected persons. Potential violations of personality rights through data loss, unequal pay and career advancement opportunities can lead to gender inequality.</p> <p>Social benefits, stable incomes and flexi-work time models promote a work-life balance, and continuous professional development programmes improve personal development among employees. Employees can participate by taking part in the structured dialogue with workers' representatives.</p>
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.
Material risks and opportunities	No financially material risk drivers have been identified with respect to individual sub-topics and sub-sub-topics which may be influenced directly or indirectly by factors relating to VERBUND's own workforce in a positive and/or negative way.
Interaction with strategy and business model	Healthy and motivated employees are crucial to VERBUND's success. The issues of occupational health and safety, fair pay, equal treatment and training are therefore also key cornerstones at VERBUND.
ESRS S2 – Workers in the value chain	Working conditions, equal treatment and opportunities for all, other work-related rights
Material impacts from business activities	Work-related accidents affecting external contractors can occur, particularly on VERBUND construction sites, resulting in negative impacts on the health and ability to work of the affected persons.
Material impacts along the value chain	The procurement of products can contribute to the deterioration or exacerbation of poor working and environmental conditions.
Material risks and opportunities	No financially material risk drivers that could be directly or indirectly either positively or negatively influenced by factors affecting value chain workers have been identified.
Interaction with strategy and business model	Avoidance and mitigation of negative impacts through integrity checks and the VERBUND Supplier Code of Conduct (SCoC).
ESRS S3 – Affected communities	Communities' economic, social and cultural rights; communities' civil and political rights
Material impacts from business activities	Grid outages or shortages of electricity and natural gas supplies can adversely affect regional supply security. The expansion of renewable energy can lead to land-use conflicts.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
Material impacts along the value chain	Disruptions in the interconnected European grid or gas supply difficulties can lead to disruptions/outages in the downstream value chain.
Material risks and opportunities	No financially material risk drivers that could be directly or indirectly either positively or negatively influenced by factors related to affected communities have been identified.
Interaction with strategy and business model	Ensuring security of supply in Austria (grid management, flexible generation, and secure power) is a top priority at VERBUND and ranks among the best in the world.
ESRS S4 – Consumers and end-users	Information-related impacts for consumers and/or end-users, social inclusion of consumers and/or end-users.
Material impacts from business activities	Loss of customer data, lack of, or poor understandability and accessibility to company information, barriers to making contracts and misleading marketing promises can lead to dissatisfaction. Reduction of electricity poverty among low-income individuals through VERBUND's electricity relief fund organised by the aid organisation, Caritas.
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.
Material risks and opportunities	No financially material risk drivers have been identified with respect to individual sub-topics and sub-sub-topics, which may be influenced directly or indirectly by factors relating to consumers and end-users in a positive and/or negative way.
Interaction with strategy and business model	VERBUND offers good accessibility to residential customers with low-threshold complaints mechanisms, while supporting low-income households. In addition, regular customer satisfaction surveys help to improve the dialogue with customers and customer solutions.
ESRS G1 – Business conduct	Corporate culture, protection of whistleblowers, political engagement and lobbying activities, management of relationships with suppliers including payment practices, corruption and bribery.
Material impacts from business activities	<p>Incidents of corruption and bribery can lead to non-transparency, inefficiencies and a loss of trust. Violations of the VERBUND Code of Conduct can result in disciplinary action and repercussions under labour law.</p> <p>The whistleblowing system permits all stakeholders to report on incidents and observations.</p> <p>Improving public discourse on energy and climate policies with the aim of improving acceptance of the transition to clean energy.</p>
Material impacts along the value chain	Anti-competitive behaviour along the upstream value chain is prevented through clear (procurement) rules and the VERBUND Supplier Code of Conduct (SCoC).

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
Material risks and opportunities	Violations of code of conduct and the resulting fines as well as loss of image/reputation have been identified as financially material risk drivers, which can be directly or indirectly influenced by factors relating to business conduct in a positive and/or negative manner (violations of financial market compliance, antitrust agreements, data protection violations, etc.).
Interaction with strategy and business model	The Code of Conduct and the corporate culture underpin the implementation of the Mission V Strategy 2030.

A resilience analysis was carried out in 2024 to review the resilience of the strategy and business model. The starting point for this analysis performed on the VERBUND Strategy 2030 was the baseline scenario (“the VERBUND Outlook”), which in essence depicts the investment planning based on VERBUND’s existing strategic focus areas. This scenario was compared against two possible climate scenarios devised by the consulting firm, THEMA Consulting:

- The “Technotopia” alternative scenario assumes the effects of a low-carbon economy in the coming decades and reflects Europe’s compliance with the politically targeted 1.5 degree climate change target by 2100.
- The alternative scenario, “Turbulent Transition,” depicts the effects of a future economy that will undergo stronger levels of global warming (up to nearly + 5 degrees Celsius in 2100) and must therefore be viewed as correspondingly erratic and turbulent.

All scenarios applied are based on VERBUND’s detailed budget and strategic investment plans for the period from 2025 to 2034. Since all three scenarios comprise aggregated planning data, the upstream and downstream value chains of all Group companies are also included in the calculation results to the extent possible (upstream value chains for planned procurement expenses, downstream value chains for downstream expenses such as disposal and waste management).

The two alternative scenarios “Technotopia” and “Turbulent Transition” were then subjected to a detailed deviation analysis relative to the baseline scenario for the period up to 2034 in order to analytically determine the resilience and robustness of the current Group strategy.

At the process level, experts from Group management accounting, Group risk management, Group strategy, the energy market, sustainability and from the Group subsidiaries – the latter primarily acting as data suppliers – were involved in the climate risk/resilience analysis. The climate risk analysis took into account the strengths and weaknesses on the one hand, and the future opportunities and risks of VERBUND’s lines of business on the other, thereby mapping both physical (severe weather, floods) and transition opportunities and risks (changes in consumer behaviour, the establishment of new trends).

Key drivers identified by the resilience analysis were:

- future price trends for electricity
- future momentum in the expansion of new renewables (photovoltaic, wind), including flexibility
- successful establishment and integration of the hydrogen economy

The climate risk/resilience analysis concluded that the financial impacts on VERBUND in all of the three scenarios examined are comfortably manageable, meaning that its risk-bearing capacity is ensured. In addition to the extreme scenarios analysed, according to current estimates the baseline scenario VERBUND Outlook represents the most realistic scenario and is therefore in line with the climate-related assumptions in VERBUND's financial statements. One main reason for the strong resilience of VERBUND's strategy is the balance achieved within the technological investment portfolio (generation mix of hydropower, new renewables, flexibility, and hydrogen), featuring assets in various market regimes (energy only, renewable energy regimes, regulated tariffs). This produces risk-mitigating intra-portfolio effects, which have positive effects for VERBUND's overall risk exposure.

In specific terms, the alternative scenarios depict the following impacts for VERBUND in relation to its strategic investment planning:

- “Technotopia”: The assumption of a continued massive expansion of new renewables compared with the baseline scenario, and the successful establishment and integration of the hydrogen economy combined with a falling electricity price over the medium term, resulting in the necessary EBITDA requirements for the targeted risk appetite being undercut by a significant margin. VERBUND, however, has flexible tools at its disposal that allow for timely adjustments in response to changing environmental developments, including CapEx optimisations, adjustments in the generation portfolio and drawing short-term loans to ensure financial stability.
- “Turbulent transition”: The slowdown in new renewables growth compared with the baseline scenario combined with the failure of a well-integrated hydrogen economy, led to an assumption of higher primary energy and CO₂ prices and significantly lower investments, which are reflected in considerably higher EBITDA levels compared with the EBITDA requirements over the entire planning period.

In order to be able to quickly adapt the Group strategy to current environment developments as and when required, the strategic directions are reviewed annually and the achievement of the associated goals is tracked. Moreover, by pursuing the broadest possible diversification of financial instruments, terms and investors, VERBUND's financing strategy facilitates a stable financial base, while at the same time responding to dynamic challenges on the energy market in a forward-looking and sustainable manner.

Biodiversity issues are currently not considered or quantified in the course of the resilience analysis, since any financially material opportunities/risks arising from this area could arise primarily from the regulatory environment or from potential reputational incidents. Anticipating future regulatory decisions or formulating how specific reputational incidents could occur and their potential scale of loss is not considered conducive.

Impacts, risks and opportunities management

Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

At VERBUND, a process has been implemented for determining the sustainability-related level of materiality for annual reporting. This process identifies impacts, risks and opportunities, and assesses the sustainability aspects. VERBUND performs the following three steps when assessing the materiality of the impacts and determining material aspects for disclosure:

- Development of an understanding of the context in relation to the impacts of VERBUND, including its activities, business relationships and stakeholders.
- Identification of actual and potential impacts (both negative and positive) through engaging with stakeholders and experts.
- Assessment of the materiality of actual and potential impacts and determination of the material aspects, including establishment of the thresholds, to determine which impacts need to be considered in the Non-Financial Statement.

Prioritisation is used to determine which sustainability matters are material in terms of reporting. A sustainability topic is generally considered material if it meets the criteria of the materiality of the impacts (impact of own economic activities on the environment and people) and/or the financial materiality (impacts of sustainability matters on own economic activity):

When determining the materiality of impacts (the “inside-out” perspective), VERBUND identifies impacts for each ESRS topic and/or each ESRS (sub-)sub topic, summarising them in a longlist. Impacts can arise from within the sphere of VERBUND, in particular due to activities, business relationships, products or services, and from the value chain. These impacts can be positive, negative, actual or potential. Each impact is assessed in terms of scale (average of factor intensity, scope, irreversibility) and its probability of occurrence over the short term (<1 year), medium term (1–5 years), and long-term (>5 years), based on a five-point scale. In the case of positive impacts, the irreversibility aspect is not assessed. Generally, a topic (topic/sub-topic/sub-sub-topic) is considered material if at least one impact of the same group is material, i.e. the materiality factor exceeds the materiality threshold of 9 (the maximum possible score is 25). Negative impacts related to human rights are also considered in the context of the materiality assessment.

In terms of financial materiality (the “outside-in” perspective), a sustainability topic is material if it creates or can create risks or opportunities that have, or can have financial repercussions over the short, medium or long term, but is not (fully) covered by financial reporting at the reporting date. Risks and opportunities can arise from within the sphere of VERBUND, particularly due to activities, business relationships, geographical circumstances, products or services, and from the value chain. Identified impacts may also give rise to possible risks or opportunities.

Each risk and opportunity is assessed according to a 5-point scale in terms of its extent and probability of occurrence. The extent and probability of occurrence values are then multiplied by each other to obtain an expected value. This expected value indicates whether a risk or opportunity qualifies as material. A topic (topic/sub-topic/sub-sub-topic) is material if at least one risk or opportunity in the same group is material, i.e. the materiality factor exceeds the threshold of 9 (the maximum possible score is 25).

In consultation with the relevant technical experts from the affected operating units, the risk financial controllers from the individual business units assess the identified opportunities and risks in consideration of the potential financial effects and their probabilities of occurrence. The financial impacts of the opportunities and risks are quantified as a positive/negative deviation from defined metrics. Key assumptions include, among other things, fluctuations in generation volumes, fluctuations in market prices, legal and operational uncertainties as well as in the business environment, alongside environmental, social and governance issues. The identified and quantified opportunities and risks are reported to central Group risk management, which reviews the completeness and plausibility of the data, and returns them back to the risk reporters to supplement or revise the data whenever necessary. If uncertainties exist regarding how to assess opportunities or risks, these are discussed jointly by Group

risk management and the respective risk-reporting risk financial controllers, and a coordinated assessment methodology is defined.

The financial materiality process is directly linked to VERBUND's existing risk management process, as the same risk profile is applied, i.e. the financial scales are derived from the categorisation of VERBUND's existing risk management system and VERBUND's risk owners/reporters play a key role in assessing the risks and opportunities. VERBUND's risk management system is based on a centralised management approach that uses standardised processes and tools. It includes rules, responsibilities and defined processes with respect to risk and opportunity-related topics. These comprise the identification, assessment, actions and monitoring as well as the reporting of risks and opportunities.

As a rule, the risks and opportunities arising from day-to-day business such as fluctuating revenues due to volatile generation volumes or electricity prices are identified and assessed quarterly at the operating level by the risk financial controllers from the various business units before they are then centrally recorded within Group risk management and aggregated at the Group level using the Monte Carlo simulation. Strategic/long-term opportunities and risks are discussed, documented and assessed once a year during workshops organised together with the management of the specific operating company. With respect to the Non-Financial Statement, it should be noted that, in addition to the opportunities and risks identified by the operating units during the year and the strategic opportunities and risks assessed on an annual basis, the results from the financial materiality assessment are also compared on an annual basis (see also section SBM-3). The purpose of this comparison is to ensure that any opportunities and risks with environmental, social or governance aspects that have not yet been reported to Group risk management as part of the quarterly or strategic risk identification process are likewise recorded on a centralised basis where possible, and integrated into the existing risk management processes. All opportunities and risks recognised in the Group that are related to environmental, social or governance matters are also categorised separately.

With regard to the performance of the materiality assessment, it should be noted that the plants in all of VERBUND's segments vary in size, capacity, transmission, generation and storage capacities, and are located in different regions and, in some cases, in different countries as well. If certain impacts, risks and opportunities are especially related to a particular site, area or segment, this will be appropriately explained in the topic-specific notes.

All assessments and evaluations are performed by individuals who possess expertise, professional judgement and who bear relevant responsibility at VERBUND. The following sources of knowledge and information were used in the materiality assessment: legal information and guidelines on ESRS issues, sector-specific standards, results of VERBUND's ESG due diligence process, abstract and specific analyses of supply and value chains, annual reports and topic-specific annual reports, relevance analyses, risk and vulnerability assessment analyses, media resonance analyses, and context-based observations and assessments. For example, for many years now the context-based analysis pursuant to ISO 14001 has been recording environmental impacts, risks and opportunities that have been incorporated into the materiality assessment.

Assumptions and statements of reasons are included as part of the assessment for each individual impact, opportunity and risk.

The identification of impacts, risks and opportunities as well as the assessment of sustainability-related materiality always takes place on the basis of a dialogue with the affected stakeholders:

- Internal stakeholders/specialists from various VERBUND subsidiaries and departments participate in expert workshops organised to determine and assess impacts, risks and opportunities. Care is also taken here to ensure to include experts who are in direct contact with stakeholders.
- Consultation of external stakeholders/representatives of stakeholders relevant to VERBUND who take part in focus group workshops (in the format of a Mini World Café) to discuss current conflict areas related to ESG. VERBUND topics are discussed and material topics validated. The aim is to conduct a frank exchange at the highest technical level aimed at reaching conclusions regarding material impacts, risks and opportunities through contributions or feedback relayed to VERBUND. The dialogue affirmed the material topics identified by VERBUND and no additional topics were identified.

The assessments made, including the relevant documentation, are validated and confirmed by the experts/business unit heads involved in the decision-making process, as well as the departments themselves. To this end, the evaluated results are once again sent in their entirety to the internal experts for their approval or comments. The feedback received is then incorporated and documented. The final evaluations and material topics are communicated in their entirety to the Executive Board members responsible for the relevant business area. VERBUND accordingly discloses information covered by ESRS regarding environmental, social and governance matters if the relevant topics or data points were found to be material. An internal control procedure ensures that the material topics are included in the Non-Financial Statement.

The potential and actual negative impacts as well as the identified risks are monitored Group-wide as part of the ESG due diligence process. Risk and opportunities are also incorporated into risk management processes.

The materiality assessment was carried out in accordance with ESRS for the first time in 2023. Accordingly, there are significant changes compared with the materiality assessment previously performed on the basis of the GRI standards. These changes particularly concern the methodology and level of detail for the assessed impacts, risks and opportunities. The next review of the materiality assessment will take place in 2025. Reviews are to be conducted on an ad hoc basis whenever changes to the context become known.

The topic-specific requirements of IRO-1 on the E1, E2, E3, E4, E5 and G1 standards are discussed below.

With the environmental management systems (EMS) in place at VERBUND subsidiaries, the context analysis covers, among other things, the actual and potential impacts of business activities in relation to all environmental standards (E1–E5). In preparing for the annual ISO 14001 audits of the respective companies, this context analysis is updated or revised in each case and managed as part of the environmental audit. For large-scale projects, such as the construction of new generation and grid facilities, the respective impacts are also analysed and presented as part of environmental impact statements. Impacts, risks and opportunities were summarised and assessed Group-wide as part of the VERBUND materiality assessment. Consultations were held to identify material environmental topics pursuant to ESRS 2. In addition to specific VERBUND stakeholder dialogue formats, affected communities are also consulted, especially in the course of approval processes. Local residents, public initiatives, local communities, and recognised environmental organisations, among others, are party to the environmental impact assessment (EIA) approval processes.

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities (E1)

The Group-wide assessment of the impacts risks, and opportunities in relation to climate change mitigation focused on actual and potential impacts, as well as physical and transition risks and opportunities. The climate change sub-topics were all found to be material.

In 2024, VERBUND developed a structured process for assessing physical risks for all sites in line with ESRS E1 standards. The relevant observation periods were based on internal planning and valuation periods with short-term risks relating to the current planning year, medium-term risks extending five years into the future and long-term risks extending beyond five years into the future.

The VERBUND sites were assigned NUTS 3 codes according to their region, and potential acute and chronic natural hazards were identified and assessed. Potential risks were queried based on external data sources supplemented by internal assessments conducted by technical experts. The value chain was not taken into consideration.

The analysis focused primarily on identifying exposure to natural hazards due to geographic location but not on quantifying or estimating the possible extent of damage. The analysis provided the basis for conducting the climate scenario analysis and resilience analysis (see ESRS 2 General Disclosures SBM-3). Site-specific risk reports were also used for initial assessments in connection with new projects and investments and as guidance for the insurance management process. Technical experts from VERBUND's in-house Climate Change Competence Center are currently working with external research institutions to address the requirements specific to the Group in more detail.

The following relevant physical hazards for each segment were identified as part of the recent site analysis, although it should be noted that these arise in part from the generation technology used in each case. It should be noted that a physical hazard may be relevant to the segment, but will be classified as material/not material based on the region.

Acute natural hazards

	Hydro	Wind	Photovoltaic	Battery	Administration buildings	Thermal generation
Earthquakes	x	x	x	x	x	x
Storms	x	x	x	x	x	x
Flooding	x	x	x	x	x	x
Extratropical storms	x	x	x	x	x	x
Hail	-	x	x	-	-	-
Tornadoes	x	x	x	x	x	x
Lightning strikes	-	x	x	-	-	-
River flooding	x	x	x	x	x	x
Flash flooding	x	x	x	x	x	x
Forest fires	x	x	x	x	x	x
Landslides	x	x	x	x	x	x

Chronic natural hazards

	Hydro	Wind	Photovoltaic	Battery	Administration buildings	Thermal generation
Precipitation stress	-	-	-	-	-	x
River inundation	-	-	-	-	-	-
Heat stress	-	-	x	-	x	-
Fire weather stress	-	-	-	-	-	-
Precipitation stress	x	-	-	-	-	-
Drought stress	-	-	-	-	-	-
Permafrost	x	-	-	-	-	-
Fluctuating wind patterns	-	x	-	-	-	-

- Hydro: includes floods, landslides and extratropical storms that could impact VERBUND plants, for example.
- New renewables: includes wind and photovoltaic. The following hazards are material for current VERBUND sites: floods, tornadoes and river flooding.
- Thermal generation: the Mellach site may be affected, in particular, by the acute risks of flooding (due to the moderate to high risk of river flooding) and hail.
- Grid: Gas Connect Austria classifies compressor stations as particularly relevant, however the physically acute risks of storms, tornadoes, wildfire, floods, hail and lightning damage will increase primarily from 2050 onwards. The 380 kV lines, 220 kV lines, and substations are highly relevant to Austrian Power Grid AG. Storms and avalanches pose the highest risk in mountainous areas whereas floods pose the highest risk in lowlands.

Within the individual companies, appropriate actions are reviewed for each economic activity and for individual plants with implementation dates set as and when necessary with the aim of reducing the identified, material, physical climate risks for existing, tangible assets over the medium term. Other actions, especially maintenance planning, are taken into consideration. A physical climate risk analysis is conducted when planning new plants and mergers and acquisitions. Alongside the physical climate risks, transition opportunities and risks within VERBUND's own operations are also considered, including the following:

- changing market demand for renewable energy and hydrogen;
- quantity risks relating to hydropower;
- risks arising from changes in regulatory and political frameworks;
- reputational gains through ambitious climate targets;
- new possibilities for decarbonisation through new technologies (e.g. hydrogen); and
- positive and negative trends in electricity prices, which may impact investment decisions.

Details on identifying and incorporating transition risks related to assets and business activities, as well as on the measurement period and the application of climate-related scenarios, are provided in ESRS 2 SBM-3 in the context of the resilience analysis. Market developments and customer demand, alongside

other factors, were taken into account in the assessment in addition to information on the upstream and the downstream value chain.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (E2)

As far as pollution is concerned, the materiality assessment solely identified impacts, but not any risks or opportunities. Based on the review of the E-PRTR reports, only the sub-topic of air pollution listed in the “Own operations” area in relation to VERBUND’s thermal power plants and the gas compressors of Gas Connect Austria GmbH’s gas grid was found to be material. “Airborne emissions” refer to the CO and NO_x emissions resulting from the combustion of natural gas. The combustion of natural gas in the mentioned plants may have potential impacts on humans, animals, plants, organisms and food resources, as these could be affected by emissions into the atmosphere.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (E3)

An analysis of actual and potential impacts as well as risks and opportunities associated with **water and** marine resources shows the importance of the geographic location of VERBUND sites on the one hand, and the type of plants and use of water on the other.

Material impacts have only been identified in connection with the “water withdrawal” sub-topic, as the withdrawal of cooling water from surface waters affects the biological water balance. The withdrawal of cooling water from surface waters for VERBUND’s thermal power plants is relevant in this context. The only operating site for VERBUND thermal power plants is located in Mellach/Styria in the Mur catchment area. Water consumption, by contrast, plays a negligible role as most of the water withdrawn is returned.

All issues related to marine resources are not material for VERBUND as VERBUND does not conduct activities in or around the sea and it does not use any corresponding resources. In the future, the withdrawal and consumption of water for electrolysis facilities for the production of green hydrogen may become relevant. Financial risks could arise from changes in regulatory frameworks. These include, for example, stricter regulations, restrictions or changes to water usage rights. This could affect output and the value of plants.

Disclosure requirements related to ESRS 2 IRO-1 – Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities (E4)

The topics relating to biodiversity and ecosystems deemed material to VERBUND include climate change, changes to land use and freshwater use, direct exploitation, impacts on the condition of species and the extent and condition of ecosystems, as well as impacts and dependencies on ecosystem services. The Group-wide assessment of risks and opportunities in relation to biodiversity and ecosystems also considered physical and transition risks and opportunities. Affected communities are engaged at an early stage in investment projects involving ecosystem interventions and are informed of the actions taken. VERBUND considers the interests of stakeholders, including local licensed fishers and hunters, farmers and foresters as well as nature conservation groups, and a close cooperation has been established with them in many regions. In addition, knowledge from local associations, organisations or experts on relevant ecosystems and habitats is incorporated and considered in relation to actions. Section S3 “Affected communities” provides further information on how affected communities are treated and engaged in relation to all aspects of how projects affect them. For example, in November 2024, Kaprun

hosted the Energy Dialogue, an informational event for the region's citizens on the "Kaprun 2029" projects and the Schaufelberg pumped storage power plant, where the topic of ecology was also addressed in connection with these projects. Another example is a wind project under development in 2024, for which the VERBUND team hosted an extensive publicity campaign featuring regular informational events for the local community. Project bulletins containing the latest project news were also distributed to households in the region. VERBUND's impacts on ecosystem services, which are significant for affected communities, usually occur only for a temporary period with construction projects. Examples include restrictions to the use of walking and cycling paths alongside rivers, or short-term noise and dust emissions from construction sites, affecting their recreational value in ecosystems. Impairments are consistently avoided or mitigated to the greatest possible extent, and actions taken to encourage promote ecosystem services over the medium term. As explained and listed under E4 SBM-3, VERBUND operates sites in or near biodiversity sensitive areas. The construction and operation of electricity generation and energy transmission plants can sometimes have negative impacts on individual habitats, fauna or flora species. When constructing new plants, it may therefore be necessary to implement compensatory actions – Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; an Environmental Impact Assessment (EIA) as defined in Article 1(2)(g) of Directive 2011/92/EU of the European Parliament and of the Council (76) on the assessment of the effects of certain public and private projects on the environment – and these may be prescribed as part of the approval process: VERBUND endeavours from the outset to plan comprehensive ecological compensatory actions to create new habitats where possible and conducive.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (E5)

VERBUND has reviewed its segments, including all of its subsidiaries, and has identified and assessed actual as well as potential impacts, dependencies, risks and opportunities in connection with resource use and circular economy at its sites and along the value chain, and adopted the LEAP method (localisation, evaluation, analysis and planning) in doing so. As part of the double materiality assessment, all topics under consideration were reviewed for potential impacts of a physical and financial nature. Aspects assessed included resource inflows, resource outflows and waste. As the provision of electricity requires the construction and maintenance of power plants featuring various types of technology, and the establishment and maintenance of appropriate distribution and delivery infrastructure, the issues of resource inflows and waste were found to be material. There were no financially material risk drivers identified that could be influenced positively or negatively, directly or indirectly, by resource use and circular economy. Resource inflows are particularly relevant in the value chain in connection with the cost of materials for projects in relation to power plant modernisation and new power plant construction. As further investments in modernisation and new power plant construction are planned, an increase is expected over the short, medium and long term. An additional, less significant material flow arises from the purchase of office equipment products, which is expected to remain constant. Waste is generated mainly at the end of the useful life of products and plant components, such as hydropower plants, wind turbines, batteries and photovoltaic modules. Since many of the photovoltaic, wind power, and battery storage plants currently in use have only been put into operation in recent years, the relevant waste streams are not expected to become relevant in the short or medium term. For most of these plants, the conditions for achieving full recyclability are not yet in place. Metal components such as steel and copper

are already highly recyclable, leading to significant reductions in waste generation. The outflows of resources in connection with VERBUND products and services were not considered to be material, as VERBUND's business model is designed to circulate products exclusively within the scope of specific projects. Such products are only provided if the respective project partners have decided to assume possession of them. Furthermore, minimal existing resource outflows, such as by-products from thermal generation at the Mellach site (mainly in the form of lime sludge), are additionally used in the cement industry.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess business conduct-related material impacts, risks and opportunities (G1)

As far as business conduct is concerned, the materiality assessment identified corporate culture, protection of whistleblowers, political engagement and management of relations with suppliers as material. The systematic, annual Group-wide compliance survey of risk exposure provides additional input for the materiality assessment by providing insight into whether, and in which business segments there are potential risks to VERBUND. All divisions of the VERBUND holding company and the principal consolidated subsidiaries were involved in the survey in their capacity as risk owners. The 23 risk owners carried out a qualitative compliance risk assessment based on the criteria of materiality, probability of occurrence and maturity of existing actions using a standardised questionnaire. The results are discussed and necessary actions planned at an annual compliance meeting between the Chief Compliance Officer and the respective risk owners.

Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

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List of datapoints in cross-cutting and topical standards that are derived from other EU legislation (ESRS 2 Appendix B)

Appendix B is an integral part of ESRS 2. The page references at the level of the disclosure requirement headings can be found in the ESRS content index on the previous pages.

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
ESRS 2 GOV-1 Boards' gender diversity, paragraph 21(d)	Indicator number 13 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816 ⁵ , Annex II	
ESRS 2 GOV-1 Percentage of independent board members, paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on the due diligence process, paragraph 30	Indicator number 10 Table #3 Annex 1			
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ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d) ii	Indicator number 9 Table #2 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d) iii	Indicator number 14 in Annex 1, table 1		Delegated Regulation (EU) 2020/1818 ⁷ , Article 12(1) Commission Delegated Regulation (EU) 2020/1816, Annex II	

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator number 4 in Annex 1, table 2	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator number 5 Table #1 Annex 1 and Indicator number 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 Table #1 Annex 1			

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator number 6 Table #1 Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators number 1 and 2 Table #1 Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicator number 3 Table #1 Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Commission Delegated Regulation (EU) 2020/1818, Annex II Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453,		

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c).		paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 Annex 1 Indicator number 2 Table #2 Annex 1 Indicator number 1 Table #2 Annex 1 Indicator number 3 Table #2 Annex 1			
ESRS E3-1 Water and marine resources, paragraph 9	Indicator number 7 Table #1 Annex 2			
ESRS E3-1 Dedicated policy, paragraph 13	Indicator number 8 Table #2 Annex 1			
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator number 12 Table #2 Annex 1			

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Indicator number 6.2 Table #2 Annex 1			
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations, paragraph 29	Indicator number 6.1 Table #1 Annex 2			
ESRS 2 SBM-3 E4, paragraph 16(a) i	Indicator number 7 Table #1 Annex 1			
ESRS 2 SBM-3 E4, paragraph 16(b)	Indicator number 10 Table #2 Annex 1			
ESRS 2 SBM-3 E4, paragraph 16(c)	Indicator number 14 Table #2 Annex 1			
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24(b)	Indicator number 11 Table #2 Annex 1			
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24(c)	Indicator number 12 Table #2 Annex 1			
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Indicator number 15 Table #2 Annex 1			
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Indicator number 13 Table #2 Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9 Table #1 Annex 1			
ESRS 2- SBM3 – S1 Risk of incidents of forced labour, paragraph 14(f)	Indicator number 13 Table #3 of Annex I			
ESRS 2- SBM3 – S1 Risk of incidents of child labour, paragraph 14(g)	Indicator number 12 Table #3 of Annex I			
ESRS S1-1 Human rights policy	Indicator number 9 Table #3 Annex 1 and Indicator			

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
commitments, paragraph 20	number 11 Table #1 Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator number 11 Table #3 Annex I			
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator number 1 Table #3 Annex I			
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 Table #3 Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	Indicator number 2 Table #3 Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88(e)	Indicator number 3 Table #3 Annex I			
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Indicator number 12 Table #1 Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Indicator number 7 Table #3 of Annex I			

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104(a)	Indicator number 10 Table #1 Annex 1 and Indicator number 14 Table #3 Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Indicators number 12 and 13 Table #3 Annex I			
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator number 9 Table #3 Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators number 11 and 4 Table #3 Annex 1			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator number 10 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14 Table #3 Annex 1			

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 Table #3 Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights principles, ILO principles or OECD guidelines, paragraph 17	Indicator number 10 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14 Table #3 Annex 1			
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9 Table #3 Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Indicator number 10 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14 Table #3 Annex 1			
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Indicator number 15 Table #3 Annex 1			
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Indicator number 6 Table #3 Annex 1			
ESRS G1-4 Fines for violation of anti-corruption and	Indicator number 17 Table #3 Annex 1		Commission Delegated Regulation	

Disclosure Requirement and related datapoint	(1) SFDR reference ¹	(2) Pillar 3 reference ²	(3) Benchmark Regulation reference ³	(4) EU Climate Law reference ⁴
anti-bribery laws, paragraph 24(a)			(EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	Indicator number 16 Table #3 Annex 1			

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9 December 2019, p. 1).

² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, "CRR") (OJ L 176, 27 June 2013, p. 1).

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29 June 2016, p. 1).

⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9 July 2021, p. 1).

⁵ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3 December 2020, p. 1)

⁶ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19 December 2022, p. 1).

⁷ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3 December 2020, p. 17).

The materiality assessment is the starting point for the Non-Financial Statement under ESRS. VERBUND discloses information on environmental, social and governance issues covered by ESRS only if the topics or data points in question have been found to be material. If a relevant topic is not material, a brief explanation of the conclusions reached by the materiality assessment for the topic in question are documented internally. The EFRAG datapoint list serves as a checklist and documentation template for this purpose, to demonstrate which points are deemed to be material and why there is no disclosure provided for certain datapoints. Data points for ESRS E1 Climate change (IRO-2 ESRS 2) are always disclosed.

Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

Sustainability matters are managed on the basis of national and EU regulations, which VERBUND implements and adheres to. VERBUND uses these regulations to define Group-specific policies. Information on policies concerning material sustainability matters is reported, where applicable and available, in the relevant topic-specific standards. A brief overview of the policy content, the impacts, risks or opportunities to which the policy relates, as well as a description of its scope and responsibilities is provided.

In general, the term "policy" at VERBUND covers business conduct, including corporate objectives, principles of conduct, basic concepts of corporate management (organisational form, management concepts, planning and control system), corporate principles for specific areas and strategic objectives (the VERBUND occupational health and safety mission statement), as well as strategic focus areas and objectives to which employees, customers and all other stakeholders can align themselves.

At VERBUND, policies may form part of the internal regulatory system, which primarily consists of three levels:

- Executive orders are applicable across the entire Group and are enacted by the Executive Board. They contain rules that govern aspects such as the Group's organisational structure, the responsibilities of the organisational units, the hierarchical allocation of powers, the organisational framework for project and crisis management, signatory authorisation and so on.
- Guidelines are prepared by the organisational unit responsible for the matter at hand and adopted either by the respective member of the Group Executive Board responsible for the subject matter as a guideline applicable to the entire Group or by the management of a Group company for the company in question.
- Standard operating procedures are enacted by the head of an organisational unit for that specific area or for a precisely defined scope of application.

Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters

Information on actions is reported, where applicable and available, in the relevant topic-specific standards. An overview of the most important actions initiated during the reporting year and information on the scope and time frames for implementing the actions are provided.

Metrics and targets**Minimum Disclosure Requirement – Metrics MDR-M – Metrics in relation to material sustainability matters**

Information on metrics is reported, where applicable and available, in the relevant topic-specific standards. These may involve mandatory metrics according to ESRS as well as entity-specific metrics. The metrics are clearly identified and the underlying assumptions and methodologies are set out.

The Integrated Annual Report 2024 presents key metrics for financial year 2024 in the first year of ESRS reporting. Where available, comparative figures for the previous year 2023 are also reported on a voluntary basis.

Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets

Information on targets is reported, where applicable and available, in the respective topic-specific standards. The aim is to measure the effectiveness of the adopted actions and to indicate the period over which the target is to be achieved.

Environmental information

EU Taxonomy

Disclosures pursuant to Article 8 of the EU Taxonomy Regulation (2020/852) and in accordance with the Commission Delegated Regulation (EU) 2021/2178

Each year, VERBUND reassesses the Group's economic activities to determine which of them qualify as environmentally sustainable economic activities pursuant to the EU Taxonomy Regulation (EU) 2020/852 and the delegated acts that have now been published on all six environmental objectives (Commission Delegated Regulations (EU) 2021/2139, 2022/1214, 2023/2485, 2023/2486). Although the European Commission has now published corresponding announcements on the interpretation and implementation of certain legislation (cf. C/2023/267 and C/2023/305), which are included in the internal evaluation process, it should be noted that the wording and terminology in the delegated acts are still subject to interpretation uncertainties. The legal conformity of the disclosures is therefore fraught with uncertainty, so subsequent adjustments to the assessments made may be necessary.

In a first step, VERBUND identified the activities listed in the regulation that are classified as generally eligible for taxonomy alignment. Taxonomy-eligible means that an economic activity is described in one of the Commission Delegated Regulations (2021/2139, 2022/1214, 2023/2485, 2023/2486).

Due to the inclusion of potential new activities, taxonomy-eligible economic activities were reassessed in 2024. No new activities were added compared to the previous year. VERBUND's taxonomy-eligible economic activities include the following:

- Electricity generation from hydropower: run-of-river and storage power plants in Austria and Bavaria
- Electricity generation from wind power: onshore wind farms in Austria, Germany, Romania and Spain
- Electricity generation using solar photovoltaic technology: rooftop and open-field solar installations in Austria and Spain as well as projects under development and construction in Germany and Italy (including systems for energy supply contracting)
- Transmission and distribution of electricity: high- and ultra-high voltage grid operated by Austrian Power Grid AG in Austria
- Storage of electricity: pumped storage power plants in Austria and battery storage units in Austria and Germany
- Transmission and distribution networks for renewable and low-carbon gases: innovation, research and development projects implemented by Gas Connect Austria GmbH for the integration of renewable gases and hydrogen into the gas network
- High-efficiency co-generation of heat/cool and power from fossil gaseous fuels: Mellach combined cycle gas turbine power plant operated by VERBUND Thermal Power GmbH & Co KG
- Transport by motorbikes, passenger cars and light commercial vehicles: company cars in administrative areas
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings): e-mobility products and services offered by VERBUND Energy4Business GmbH and VERBUND Energy4Customers GmbH
- Installation, maintenance and repair of renewable energy technologies: photovoltaic systems owned by customers

In principle, some of the activities mentioned are taxonomy-eligible for a number of environmental objectives, i.e. they are described in several sections and/or can be assigned to several environmental objectives. For VERBUND, the focus is on combating climate change by way of the energy transition, which is why all of the Group's activities are assigned to the EU environmental objective "climate change mitigation". Allocating all of the Group's activities to the objective of climate change mitigation prevents target contributions from being counted twice.

Technical screening criteria and Do No Significant Harm (DNSH) criteria

The procedure for determining the taxonomy alignment of identified taxonomy-eligible activities and for the documentation and generation of the relevant data comprises several steps at VERBUND. An economic activity can only be reported as taxonomy-aligned if it makes a significant contribution to at least one of the six EU environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems

do no significant harm to any of the other environmental objectives, are carried out in compliance with the defined minimum safeguards and comply with technical screening criteria. Only if all criteria are met in full can an activity be reported as taxonomy-aligned.

To determine compliance, workshops were held with the affected subsidiaries, involving climate experts, controllers, risk managers and technical specialists as well as environmental and sustainability experts. These experts reviewed the previously identified taxonomy-eligible economic activities based on the applicable technical screening criteria, before documenting the results transparently and comprehensibly. The documentation was prepared using standardised evaluation forms and checklists for all relevant VERBUND plants and sites. Assessments of climate risk and vulnerability were carried out as part of fulfilling the DNSH criteria with respect to the typical assets associated with all types of economic activities. Climate risk and vulnerability assessments were conducted for new plants during the reporting period. The assessment of the defined minimum safeguards was conducted at higher Group level, and is described below.

The identification of taxonomy-aligned activities and maintenance of the documentation templates for technical screening criteria and DNSH criteria is carried out by the Corporate Responsibility department. The evaluation of the KPIs (revenue, OpEx and CapEx) is organised by the Controlling department in consultation with the relevant subsidiaries.

Climate risk and vulnerability assessments

The assessment of climate risk and vulnerability is a process for identifying and evaluating climate risks. The identified risks are included in the ESRS reporting and provide input for the climate-related impacts, risks and opportunities reported in the ESRS 2 IRO-1 section. They are also incorporated into the resilience analysis (see ESRS 2 SBM-3).

In order to avoid significant harm with respect to the environmental objective “climate change adaptation” (DNSH 2), all taxonomy-aligned economic activities that contribute significantly to climate change mitigation must meet the criteria specified in Appendix A to Annex I to Commission Delegated Regulation (EU) 2021/2139. These criteria stipulate that physical climate risks that are material to the activity must be identified by performing a robust climate risk and vulnerability assessment. The climate risk and vulnerability assessment comprises the following steps:

- identifying which physical climate hazards may affect the performance of the economic activity during its expected lifetime;
- assessing the materiality of the risks for the economic activity;
- developing adaptation solutions that can reduce the identified physical climate risk.

A standardised evaluation sheet and a uniform procedure have been developed to implement the legal obligations. As part of an ongoing process, climate risks are identified and assessed annually and adaptation actions are developed with the involvement of different subsidiaries, departments and experts. In financial year 2024, selected typical plants were subjected to a climate risk analysis. These formed part of the new renewables and hydropower segments. No new climate risks were identified. In addition to ensuring that legal obligations are met, carrying out climate risk and vulnerability assessments adds the following value for VERBUND:

- Establishment of an ongoing process in line with the PDCA (Plan, Do, Check, Act) cycle
- Promotion of awareness and understanding of climate-related risks on various levels at VERBUND
- Resilience and adaptation planning of VERBUND with respect to different climate scenarios.

Minimum social safeguards

VERBUND has introduced effective processes to ensure adherence to the minimum social standards laid out in Article 18 of the EU Taxonomy Regulation in the relevant Group divisions. VERBUND is guided in particular by the requirements of the OECD Due Diligence Guidance for Responsible Business Conduct. VERBUND’s Code of Conduct for Sustainable Business forms the basis for responsible business conduct by VERBUND in its quest to fulfil all legal, contractual, ethical and voluntary requirements. In its Code of Conduct, VERBUND undertakes to respect human rights, to comply with labour standards, to protect the climate and the environment, to fight corruption, to engage in fair competition and to comply with tax regulations. The Code of Conduct applies to all executives and employees. It supports them in making decisions and taking action in their everyday working lives in their dealings with colleagues, customers, suppliers, local residents and all other stakeholders. The policy on respecting human rights was revised in 2024 and adapted to the current requirements of the CSRD. Furthermore, VERBUND’s Supplier Code of Conduct (SCoC) also obliges suppliers and business partners to comply with the above principles.

For a detailed description of the due diligence, see the ESRS 2 GOV-4 section.

Disclosures on taxonomy-eligible and taxonomy-aligned revenue

Revenue is defined in accordance with the definition under IFRS 15. See the notes to the consolidated financial statements, paragraph 3.2.1. Group revenue has been allocated to the individual economic activities:

- The revenue of the Hydro segment has been allocated to the economic activities “electricity generation from hydropower” (run-of-river power plants and daily and weekly storage facilities that are not pumped storage power plants) and “storage of electricity” (pumped storage power plants).
- The revenue of the New renewables segment has been allocated per generation technology to the economic activities “electricity generation using solar photovoltaic technology” and “electricity generation from wind power”.
- The revenue of the Grid segment has been allocated to the economic activities “transmission and distribution of electricity” (Austrian Power Grid power grid) and “transmission and distribution networks for renewable and low-carbon gases” (Gas Connect Austria gas network). In the case of the economic activity “transmission and distribution networks for renewable and low-carbon gases” (relates to Gas Connect Austria gas network, Grid segment), the taxonomy-eligible and taxonomy-aligned activities consist of actions to reduce methane and projects for green hydrogen and renewable gases.
- Revenue from thermal electricity generation from gas-fired power plants (Other segment) can be allocated to the economic activity “high-efficiency co-generation of heat/cool and power from fossil gaseous fuels”. This economic activity is taxonomy-eligible, but currently not taxonomy-aligned, as the defined criteria are not met.
- Since the revenue of the Sales segment (electricity trading and sales) is not taxonomy-eligible, and in order to avoid double-counting, it not been taken into account. Excluded from this are activities related to battery storage systems, which have been allocated to the economic activity “storage of electricity”, as well as activities in the areas of “electricity generation using solar photovoltaic technology”, “installation, maintenance and repair of charging stations for electric vehicles in buildings” and “installation, maintenance and repair of renewable energy technologies”.
- The economic activity “transport by motorbikes, passenger cars and light commercial vehicles” relates to the use of company cars by employees.

Disclosures on taxonomy-eligible and taxonomy-aligned capital expenditures (CapEx)

The allocation of capital expenditure to economic activities is consistent with the way in which revenue is allocated. The capital expenditures are part of VERBUND’s multi-year investment plan, which was approved by the Group Supervisory Board. The CapEx KPI is calculated by dividing all taxonomy-aligned capital expenditure (numerator) by total capital expenditure (denominator). The additions relating to acquisitions from subsidiaries classified as acquisitions of assets are reported as net values (acquisition costs less accumulated depreciation and amortisation).

The following IFRS standards were applied to calculate this KPI: IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 40 Investment Property, IAS 41 Biological Assets, IFRS 16 Leases. Investments via joint ventures and investments in financial instruments are not relevant to the calculation of this KPI. See section 4 of the notes to the consolidated financial statements.

There were no mergers during the reporting period. Financial year 2024 saw the following transactions in connection with the acquisition of groups of assets: acquisition of wind farms in Austria, acquisition of wind farms in Germany and the acquisition of photovoltaics projects in Italy. Further details can be found in the consolidated financial statements in section 1.2 Financial reporting principles.

Pursuant to the Delegated Regulation (EU) 2021/2178, Annex I, point 1.1.2.2., a CapEx plan has been prepared for the next three years (2025–2027).

For information on the investment plan please refer to the Outlook section

VERBUND is planning to invest around €6.4bn in taxonomy-aligned economic activities in 2025–2027. Investment projects are being vigorously pursued particularly in relation to the grid (economic activity “electricity transmission and distribution”) as part of the Network Development Plan. In addition, an expansion in the photovoltaic area (economic activity “electricity generation using solar photovoltaic technology”) is planned at the Spanish site. The economic activity “electricity storage” is also showing substantial growth, mainly due to investments in storage power plants in Austria and battery storage projects in Germany.

Compared with the CapEx plan for 2024, the CapEx metric in the actual calendar year 2024 fell by around 25%. The economic activity of electricity generation using solar photovoltaic technology underwent a decline of 23%. This is mainly due to the delays in the solar photovoltaic project at the site in Spain. There were also delays to battery storage projects in Germany. However, this was balanced out by acquisitions of wind projects in Austria and Germany (the economic activity of electricity generation from wind power).

For further information
on green finance please
refer to the Financing
section

Companies that have issued environmentally sustainable bonds or debt securities to finance certain defined taxonomy-aligned activities must also publish the CapEx KPI, which has been adjusted for taxonomy-aligned capital expenditures financed with these bonds or debt securities. After adjusting for these investments, the CapEx KPI amounts to 92.0%).

Disclosures on taxonomy-eligible and taxonomy-aligned operating expenditures (OpEx)

The allocation of operating expenditure to economic activities is consistent with the way in which revenue and capital expenditure are allocated.

Under Article 8 of the EU Taxonomy Regulation (2020/852), only specific types of operating expenditure may be allocated to economic activities. These include non-capitalisable research and development costs, short-term lease liabilities, maintenance and repair costs and current maintenance expenses that are associated with taxonomy-aligned economic activities as well as directly allocable personnel expenses.

Result of VERBUND’s taxonomy assessment

While the proportion of taxonomy-aligned economic activities amounts to 92.5% for the CapEx KPI and 80.8% for the OpEx KPI, the proportion for revenue is significantly lower at 55.6%. This is mainly attributable to the fact that the revenue of the Sales segment, which primarily relates to the trading and distribution of electricity, is not taken into account to avoid double-counting with the revenue from electricity generation. The largest proportion of taxonomy-aligned revenue comes from the Hydro segment (relates to the economic activities “electricity generation from hydropower” and “storage of electricity”), followed by the Grid segment. In terms of CapEx, the largest proportion comes from the Hydro segment, followed by the economic activity of “transmission and distribution of electricity”. Capital expenditure relates to both growth CapEx and maintenance CapEx. The largest proportion of taxonomy-aligned OpEx likewise comes from the Hydro segment, followed by the Grid segment.

The revenue KPI showed the greatest change. In absolute terms, the key performance indicator fell by around €2.2bn year-on-year, mainly due to the substantial decline in the relevant futures market prices in the wholesale market for electricity. This primarily affects the hydro segment (“electricity generation from hydropower” and “storage of electricity”), and the grid segment (economic activity “transmission and distribution of electricity”).

There was also a significant decline in the CapEx KPI. In absolute terms, the key performance indicator fell by around €300m year-on-year. This primarily relates to the New renewables segment (“electricity generation using solar photovoltaic technology”) as there were major company acquisitions in 2023 (acquisition of wind farms in Spain), which are included in this KPI. The remaining economic activities were largely at the previous year’s level.

OpEx registered a slight year-on-year decline of 5%. The Hydro segment (“generation of electricity from hydropower” and “storage of electricity”) posted a slight decline, which is attributable to a reduction in maintenance work.

The following tables provide a detailed overview of the taxonomy alignment of VERBUND’s individual taxonomy-eligible economic activities.

Taxonomy disclosures

Proportion of revenue from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

2024	2024		Substantial contribution criteria						
Economic activities (1)	Code(s) (2)	Absolute revenue (3) €m	Proportion of revenue (4) %	CCM (5) Y; N; N/EL ⁽¹⁾	CCA (6) Y; N; N/EL ⁽¹⁾	WTR (7) Y; N; N/EL ⁽¹⁾	CE (8) Y; N; N/EL ⁽¹⁾	PPC (9) Y; N; N/EL ⁽¹⁾	BIO (10) Y; N; N/EL ⁽¹⁾
Text									
A. Taxonomy-eligible activities									
A-1. Environmentally sustainable activities (taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1/CCA 4.1	57.6	0.7%	Y	EL	N	N	N	N
Electricity generation from wind power	CCM 4.3/CCA 4.3	260.5	3.2%	Y	EL	N	N	N	N
Electricity generation from hydropower	CCM 4.5/CCA 4.5	2,471.7	30.0%	Y	EL	N	N	N	N
Transmission and distribution of electricity	CCM 4.9/CCA 4.9	1,168.7	14.2%	Y	EL	N	N	N	N
Storage of electricity	CCM 4.10/CCA 4.10	617.2	7.5%	Y	EL	N	N	N	N
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14/CCA4.14	0.0	0.0%	Y	EL	N	N	N	N
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4/CCA 7.4	2.0	0.0%	Y	EL	N	N	N	N
Installation, maintenance and repair of renewable energy technologies	CCM 7.6/CCA 7.6	4.7	0.1%	Y	EL	N	N	N	N
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		4,582.4	55.6%	100%	0%	0%	0%	0%	0%
of which enabling activities		1,785.9	21.7%	100%	0%	0%	0%	0%	0%
of which transitional activities		0.0	0.0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14/CCA 4.14	163.8	2.0%	EL	EL	N	N	N	N
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30/CCA 4.30	350.4	4.3%	EL	EL	N	N	N	N
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5/CCA 6.5	0.0	0.0%	EL	EL	N	N	N	N
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		514.2	6.2%	100%	0%	0%	0%	0%	0%
A. Revenue of taxonomy-eligible activities (A.1 + A.2)		5,096.6	61.8%	100%	0%	0%	0%	0%	0%
B. Taxonomy-non-eligible activities									
Revenue of taxonomy-non-eligible activities (B)		3,148.0	38.2%						
Total (A + B)		8,244.6	100.0%						

DNSH criteria ("Does Not Significantly Harm")									
Category transitional activity (20)	Category enabling activity (19)	Proportion of taxonomy- aligned (A.1) or taxonomy- eligible (A.2) revenue, year N-1	Minimum safeguards (4, 7)	BIO (16)	PFC (15)	CE (14)	WTR (13)	CCA (12)	CCM (11)
T	E	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		0.6%	Y	Y	Y	Y	Y	Y	Y
		2.8%	Y	Y	Y	Y	Y	Y	Y
		27.3%	Y	Y	Y	Y	Y	Y	Y
	E	18.9%	Y	Y	Y	Y	Y	Y	Y
	E	10.1%	Y	Y	Y	Y	Y	Y	Y
		0.0%	Y	Y	Y	Y	Y	Y	Y
		0.0%	Y	Y	Y	Y	Y	Y	Y
		0.1%	Y	Y	Y	Y	Y	Y	Y
		59.9%	Y	Y	Y	Y	Y	Y	Y
	E	29.0%	Y	Y	Y	Y	Y	Y	Y
T		0.0%	Y	Y	Y	Y	Y	Y	Y
		2.5%							
		3.8%							
		0.0%							
		6.3%							
		66.2%							

Taxonomy disclosures

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities — disclosure covering year 2024

Financial year 2024		2024		Substantial contribution criteria						
Economic activities (1)		Code(s) (2)	Absolute CapEx (3) €m	Proportion of CapEx (4) %	CCM (5) Y; N; N/EL ⁽¹⁾	CCA (6) Y; N; N/EL ⁽¹⁾	WTR (7) Y; N; N/EL ⁽¹⁾	CE (8) Y; N; N/EL ⁽¹⁾	PPC (9) Y; N; N/EL ⁽¹⁾	BIO (10) Y; N; N/EL ⁽¹⁾
A. Taxonomy-eligible activities										
A-1. Environmentally sustainable activities (taxonomy-aligned)										
Electricity generation using solar photovoltaic technology		CCM 4.1/CCA 4.1	102.3	8.1%	Y	EL	N	N	N	N
Electricity generation from wind power		CCM 4.3/CCA 4.3	154.4	12.2%	Y	EL	N	N	N	N
Electricity generation from hydropower		CCM 4.5/CCA 4.5	210.3	16.6%	Y	EL	N	N	N	N
Transmission and distribution of electricity		CCM 4.9/CCA 4.9	448.4	35.3%	Y	EL	N	N	N	N
Storage of electricity		CCM 4.10/CCA 4.10	253.6	20.0%	Y	EL	N	N	N	N
Transmission and distribution networks for renewable and low-carbon gases		CCM 4.14/CCA 4.14	4.5	0.4%	Y	EL	N	N	N	N
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		CCM 7.4/CCA 7.4	1.2	0.1%	Y	EL	N	N	N	N
Installation, maintenance and repair of renewable energy technologies		CCM 7.6/CCA 7.6	0.0	0.0%	Y	EL	N	N	N	N
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)			1,174.8	92.5%	100%	0%	0%	0%	0%	0%
of which enabling activities			702.1	55.3%	100%	0%	0%	0%	0%	0%
of which transitional activities			0.0	0.0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)										
					EL ^{(2); N/EL}	EL ^{(2); N/EL}	EL ^{(2); N/EL}	EL ^{(2); N/EL}	EL ^{(2); N/EL}	EL ^{(2); N/EL}
Transmission and distribution networks for renewable and low-carbon gases		CCM 4.14/CCA 4.14	32.7	2.6%	EL	EL	N	N	N	N
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels		CCM 4.30/CCA 4.30	2.7	0.2%	EL	EL	N	N	N	N
Transport by motorbikes, passenger cars and light commercial vehicles		CCM 6.5/CCA 6.5	3.3	0.3%	EL	EL	N	N	N	N
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)			38.8	3.1%	100%	0.0%	0.0%	0.0%	0.0%	0.0%
A. CapEx of taxonomy-eligible activities (A.1 + A.2)			1,213.6	95.6%	100%	0.0%	0.0%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities			56.1	4.4%						
CapEx of taxonomy-non-eligible activities (B)										
Total (A + B)			1,269.7	100.0%						

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Taxonomy disclosures

Proportion of OPEX from products or services associated with taxonomy-aligned economic activities — disclosure covering year 2024

Financial year 2024

2024

Substantial contribution criteria

Economic activities (1)

	Codes (2)	Absolute OpEx (3) €m	Proportion of OpEx (4) %	CCM (5) Y; N; N/EL ⁽¹⁾	CCA (6) Y; N; N/EL ⁽¹⁾	WTR (7) Y; N; N/EL ⁽¹⁾	CE (8) Y; N; N/EL ⁽¹⁾	PPC (9) Y; N; N/EL ⁽¹⁾	BIO (10) Y; N; N/EL ⁽¹⁾
A. Taxonomy-eligible activities									
A-1. Environmentally sustainable activities (taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1/CCA 4.1	13.8	5.1%	Y	EL	N	N	N	N
Electricity generation from wind power	CCM 4.3/CCA 4.3	8.4	3.1%	Y	EL	N	N	N	N
Electricity generation from hydropower	CCM 4.5/CCA 4.5	107.1	39.4%	Y	EL	N	N	N	N
Transmission and distribution of electricity	CCM 4.9/CCA 4.9	52.1	19.1%	Y	EL	N	N	N	N
Storage of electricity	CCM 4.10/CCA 4.10	35.9	13.2%	Y	EL	N	N	N	N
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14/CCA 4.14	1.3	0.5%	Y	EL	N	N	N	N
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4/CCA 7.4	1.4	0.5%	Y	EL	N	N	N	N
Installation, maintenance and repair of renewable energy technologies	CCM 7.6/CCA 7.6	0.0	0.0%	Y	EL	N	N	N	N
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		219.8	80.8%	100%	0%	0%	0%	0%	0%
of which enabling activities		88.0	32.3%	100%	0%	0%	0%	0%	0%
of which transitional activities		0.0	0.0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL	EL ⁽²⁾ ; N/EL
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14/CCA 4.14	21.4	7.9%	EL	EL	N	N	N	N
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30/CCA 4.30	11.2	4.1%	EL	EL	N	N	N	N
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5/CCA 6.5	0.0	0.0%	EL	EL	N	N	N	N
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		32.6	12.0%	100%	0.0%	0.0%	0.0%	0.0%	0.0%
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		252.5	92.8%	100%	0.0%	0.0%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities									
OpEx of taxonomy-non-eligible activities		19.6	7.2%						
Total (A + B)		272.0	100.0%						

VERBUND's OpEx KPI

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Scope of taxonomy eligibility and alignment per environmental objective – disclosure covering the year 2024

Proportion of revenue/Total revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	55.6%	61.8%
CCA (Climate Change Adaptation)	0.0%	0.0%
WTR (Water and Marine Resources)	0.0%	0.0%
CE (Circular Economy)	0.0%	0.0%
PPC (Pollution Prevention and Control)	0.0%	0.0%
BIO (Biodiversity and Ecosystems)	0.0%	0.0%

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	92.5%	95.6%
CCA (Climate Change Adaptation)	0.0%	0.0%
WTR (Water and Marine Resources)	0.0%	0.0%
CE (Circular Economy)	0.0%	0.0%
PPC (Pollution Prevention and Control)	0.0%	0.0%
BIO (Biodiversity and Ecosystems)	0.0%	0.0%

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	80.8%	92.8%
CCA (Climate Change Adaptation)	0.0%	0.0%
WTR (Water and Marine Resources)	0.0%	0.0%
CE (Circular Economy)	0.0%	0.0%
PPC (Pollution Prevention and Control)	0.0%	0.0%
BIO (Biodiversity and Ecosystems)	0.0%	0.0%

These footnotes relate to the information disclosed in the three preceding double-page tables

⁽¹⁾Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective N/EL – not eligible, taxonomy-non-eligible activity for the relevant environmental objective

⁽²⁾EL – eligible, taxonomy-eligible activity for the relevant environmental objective

Standard templates for the disclosure referred to in Article 8 (6) and (7)

Nuclear and fossil gas related activities Revenue

Row	Activities	Yes/No
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear plants to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear plants that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities that use fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Nuclear and fossil gas related activities CapEx

Row	Activities	Yes/No
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear plants to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear plants that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities that use fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Nuclear and fossil gas related activities

OpEx

Row	Activities	Yes/No
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear plants to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear plants that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities that use fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Taxonomy-aligned economic activities (denominator) Revenue

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,582.4	55.6%	4,582.4	55.6%	0	0.0%
8.	Total applicable KPI	8,244.6	100.0%	8,244.6	100.0%	0	0.0%

Taxonomy-aligned economic activities (denominator) CapEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,174.8	92.5%	1,174.8	92.5%	0	0.0%
8.	Total applicable KPI	1,269.7	100.0%	1,269.7	100.0%	0	0.0%

Taxonomy-aligned economic activities (denominator) OpEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	219.8	80.8%	219.8	80.8%	0	0.0%
8.	Total applicable KPI	272.0	100.0%	272.0	100.0%	0	0.0%

Taxonomy-aligned economic activities (numerator) – revenue

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	4,582.4	55.6%	4,582.4	55.6%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	4,582.4	55.6%	4,582.4	55.6%	0	0.0%

Taxonomy-aligned economic activities (numerator) – CapEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,174.8	92.5%	1,174.8	92.5%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,174.8	92.5%	1,174.8	92.5%	0	0.0%

Taxonomy-aligned economic activities (numerator) – OpEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	219.8	80.8%	219.8	80.8%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	219.8	80.8%	219.8	80.8%	0	0.0%

Taxonomy-eligible but not taxonomy-aligned economic activities – revenue

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	350.4	4.3%	350.4	4.3%	0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	163.8	2.0%	163.8	2.0%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	514.2	6.2%	514.2	6.2%	0	0.0%

Taxonomy-eligible but not taxonomy-aligned economic activities – CapEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2.7	0.2%	2.7	0.2%	0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	36.1	2.9%	36.1	2.9%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	38.8	3.1%	38.8	3.1%	0	0.0%

Taxonomy-eligible but not taxonomy-aligned economic activities – OpEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	11.2	4.1%	11.2	4.1%	0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	21.4	7.9%	21.4	7.9%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	32.6	12.0%	32.6	12.0%	0	0.0%

Taxonomy-non-eligible economic activities Revenue

Row	Economic activities	Amount (€m)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0.0%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	3,148.0	38.2%

Taxonomy-non-eligible economic activities CapEx

Row	Economic activities	Amount (€m)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0.0%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	56.1	4.4%

Taxonomy-non-eligible economic activities OpEx

Row	Economic activities	Amount (€m)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0.0%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	19.6	7.2%

Environment

VERBUND respects the right of present and future generations to an intact and habitable world. For this reason, VERBUND is working to prevent or reduce negative environmental impacts of its entrepreneurial activities, plants, products and services. VERBUND therefore contributes to achieving national and international environmental and climate targets and supports the United Nations' Sustainable Development Goals.

VERBUND's overarching voluntarily-defined environmental principles are enshrined in its publicly available environmental mission statement. The principles listed here are applicable as the basis for all material environmental topics identified from ESRS E1 to ESRS E5 in accordance with the materiality assessment. In addition, with its Code of Conduct and Supplier Code of Conduct (SCoC), VERBUND requires its employees, suppliers and partners to uphold environmentally friendly practices, and it encourages the same from its customers. The Code of Conduct therefore encompasses policies related to the environmental topics of climate change, biodiversity and resource use.

At Group level, a dedicated environmental guideline fosters a standardised framework for coordinating, implementing and improving environmental agendas within the VERBUND Group. It accordingly defines the principles and organisation of environmental agendas as well as the roles, responsibilities and tasks of the individuals involved in environmental matters. This ensures the integration of environmentally relevant rules and regulations, structures and processes into the existing organisational structure at all operational levels and the exchange of information regarding topics relevant to the environment. VERBUND's two independent grid subsidiaries, Austrian Power Grid AG and Gas Connect Austria GmbH are not subject to the internal rules and regulations due to the unbundling regulations. Both independent companies implement environmental principles through their externally certified environmental management system.

The general organisation of responsibilities is described in ESRS 2 GOV-1. The Corporate Responsibility Committee (CRC) has also been established to address environmental matters. This Group-level committee, comprising the executive management of all subsidiaries and the divisional heads of the VERBUND holding company, is chaired by the Executive Board member responsible for environmental issues, and is concerned with relevant environmental topics. The Group Executive Board approves both the environmental mission statement, the Code of Conduct for sustainable corporate governance and Group-wide strategic environmental goals. The executive management of VERBUND subsidiaries is responsible for the operational implementation of external and internal environmental regulations, the Group's environmental policy (the environmental mission statement) and the strategic environmental objectives as well as the environmental agendas for the respective company.

The aforementioned implementation and externally certification of environmental management systems in accordance with ISO 14001 or the EMAS Regulation ensures that all mandatory commitments are met, environmental impacts documented, environmental data externally verified and targets and actions adopted to improve environmental performance at the companies. When planning, making decisions and taking action, VERBUND always takes the associated environmental impacts into account. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

ESRS E1 Climate change

Climate change is an issue of great importance for VERBUND. VERBUND is therefore working on sustainable, diversified solutions for the future of energy in all its business areas. The focus on electricity generation from renewable energy together with the consumption and distribution of renewable energy is a crucial factor in both reducing and avoiding greenhouse gas emissions. The Group's strategic orientation takes into account requirements such as the European Emissions Trading System (EU ETS) and international climate change treaties. Moreover, it also accounts for the public's heightened awareness of climate change.

VERBUND generates the majority of its electricity from renewable hydropower, wind power and solar power, and uses energy efficiently. In doing so, VERBUND avoids GHG emissions in its generation portfolio and contributes to achieving climate targets at the national and international level, alongside those of its customers and partners.

By phasing out electricity and district heat generation from crude oil, hard coal and lignite, VERBUND has already made a significant contribution to decarbonisation. VERBUND also addresses climate change and its consequences. The scientific assessment of climate-related natural hazards and their impacts on VERBUND power plants means that actions can be adopted in good time. VERBUND's goal is to continue to ensure safe power generation from renewable sources in Austria going forward. Climate change mitigation and climate adaptation are therefore important factors in achieving a sustainable and secure energy future.

VERBUND focuses on actively shaping the energy system of the future. VERBUND promotes innovation as well as the development and use of new and environmentally friendly technologies and energy sources to meet challenges such as climate change and its ramifications. By engaging in climate change mitigation and adaptation VERBUND is setting the course for a sustainable and secure energy future.

ESRS 2 General Disclosures

Governance

Disclosure requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

The integration of sustainability-related performance in incentive schemes is described in ESRS 2 GOV-3.

Strategy

Disclosure Requirement E1-1 – Transition plan for climate change mitigation

Through its past, current and future efforts in relation to climate change mitigation, VERBUND is ensuring that its strategy and business model are compatible with the transition to a sustainable economy and with limiting global warming to 1.5°C in accordance with the Paris Agreement and with the European Union's objective of achieving climate neutrality by 2050.

With its corporate strategy, VERBUND aims to lead the transition to clean energy. VERBUND supports the European transition to clean energy through the expansion of renewable energy, especially wind and solar energy, achieving flexibility (pumped storage power plants, batteries) across countries as well as

building the European hydrogen economy through local production and by establishing European import routes. VERBUND continues to report transparently on its remaining activities relating to the transport, consumption and sale of natural gas, its use of fuels, and its targets for reducing this exposure to fossil fuels. In addition, VERBUND no longer uses fossil fuels such as crude oil, coal or lignite.

As regards the transition plan for climate change mitigation, an approach was developed in line with Mission V and the strategic objectives, and an action plan containing targets and actions was adopted by VERBUND AG's Executive Board. For details on GHG emissions reduction targets and pathways, see E1-4 and the strategy and business model under ESRS 2 SBM-1. The progress made to date in the implementation of the transition plan is described in E1-6.

VERBUND's targets are compatible with limiting global warming to 1.5°C. VERBUND's targets were reviewed as part of an external assessment performed by the ratings agency Moody's. The results showed that the medium and long-term objectives are consistent with science-based general cross-sector pathways and sector-specific pathways for the main business activities aimed at limiting the temperature rise to 1.5°C. VERBUND is not exempt from the EU Paris-aligned benchmarks.

The biggest decarbonisation levers for VERBUND's own GHG emissions are the purchase of electricity from renewable generation for industrial customers, the medium to long-term phase-out of generation with natural gas through the use of hydrogen, and phasing out sales of natural gas to consumers. In the regulated area, the purchase of electricity produced from renewable energy for grid losses in the power grid and the installation of an additional electric compressor in the gas network were identified as decarbonisation levers. Building capacity for the generation of renewable energy and expanding the power grid are key indirect levers that impact decarbonisation in Europe in general.

The specific GHG emissions reduction targets and information on VERBUND's climate protection actions are listed under Disclosure Requirement E1-3 and E1-4.

The transition plan is based on the corporate strategy and implemented as part of VERBUND's ongoing business processes. The explanation and quantification of the investments and financial resources (CapEx, CapEx plan, OpEx) that support the plan, as well as revenue, are therefore consistent with the disclosures in the EU Taxonomy Disclosures section in accordance with Article 8 of the EU Taxonomy Regulation (2020/852) and the Commission Delegated Regulation (EU) 2021/2178.

Potentially tied-in GHG emissions (or "locked-in" emissions) could become relevant for VERBUND in the future in connection with its thermal generation plant at the Mellach site, and the Gas Connect Austria gas network.

The use of thermal power plants could be necessary to support the grid to a greater extent than currently envisaged to ensure security of supply in Austria in case of a crisis. In particular, this would result in higher than planned emission levels from the upstream direct Scope 1 and upstream Scope 3 GHG emissions due to natural gas requirements. This risk is mitigated through the expansion of renewable energy in Austria and also by the expansion of the Austrian transmission system based on regulatory requirements and national interests. The reduction pathways were developed based on planned use in normal circumstances and with a view to addition of green hydrogen or retrofitting plants for green hydrogen.

In the Gas Connect Austria gas network, key GHG emitters include the compressor stations with either natural gas turbine compressors and/or electrically powered compressors installed. The relevant greenhouse gases here are carbon dioxide and methane. Reduction targets were developed for both these greenhouse gases as part of the development of decarbonisation pathways to be achieved by 2050. The reduction targets were developed in consideration of the major emitters, which thereby do not jeopardise

the reduction targets provided the applicable actions are implemented. In particular, the planned actions include the ongoing replacement of natural gas-powered compressors, the increased use of recompression systems to avoid methane emissions, and leak detection and repair (LDAR) programmes.

VERBUND's greenhouse gas and energy-intensive plants and products are factored into the Climate Transition Plan and the related plans are explained here.

No CapEx amounts related to economic activities in connection with coal and oil were invested in the reporting year. In 2024, a total of €39.9m was invested in economic activities related to gas, of which €4.5m was taxonomy-aligned and €35.4m was taxonomy-eligible.

The Climate Transition Plan was developed on the basis of the general Group strategy and is consistent with VERBUND's financial planning. Performance tracking is integrated into the annual strategy process. This integrated planning was approved by the VERBUND AG's Group Executive Board, and presented to the Supervisory Board's Strategy and Sustainability Committee.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The following material impacts have been identified in relation to VERBUND's business activities: VERBUND is contributing to the decarbonisation of the electricity system through its business model and strategic focus on the expansion of renewable energies. This makes it possible to reduce GHG emissions. On the other hand, VERBUND generates GHG emissions through the use of fossil fuels, thereby exacerbating climate change. Material impacts across the value chains result from procurement of goods, electricity sales and natural gas sales. Indirect GHG emissions are emitted across the upstream and downstream value chain, which exacerbates climate change.

The following financially material risk drivers, which may be influenced positively and/or negatively by factors directly or indirectly related to climate change, have been identified: electricity price trends (depending on carbon prices, the generation energy mix, etc.), CapEx (depending on rising procurement prices, etc.), regulatory framework conditions, extreme weather events, the volatility of the generation volume and necessary technological adaptations.

The impacts, risks and opportunities are taken into account in VERBUND's strategy and business model. The three strategic focus areas of the VERBUND Strategy 2030 and Mission V strategy focus on a sustainable future in which electricity generation from renewable energy sources plays an even greater role. Details on the resilience of the strategy and business model with respect to climate change as well as further disclosures can be found in ESRS 2 IRO-1 and ESRS 2 SBM-3.

Impacts, risks and opportunities management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Topic-specific disclosures on processes to identify and assess climate-related material impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

The climate crisis is the defining issue of our time. At the same time, Europe is also experiencing an energy crisis. Weaning ourselves off fossil fuels as quickly as possible and safeguarding security of supply are therefore essential.

As an integrated electric utility, VERBUND views energy as its primary concern. This is why climate change mitigation and climate change adaptation are integral to VERBUND's corporate strategy. The strategic definitions address the current and potential impacts of decarbonisation and the exacerbation of climate change, as well as risks and opportunities due to electricity and carbon price trends, regulations, extreme weather, volatile generation volumes and technological adaptations derived from the materiality assessment.

The strategy takes into account international agreements such as the Paris Agreement and the Kyoto Protocol as well as international targets such as the Sustainable Development Goals (SDGs), in particular "Affordable and Clean Energy" (Goal 7), "Industry, Innovation and Infrastructure" (Goal 9), "Responsible Consumption and Production" (Goal 12), and "Climate Action" (Goal 13). Policies at the European level such as the Green Deal and regulations at the national level are also taken into consideration. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

The Group Executive Board is responsible for the continuous development of the Group and, together with relevant divisional heads from the holding company, the executive management of the Group subsidiaries as well as leading experts in the core areas in which the Group operates, it determines the Group's strategy. This information is published on the VERBUND website.

Mission V will be put into operation in three strategic focus areas: strengthening VERBUND's position as an integrated utility in the domestic market, expanding renewables in Europe and positioning VERBUND as a European hydrogen player. The following strategic definition applies to sustainability and innovation: VERBUND is working on sustainable solutions for the future of energy. In doing so, VERBUND is reducing emissions and the consumption of resources. VERBUND is ramping up its investments in the energy transition. It is making its hydropower plants even more efficient, generating increased volumes of green electricity with state-of-the-art wind farms and photovoltaic plants, and embracing green hydrogen and innovative technological solutions.

VERBUND believes in a future powered solely by renewable energy sources. In order to counter the physical and transition risks of climate change, VERBUND is investing in adapting its infrastructure and in the technological and geographical diversification of its renewable generation installations as well as its business activities. Further information on the strategy can be found in ESRS 2 SBM-1.

Disclosure Requirement E1-3 – Actions and resources in relation to climate policies

To counter the impacts of climate change, VERBUND is focusing on decarbonisation through the expansion of renewables generation, the supply of renewable energy, the electrification of processes and heat supply as well as on new technologies such as green hydrogen. VERBUND is thereby supporting its customers and partners in the energy and mobility transition. Aside from the Group's own GHG emissions, this will also lead to lower fossil fuel energy consumption and higher energy efficiency in the value chain and within the European system in the long term.

Technological and geographical diversification also strengthens the business model, especially with regard to energy generation from renewable energy sources. The associated spreading of risk improves VERBUND's resilience against climate change and helps it adapt to climate change.

VERBUND deems it important to consider and prepare for future changes. A three-year project (CLIMPACT4VERBUND) was launched in 2024 to identify the impacts of climate change relevant to VERBUND. Various emission scenarios are taken into consideration, including a worst-case scenario as an extreme variant, and the latest climate models (CMIP6) applied. The project involves looking at expected changes in precipitation, wind, temperature and radiation for all of VERBUND's sites in order to identify any future changes in energy generation and to be able to optimally plan future plants. In addition to the increase in heavy rainfall events, entailing a higher risk of flooding, and the change in the seasonality of the precipitation, the project also focuses on the increased probability of storms occurring, flooding, thunderstorms, hail events, mudslides and landslides, which could pose a physical climate change risk to VERBUND's infrastructure. The project further involves a detailed analysis of the affected sites. As in the past, this will provide a basis for the forward-looking planning of necessary adaptations, such as the construction or upgrading of protective structures.

The infrastructure of the Austrian Power Grid transmission system is also exposed to extreme weather conditions, affecting its operations and planning processes. At international level, in the future, long-term planning will be based on a climate model containing data from the Pan-European Climatic Database 4.0, which can map the warming of the earth's surface in various stages. This allows for a more dynamic integration of climate change impacts into the planning processes of transmission system operators. Austrian Power Grid AG is also pursuing projects to prepare existing infrastructure and the planning of new projects for changing climatic conditions. The Climate Check project is a partnership between research institutes to explore and model future scenarios for various factors such as precipitation, temperature and wind. Other projects relate to research into lightning, forest fire prevention and accounting for the growing prevalence of animal species such as bark beetles. The results will be incorporated into the planning process for the existing network and for new construction projects in order to prepare the grid for the challenges presented by climate change.

VERBUND ceased using lignite as fuel in 2006, oil in 2015 and hard coal in 2020, making it one of the pioneers of decarbonisation among Austria's electric utilities. As a result, since 2005 VERBUND has continuously reduced its CO₂ emissions from thermal power plants which fall under the European Emissions Trading System (EU ETS) to the minimum level necessary to ensure security of supply in Austria. VERBUND ETS emissions amounted to 0.5 million tonnes of CO₂ in 2024. This volume is 87% down on the 2005 figure (3.8 million tonnes of CO₂), the year in which the EU ETS was launched. VERBUND is therefore contributing both to the avoidance and reduction of emissions, as well as to the actions described in SDG 13 "Climate action". VERBUND has also massively reduced its airborne NO_x emissions and reduce dust and SO₂ emissions to zero, by reducing thermal generation volumes and switching to natural gas as a fuel.

VERBUND consistently refers to the 2020 base year when reporting on future GHG reductions. In the period from 2020 to 2024, the Group achieved a reduction of around 19% in total Scope 1, 2 and 3 emissions, excluding Category 2 (Capital goods). For details, see E1-4.

The following table shows the key decarbonisation levers (> 50 kt CO₂e) and a selection of related actions already implemented, currently in implementation or in planning. The GHG reductions expected as a result of the implementation were estimated relative to the base year of 2020. These refer to actions pending implementation or planned in connection with ongoing business processes, the implementation of which does not require significant additional monetary amounts from CapEx and OpEx. For Scope 3, additional reductions in GHG emissions are anticipated through the creation of a new Supplier Code of Conduct (SCoC) and the testing and implementation of further decarbonisation potential in the supply chain.

Effect in scope/decarbonisation lever	Expected GHG reduction by 2030	Actions	Status
Scope 1 and 3 Switching fuel used in electricity generation from natural gas to green hydrogen by 2035	280 kt	Hotflex – pilot plant for high-temperature electrolysis and fuel cell operation	Implemented
		Participation in pilot test projects for the admixture of hydrogen	Implemented
		Step-by-step preparation for retrofitting the Mellach power plant to hydrogen (H ₂)	Planned
		H ₂ readiness by 2035	Planned
Scope 1 and 3 Gas network – emissions from gas compressors and methane	56 kt	Increased use of compressor units to avoid methane blow-out quantities	Currently being implemented
		Leak detection and repair (LDAR) programmes for identifying and repairing leaks	Currently being implemented
		Ongoing replacement of compressors powered by natural gas	Planned
		Conversion of the gas network to hydrogen	Planned
Scope 2 Reduction of GHG emissions from grid loss	69 kt	Location-based: through expansion of renewables and phase-out of fossil fuel powered electricity generation in Austria	Currently being implemented
	262 kt	Market-based: procurement of 100% renewable energy guarantees of origin	Planned
Scope 3 Reducing in GHG emissions from the purchase of electricity for industrial customers	4,000 kt	Reduction of natural gas share by 95% by 2030	Planned
		Targeted marketing of green electricity and positioning as a partner for decarbonisation in Austria and Germany	Currently being implemented
		Marketing of additional decarbonisation solutions for industry (photovoltaics, charging infrastructure for e-mobility)	Currently being implemented

Scope 3	100 kt	Phasing out natural gas deliveries by 2040	Planned
Delivery of natural gas to consumers		Supporting the heat transition by marketing heat pumps and offering further decarbonisation solutions for residential customers and SMEs (photovoltaics, wallboxes and batteries) to gradually convert residential customers and SMEs to low-carbon solutions.	Currently being implemented

Metrics and targets

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

VERBUND has, for many years, been a European electricity utility that produces a high proportion of its electricity from renewable energy sources. With the phasing out of thermal electricity generation reliant on lignite, hard coal, and heating oil, VERBUND has already succeeded in massively reducing its GHG emissions, thereby minimising the impact of its climate change contribution through direct GHG emissions. VERBUND now operates only one state-of-the-art combined cycle gas power plant in Mellach near Graz as well as one back-up power plant, which is also powered by natural gas. These two power plants are necessary for the security of supply in Austria. Due to VERBUND's equity interest in the gas transport network of Gas Connect Austria, GHG emissions include emissions from the transport of natural gas.

VERBUND's targets related to climate change mitigation and climate change adaptation are based on its strategic defined targets set forth in its corporate strategy. VERBUND seeks to further reduce its contribution to impacting climate change and has set itself ambitious GHG reduction targets in this regard. In the update, 2020 was defined as the base year and the targets were fleshed out. In the period from 2020 to 2024, the Group was able to achieve a reduction of around 19% in total Scope 1, 2, and 3 emissions, excluding Category 2 (Capital goods). Using the base year 2020 makes it possible to partially present the reduction effects in terms of thermal generation at VERBUND resulting from the phase-out of electricity generation reliant on hard coal. The base year 2020 was also the first year in which the data for Scope 3 emissions was available in the scope of the Corporate Carbon Footprint prepared in 2021. The base year was recalculated to ensure that it was representative and covered all activities. For more information, see the paragraph on "significant changes and their impacts on GHG emissions". These targets were approved and published by the Group Executive Board. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

GHG reduction targets for 2030: VERBUND is committed to reducing absolute Scope 1, 2, and 3 GHG emissions, excluding Category 2, by 74% between 2020 and 2030. VERBUND is committed to reducing the intensity of Scope 1 emissions (direct emissions) produced by electricity generation by 40%, and the intensity of Scope 3 GHG emissions attributable to electricity sales by 90% by 2030 relative to the base year of 2020.

GHG reduction target for 2040: VERBUND is committed to reducing Scope 1, 2, and 3 GHG emissions by 90% by 2040 relative to the base year of 2020, excluding Category 2. This will be achieved in particular

by reducing the specific Scope 1 GHG emissions by 90%, and by reducing the intensity of Scope 3 GHG emissions attributable to electricity sales by 98% relative to 2020 as the base year.

GHG reduction goal 2050 – net zero: VERBUND is committed to achieving net zero GHG emissions from 2050 onwards (a reduction of at least 90% of greenhouse gas emissions and the elimination of residual emissions) starting in 2020 as the base year with the exclusion of GHG emissions generated by capital goods in order to achieve decarbonisation of the energy system (expansion of renewable energy). The aim is to reduce GHG emissions to an unavoidable minimum level and to use recognised actions to neutralise a maximum of 10% of residual emissions.

Indirect GHG emissions in Category 2 are attributable at VERBUND to upstream GHG emissions from capital goods with the aim of decarbonising the energy system. These GHG emissions are reported transparently, but are excluded from the scope of the target, as the capital goods in question are aimed at increasing and diversifying renewable generation capacities, and expanding and modernising the electricity grid (for more information, see the Taxonomy Regulation disclosures in the EU taxonomy section). Therefore, these targets are not consistent with the boundaries of the GHG inventory.

These investments make an important contribution to the transition to clean energy, and are not linked to locked-in emissions. Capital expenditure invested in grid expansion also facilitates the integration of new wind farms and photovoltaic installations. The VERBUND 2030 strategy provides for an expansion of renewable generation assets, grids and storage, which will lead to an increase in both the renewables generation capacity and in indirect GHG emissions in Category 2 (Capital goods) in the years these generation assets are brought into operation. Reducing this emissions category is not compatible with VERBUND's strategy of expanding the renewable energy sector.

The expansion of renewable energies contributes to reducing VERBUND's GHG emissions and those of many other companies and countries. Sector coupling allows electricity generated from renewable energy sources to replace fossil fuels in the thermal energy and transport sectors.

Targets and actions aimed at expanding renewable energies, increasing energy efficiency and achieving the technological and geographical diversification of generation facilities are defined in order to manage further climate-related risks and opportunities.

The levers for reducing GHG emissions by 2030 include reducing the use of fossil fuels, purchasing electricity from renewable energy for grid losses (where approved by the regulator) and distributing electricity from renewables generation to industrial customers. Scope 1 accounts for 4%, Scope 2 for 6%, and Scope 3 for 90% of the total contributions to the target achievement of 74% (see also "GHG emissions table" under E1-6). In terms of net zero, the target for 2050 defined by VERBUND's Executive Board is to achieve a reduction of at least 90% and remove residual emissions. The contributions to reducing Scope 1 emissions are mainly achieved by replacing fossil fuels with green hydrogen, for Scope 2 by purchasing electricity from renewable energy for all energy consumption, and for Scope 3 through further reductions in the supply chain.

In the 2020 base year, a total of 6,258 kt CO₂e was calculated for Scope 1 and 2 (market-based) emissions as well as Scope 3 emissions. These emissions are used to calculate the reduction targets with the exclusion of Category 2, with 6,242 kt CO₂e thereby serving as the basis for defining the target.

The targets for the emissions intensity of electricity generation and electricity sales are based on the absolute targets. The intensity target for electricity generation refers to the ratio of Scope 1 emissions from the electricity generation and electricity transport sector to total generation. The Scope 3 intensity target is determined on the basis of the ratio of Scope 3 emissions from the sale of purchased electricity to the total sales of electricity to consumers. Accordingly, the target includes the emission sources associated

with the primary activities of the integrated energy supplier, namely the generation of electricity for Scope 1 and the sale of electricity to consumers for Scope 3, along with the associated activities. Overall, the share of emissions encompassed here came to around 80% of GHG emissions in the 2020 base year. As a result, the intensity targets cover the majority of Scope 1, 2 and 3 emissions. Further intensity values can only be meaningfully presented with different relative figures for the respective business activities and are not currently planned.

In 2020, the Scope 1 emissions intensity of VERBUND's generation was already well below the reduction pathway for the 1.5-degree scenario. VERBUND's objective of reducing the GHG emissions intensity of direct emissions from its own generation by 40% between 2020 and 2030, from 20 g CO₂e/kWh of total net generation to 12 g CO₂e/kWh, is based on a sector-specific 1.5-degree pathway for electricity and gas suppliers. The sector-specific decarbonisation pathway was derived from the International Energy Agency's (IEA) net zero emissions scenario by 2050. In 2024, VERBUND's specific Scope 1 emissions came to 13 g CO₂e/kWh.

Further decarbonisation of VERBUND's generation using natural gas at the combined cycle gas turbine plant in Mellach is not possible in the period up to 2030. This would require replacing natural gas with a low or zero carbon fuel. Green hydrogen would be one way to further reduce these emissions, and tests are already underway. The Mellach site is particularly important for maintaining security of supply in Austria in terms of congestion management, and as a back-up site.

VERBUND's objective of reducing the emission intensity of the electricity purchased for resale by 90% from 324 g CO₂e/kWh to 28 g CO₂e/kWh between 2020 and 2030 is also in line with the sector-specific decarbonisation pathway, and therefore also with the 1.5 degree target for electricity and gas suppliers based on the International Energy Agency's (IEA) target of net zero emissions by 2050.

The majority of Scope 3 emissions – currently over 80% – come from electricity procurement for industrial customers, i.e. the electricity that VERBUND purchases to supply its consumers on the international market, which comprises a mix of various generation technologies or is based on renewable energy, depending on customers' wishes. The electricity for household customers is sourced entirely from renewable energies.

In the future, VERBUND plans to strategically reposition its sales to industrial customers and to gradually shift to unbundled guarantees of origin for electricity from renewable energy sources, or to bundled purchases of renewable electricity and guarantees of origin.

The VERBUND GHG emissions reduction targets were derived from a combination of general and sector-specific pathways developed on a scientific basis by the International Energy Agency. Recommendations from the Science Based Targets initiative for electricity utilities were also incorporated. Reference was made to the guidelines for the external assessment performed by the rating agency, Moody's, in determining compatibility with the 1.5 degree target, and an external review was conducted by this agency. According to this assessment, the targets are compatible with limiting global warming to 1.5°C.

The determination of GHG emissions reduction targets takes into account future developments in strategically relevant areas with regard to capacity and generation on the basis of internal energy modelling as well as analysing changes in demand behaviour among customers. In addition, European strategies, rules and regulations, and targets, both current and those anticipated to be adopted in the near future, were considered when developing the targets. The retrofitting of plants and the use of green hydrogen was factored into target pathways beyond 2030 with a current assessment of target performance.

Planning in terms of the energy market will continue to closely follow future developments, as relevant changes can have both negative and positive impacts on the reduction targets.

The emissions targets were compared with sector-specific decarbonisation pathways derived from International Energy Agency (IEA) scenarios. The most ambitious pathway taken into consideration aims to achieve net zero emissions worldwide by 2050 and to limit the rise in global temperature to 1.5°C. Based on the emissions reported and the targets set, VERBUND's GHG emissions were compared against the emission estimates for the target year taken from three trajectories (IEA scenarios: Net Zero Emissions by 2050, Announced Pledges Scenario and Stated Policies Scenario).

For VERBUND's intensity targets in Scope 1 (electricity generated) and Scope 3, Category 3 for electricity purchased for resale to consumers, the global pathway for electricity and gas suppliers was applied, which refers to the carbon intensity of generation in grammes of CO₂e/kWh. The absolute targets for all scopes of GHG emissions (excluding Category 2, capital goods) were defined using sector-independent, general global benchmarks that reflect the broad diversity of emissions.

Disclosure Requirement E1-5 – Energy consumption and energy mix

VERBUND uses fossil fuels as an energy source. In 2024, only the fossil fuel natural gas was used for thermal generation to produce electricity and district heating. Neither hard coal nor sewage sludge (biomass as a substitute fuel) has been used since 2021. Natural gas is also used in the gas compressor stations to operate the Gas Connect Austria gas grid. Fuels are used in the vehicle fleet and for equipment.

As an electric utility, VERBUND AG operates in Sector D "Electricity, natural gas, steam and cooling supply", one of the sectors with high climate impacts. It is therefore necessary to perform a further breakdown of the energy consumption from fossil fuels.

VERBUND's internal electricity consumption consists of electricity from various sources and comprises grid procurement for administrative facilities, power plants, pumping and turbinning, as well as grid systems along with self-generated electricity by VERBUND's own generation plants. The largest volumes of electricity are sourced for hydropower plants for pumping and turbinning and to compensate for grid losses in the Austrian Power Grid electricity transmission network. Energy consumption in fully consolidated companies and entities with operational control is reported in line with Scope 1 and 2 GHG emissions. The disclosures comprise the total energy consumption in MWh within the Group's own operations, and are broken down in the following table.

Energy consumption and mix

	Unit	2023	2024
(1) Fuel consumption from coal and coal products	MWh	-	-
(2) Fuel consumption from crude oil and petroleum products	MWh	15,869	16,180
(3) Fuel consumption from natural gas	MWh	1,362,994	2,420,459
(4) Fuel consumption from other fossil sources	MWh	-	-
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	416,609	387,273
(6) Total fossil energy consumption (sum of lines 1 to 5)	MWh	1,795,472	2,823,912
(7) Energy consumption from nuclear sources ¹	MWh	204,587	218,691
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	-	-
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	2,591,160	2,253,231
(10) Consumption of self-generated non-fuel renewable energy	MWh	420,218	495,129
(11) Total renewable energy consumption (sum of lines 8 to 10)	MWh	3,011,378	2,748,360
Total energy consumption (sum of lines 6, 7 and 11)	MWh	5,011,437	5,790,963

¹ share calculated from European electricity mix, no targeted purchase of nuclear power

The energy mix is presented in the following table based on shares in the total energy consumption.

Share of total energy consumption

	Unit	2023	2024
Share from fossil sources	%	36	49
Share from nuclear sources	%	4	4
Share from renewable sources	%	60	47

In 2024, 96% of the electricity generated by VERBUND originated from renewable energy generation plants, hydropower, wind power and solar power, and 4% from thermal generation and battery storage.

Electricity generation

	Unit	2023	2024
Net total electricity generation	MWh	32,976,571	37,055,594
Electricity generation from non-renewable energy sources (natural gas, batteries)	MWh	709,548	1,343,166
Electricity generation from renewable sources (water ¹ , wind, sun)	MWh	32,267,023	35,712,428

¹ incl. purchase rights

Energy intensity based on net revenue

The energy intensity for 2024 was 0.00070 MWh of energy consumption per euro of net revenue from activities in high climate impact sectors. Net revenue from activities in high climate impact sectors is evaluated separately and used to calculate the intensity metric.

Energy intensity per euro of net revenue

	Unit	2023	2024	Change
Total energy consumption from activities in high climate impact sectors	MWh	4,949,086.06	5,723,385.03	16%
Net revenue from activities in high climate impact sectors	euros	10,404,192,970.00	8,175,205,324.16	– 21%
Total energy consumption from activities in high climate impact sectors per euro of net revenue from activities in high climate impact sectors	MWh/euro	0.00048	0.00070	

The following table lists the NACE groups relevant to VERBUND broken down into high climate impact and non-high climate impact sectors.

High climate impact NACE groups	Non-high climate impact NACE groups
35.11; 35.12; 35.13; 35.14; 35.18; 35.19; 35.22; 35.23; 43.21; 46.69; 49.50; 52.21; 68.20	61.10; 64.20; 64.99; 70.10; 71.20; 82.99

Connectivity of energy intensity based on net revenue with financial reporting information

	euros
Net revenue from activities in high climate impact sectors used to calculate energy intensity	8,175,205,324.16
Net revenue (other)	69,360,616.06
Total net revenue (financial statements)	8,244,565,940.22

Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The following section provides an overview of the 2020 base year, the data for 2023 and 2024, as well as the milestones and targets in relation to greenhouse gas emissions.

Methods, key assumptions and emission factors

To reduce uncertainty in the data collection process, the potential for errors when entering the base data for the GHG balance is minimized by warnings of significant deviations and associated mandatory comments in the sustainability data management tool. Mandatory disclosures on data quality permit the uncertainty of the disclosures to be analysed.

The calculation is made in CO₂ equivalents: The respective emissions are calculated on the basis of their global warming potential (GWP) in accordance with IPCC (AR5; 100 years; updated AR 6 as of 2024; 100 years) and presented in metric tonnes of CO₂ equivalents (“t CO₂e” in the following). Direct Scope 1

GHG emissions are separately quantified for carbon dioxide CO₂, methane CH₄, nitrous oxide N₂O, nitrogen trifluoride NF₃, sulphur hexafluoride SF₆ and other GHGs (HFCs, PFCs, NF₃, etc.). All ETS emissions are recorded directly in CO₂e on the basis of information provided by the respective plant owner (due to the time period limited to January for preparing the report based on preliminary values prior to the annual ETS audit). The uncertainty of the disclosures is already very low by this time. Emissions from the ETS plants are verified with sufficient certainty once a year by an external independent test facility by the end of March. The auditors enter these values in the national emissions trading registry. The indirect GHG emissions for Scope 2 “Imported energy”, i.e. electricity and thermal energy purchased from the grid and consumed internally by the Group, are calculated using carbon emission factors and expressed as CO₂e. GHGs (CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃) are considered by IPCC based on their GWP. The other indirect emissions are included under Scope 3. Factors taken from the DEFRA database, the Austrian Federal Environment Agency, and from ecoinvent were used in the calculations. Scope 3 GHG emissions were largely estimated using inputs from the upstream and downstream value chain associated with these standard emission factors. No emissions are calculated using primary data from suppliers.

The DEFRA database version “v12” was used for 2023 and “v13” for 2024. The ecoinvent emission factors are converted each year to the latest available version of ecoinvent. In 2023, this was version 3.8.0 (2021) and in 2024 version 3.10, which is linked to IPCC AR6 and the Global Warming Potential GWP (100 years). However, the database updates did not match the most recent version of the emission factors that had been documented. The analysis revealed changes in the range of approximately 5%.

To reduce uncertainty among the selected emission factors, the available emission factors are compared with alternative sources. Whenever necessary corrections are identified, these are implemented and documented in the calculations, and the results of any recalculations are published. In accordance with the best-effort approach, VERBUND will in future endeavour to supplement these calculations with disclosures from suppliers – see also ESRS 2 BP-2.

GWP rates from IPCC

Until now, use has been made of the Global Warming Potential GWP (100 years) as defined by IPCC AR5. For 2024, the emission factors were updated in accordance with IPCC AR6 Global Warming Potential GWP (100 years).

Gross GHG emissions		Retrospective				Milestones and target years ¹		
		Base year	Comparative (N-1)	(N)	Change			Annual % of the target/base year
	Unit	2020	2023	2024		2025 ²	2030 ²	
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions ³	t CO ₂ e	738,019	292,348	499,696	71%	550,000	540,000	–2.7%
Percentage of Scope 1 GHG emissions from regulated emissions trading systems	%	98	93	97	4%			
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions	t CO ₂ e	185,686	239,185	116,824	–51%			
Market-based Gross Scope 2 GHG emissions	t CO ₂ e	293,917	273,354	234,969	–14%	170,000	22,000	–9.3%
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions	t CO ₂ e	5,226,478	4,314,332	4,320,203	0%	2,880,000	1,078,000	–7.9%
(1) Purchased goods and services	t CO ₂ e	92,257	84,736	80,198	–5%			
(2) Capital goods	t CO ₂ e	16,883	225,573	258,154	14%			
(3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	t CO ₂ e	4,696,619	3,693,533	3,726,435	1%			
(6) Business travel	t CO ₂ e	830	2,901	2,428	–16%			
(11) Use of sold products	t CO ₂ e	220,855	188,857	149,382	–21%			
(15) Investments	t CO ₂ e	199,035	118,732	103,606	–13%			
Total GHG emissions								
Total GHG emissions (location-based)	t CO ₂ e	6,150,182	4,845,865	4,936,723	2%			
Total GHG emissions (market-based)	t CO ₂ e	6,258,413	4,880,034	5,054,868	4%	3,600,000	1,640,000	–7.4%

¹ Implementation of the actions only taking into account the guarantee of state requirements for security of supply //

² Scope 3 Category 2 is excluded from the target scope //

³ Preliminary figures before ETS audit

Gross Scope 1 GHG emissions

VERBUND includes CO₂, CH₄ and SF₆ emissions in its direct Scope 1 GHG emissions. CO₂ emissions from the use of the Mellach gas power plant and the operation of Gas Connect Austria's gas compressors are covered by the EU ETS. There are no direct emissions from the generation of electricity from renewable energy sources. The remaining Scope 1 emissions do not fall under the EU ETS. Scope 1 emissions are broken down into combustion in stationary installations, combustion in mobile installations, process emissions and fugitive GHG emissions from grid systems.

Scope 1 breakdown of emissions

	Unit	2023	2024
Direct GHG emissions from combustion in stationary installations ¹	t CO ₂ e	272,306	484,470
Direct GHG emissions from combustion in mobile installations	t CO ₂ e	4,004	4,074
Direct GHG emissions from processes	t CO ₂ e	10,743	6,944
Fugitive GHG emissions from grid systems	t CO ₂ e	5,295	4,208

¹ Preliminary figures before ETS audit

Scope 1 – GHG intensity of generation

The specific figure for own emissions from electricity and district heating generation and electricity transmission was just 13 g CO₂e/kWh of net total electricity generated in 2024. The GHG intensity in 2024 was therefore significantly below the specific figure for direct CO₂ emissions from the Austrian generation mix in 2023 according to the Association of Issuing Bodies (AIB), at 96 g CO₂/kWh. VERBUND is therefore even lower than the figure for the European generation mix, i.e. 219 g CO₂/kWh in 2023, according to the International Energy Agency (IEA), but approximately 20% of this came from the generation of nuclear energy, whereas VERBUND achieves its specific emission value entirely without any generation using nuclear energy. These comparisons show how successful VERBUND has been in its drive to achieve nuclear-free decarbonisation of its electricity generation. VERBUND's strategic focus envisages a further increase in the volume generated using renewable energy. This will further improve the aforementioned figure.

Scope 1 GHG emissions intensity

	Unit	2020	2023	2024
Gross Scope 1 GHG emissions from electricity generation per net total electricity generation ¹	g CO ₂ e/kWh	20	8	13

¹ from electricity generation and transmission (excl. Gas Connect Austria) as a percentage of total electricity generated (net incl. purchase rights, excl. electricity generated for district heating). Preliminary figures before ETS audit.

Gross Scope 2 GHG emissions

Indirect Scope 2 GHG emissions originate from grid losses, from electricity consumption (grid purchases) and from the purchase of district heating and cooling. Two different figures are reported for these emissions: a location-based figure and a market-based figure. Corresponding upstream emissions are accounted for in Scope 3 in accordance with the life cycle assessment.

The location-based figure is calculated using the carbon emission factor for the local power grid. Therefore, this figure will only change if there are modifications in the quantities of electricity purchased and/or changes in the national or European generation landscape. In the 2024 reporting period, the

emissions factor of Austria's power grid declined. Electricity consumption for the operation of hydropower plants in pumping/turbining mode fell, whereas it increased for grid losses in the power grid.

The market-based figure can be reduced for unregulated business activities through strategic procurement of electricity generated from sources with lower emissions per kWh purchased. For several years now, VERBUND has exclusively used electricity with guarantees of origin from 100% renewable energy (unbundled) to operate pumped storage power plants, which has helped it to substantially reduce its market-based emissions. Smaller quantities are procured partly bundled and partly unbundled. The European electricity mix of fossil, nuclear and renewable generation is currently being used for grid loss energy purchases in the Austrian power grid. For regulatory reasons, the targeted procurement of electricity from renewables is not yet possible, but this is being sought by 2030. Information on the source of the purchased electricity was used to calculate the market-based Scope 2 GHG emissions. In 2024, 64% of electricity volumes were sourced using contractual instruments (power purchase agreements, evidence of cancellation of guarantees of origin) with unbundled guarantees of origin.

Gross Scope 1 and 2 GHG emissions by type of consolidation

The following table shows the breakdown by consolidation. Consolidated and non-consolidated companies in which VERBUND has operational control are shown. The latter are included at 100%.

Scope 1 and Scope 2 emissions broken down according to consolidated and non-consolidated entities

	Unit	2023	2024
Gross Scope 1 GHG emissions for consolidated entities ¹	t CO ₂ e	292,231	499,595
Gross Scope 1 GHG emissions for non-consolidated entities under operational control	t CO ₂ e	117	101
Gross Scope 2 GHG emissions for consolidated entities (market-based)	t CO ₂ e	273,348	234,959
Gross Scope 2 GHG emissions for non-consolidated entities under operational control (market-based)	t CO ₂ e	6	10
Gross Scope 2 GHG emissions for consolidated companies (location-based)	t CO ₂ e	239,165	116,809
Gross Scope 2 GHG emissions for non-consolidated entities under operational control (location-based)	t CO ₂ e	20	15

¹ Preliminary figures before ETS audit

Gross Scope 3 GHG emissions

The significant and insignificant Scope 3 categories are determined in accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard. The size criterion and a 3% share threshold are applied to assess the significance of the categories, taking account of the principles of relevance, completeness, consistency, correctness and transparency at VERBUND. In addition, the sector-specific requirements for electricity suppliers, the ability of VERBUND to influence emission sources and the possible engagement of employees are considered. Categories are excluded if they either do not cause significant GHG emissions, or if they are included in previously recorded GHG emissions of other categories to avoid double-counting within Scope 3 or Scope 1 and 2 insofar as possible.

The Scope 3 categories that are significant to VERBUND's GHG balance were analysed as significant according to the criteria: Category 1 (Purchased goods and services), Category 2 (Capital goods), Category 3 (Fuel and energy-related activities not included in Scope 1 or 2), Category 6 (Business travel), Category 11 (Use of sold products) and Category 15 (Investments, i.e. equity interests) for VERBUND. The analysis was based on the previously conducted Corporate Carbon Footprint (CCF) calculations in the Sustainability Data Management Tool, the consideration of new business activities and an assessment using ecoinvent factors. Category 6 is included despite its very low share of Scope 3 emissions as it was deemed significant for employee engagement. In the downstream value chain, VERBUND's equity interests were analysed based on ESRS requirements. Not previously included until 2023, Scope 3 Category 15 was therefore included in the CCF. To ensure comparability between the current and the previous reporting periods, the GHG emissions of equity interests were also added for the 2020 base year, and reported for the previous year 2023. Scope 3 Categories 1, 2, 3, 6, 11, 15 were included in VERBUND's GHG emissions inventory.

All GHG emission factors are recorded in the Sustainability Data Management Tool. They are continuously updated and adjusted in line with the latest findings and requirements. This methodology ensures that GHG emissions inventories are mapped consistently and in a comparative manner.

Emission factors specific to VERBUND are calculated for upstream and downstream GHG emissions based on the currently available version of the ecoinvent database, and taking into account all types of greenhouse gases in accordance with the IPCC. GHG emissions emitted are measured in CO₂ equivalents (CO_{2e}), taking into account national, regional and company-specific emission factors. In Scope 3, fully consolidated as well as non-consolidated companies under the operational control of VERBUND are documented similarly to Scope 1 and 2. See also paragraph Methods, key assumptions and emission factors.

Scope 3 – GHG intensity of electricity deliveries to consumers

The specific value of indirect GHG emissions from the purchase and supply of electricity to consumers in 2024 was 256 g CO_{2e}/kWh of electricity delivered to consumers.

Scope 3 GHG emissions intensity

	Unit	2020	2023	2024
Gross Scope 3 GHG emissions from electricity sales to consumers per total electricity sales to consumers	g CO _{2e} /kWh	324	252	256

Different reporting periods in the value chain

In cases where VERBUND has an alternative reporting period or an earlier data consolidation timepoint than some or all of the entities in its value chain with regard to annual reporting, the GHG emissions referred to in paragraph 44 are measured using information for reporting periods that deviate from the VERBUND reporting period.

The value chain uses the currently available data from these entities to report the GHG emissions. VERBUND uses annual figures, and accepts data from the entities for reporting periods of equal length. If impacts of significant events and changes in circumstances relevant to VERBUND GHG emissions

occur between the reporting dates of entities in its value chain, and the date of the undertaking's financial statements for general purposes, a corresponding disclosure will be published in the next annual report.

Significant changes and their impacts on GHG emissions

There were several significant changes that made it necessary to recalculate the 2020 base year of the CCF based on the GHG Protocol Corporate Standard. These changes are designed to permit better future control over target achievement in relation to GHG emissions.

Recalculations of the CCF are performed and documented in the event of material changes or errors. Regardless of whether they cause the values to rise or fall, they are considered material if they account for more than 5% of the relevant scope in the base year or reporting year.

The acquisition of the gas network operator Gas Connect Austria was taken into account in the base year in accordance with the requirements of the GHG Protocol, producing a 13% increase in Scope 1 emissions in 2020. The electricity consumption of Gas Connect Austria for Scope 2 market-based emissions was recalculated, GHG emissions from the grid purchases of power plants were reallocated on the basis of CSRD requirements, and the emission factor for the unknown electricity mix was changed to reflect the EU mix. In total, market-based Scope 2 emissions rose by 11% in 2020. Notably, the target for Scope 3 emissions produced by electricity sales to consumers required a transition from the location-based approach to the market-based approach in order to allow the figure to be controlled through the active and successive transition to renewable energy among industrial customers. This led to an increase in emissions Category 3 in 2020. The inclusion of Category 15 Investments in accordance with the requirements of ESRS standards and their significance, led to a further increase in Scope 3 emissions. In total, Scope 3 emissions then rose by 21% in 2020.

All changes in the GHG emissions calculation, such as the inclusion of non-consolidated companies, the transition to a market-based approach for electricity sales to consumers and the inclusion of investments, were taken into account in all Scopes in 2023. This produced a 0% change in Scope 1 emissions, a 4% increase in Scope 2 location-based emissions, and a 6% decrease in Scope 2 market-based emissions, with Scope 3 emissions falling by 1%. Consistent reporting and comparability between the previous year (2023) and the new 2024 reporting period is thereby ensured.

GHG intensity based on net revenue

GHG intensity per euro of net revenue

	Unit	2023	2024	Change
Total GHG emissions (location-based) per euro of net revenue	t CO ₂ e/euro	0.000464	0.000599	29.1%
Total GHG emissions (market-based) per euro of net revenue	t CO ₂ e/euro	0.000467	0.000613	31.3%

Connectivity of GHG intensity based on net revenue with financial reporting information

Net revenue used to calculate GHG intensity corresponds to the figure specified in Disclosure 3.2.1 Revenue in the notes to the consolidated financial statements.

Disclosure Requirement E1-8 – Internal carbon pricing

As an energy supplier and electricity producer, carbon pricing is a key cost factor for VERBUND that needs to be included in corporate decisions at every level. The VERBUND business strategy is based on modelled future business scenarios. Carbon pricing is one of the metrics used to develop these scenarios, which include energy market performance in Europe and impacts on VERBUND power plants.

Carbon prices also play a key role in assessing future generation technologies and investment decisions. Given that carbon prices are expected to rise substantially over the coming years, the incentive to reduce GHG emissions while increasing the share of electricity generated from renewable energies, and investing in the development of low-carbon technologies will grow. This is in line with VERBUND's strategic projects and supports the achievement of climate-related goals.

The internal carbon price forms part of the assumptions applicable to the internal VERBUND Energy Market Model (VEMM). The results of the VEMM are used for budget planning, investment decisions and impairment testing VERBUND's power plants. The incorporated internal carbon price is based on the EU ETS price and forms part of VERBUND's planning assumptions. These planning assumptions must be applied by all parts of VERBUND, both when making investment decisions and reviewing existing plants. As all of the Group's divisions are located in EU member states, the internal carbon price is applied throughout the Group.

Around 479,000 tonnes, or 96% of VERBUND's Scope 1 emissions, are measured using the internal carbon price. Scope 2 and Scope 3 emissions are not included in the internal carbon pricing.

All current applications use the carbon price, which corresponds to the current prices listed on the stock exchange (ICE, EEX). The long-term performance of the carbon price is based on assumptions made by international consulting firms. An average price from all available external scenarios is used as the base scenario for determining the long-term performance of carbon prices.

Price forecasts are used to measure the value in use, determine fair values and ascertain the impairment of assets. More details are available in the consolidated financial statements.

The prices applied in 2024 were in the region of €67/t CO₂e. VERBUND expects carbon prices to rise sharply in the long term.

ESRS E2 Pollution

ESRS 2 General Disclosures

As part of the VERBUND materiality assessment, potential impacts related to air pollution were identified as material.

Impacts, risks and opportunities management**Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities**

Topic-specific disclosures on processes to identify and assess pollution-related material impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Disclosure Requirement E2-1 – Policies related to pollution

It is crucial for VERBUND to manage material negative impacts in order to avoid and mitigate air pollution. In addition to ensuring compliance with regulatory obligations, VERBUND's policies also focus on incidents and emergency situations with regard to air pollution.

The policies at subsidiary level contain specifications regarding emissions into the air.

VERBUND Thermal Power GmbH also has its own environmental policy. The thermal generation plants in Mellach are validated in accordance with the EMAS regulation in addition to ISO 14001. This means that an environmental statement in accordance with the EMAS III Regulation has been issued exclusively for the Mellach power plants site. At Gas Connect Austria GmbH, an integrated management system that meets the requirements of an environmental management system in accordance with ISO 14001 is externally certified on an annual basis.

Air pollutants, among other things, are reported in the European Pollutant Release and Transfer Register (in the future industrial emissions portal) for the Mellach power plants site and for Gas Connect Austria GmbH in accordance with the E-PRTR regulation.

The management systems in place at VERBUND ensure that improvement processes are continuously pursued while simultaneously defining areas of application, roles, responsibilities, accounting for context and stakeholder interests, and establishing the assessment of risks and opportunities. Accordingly, the topic of air pollution is continuously addressed and corresponding targets, actions, and a monitoring process are derived on this basis. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

Disclosure Requirement E2-2 – Actions and resources related to pollution

VERBUND continuously introduces actions to avoid and mitigate air pollution, and allocates appropriate funds for this purpose. Notably, these are not one-off measures but instead recurring measures that are implemented as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. As part of the implemented management systems, either an environmental programme (in accordance with ISO 14001/EMAS at VERBUND Thermal Power GmbH) or a plan of action (in accordance with ISO 14001/IMS at Gas Connect Austria) is continuously updated and implemented. This also includes the appropriate planning of resources.

Technical actions have already substantially reduced emissions that contribute to pollution. The phasing out of hard coal in the generation of electricity and district heating has eliminated SO₂ and dust emissions. Furthermore, the transition to hydrogen should prevent future airborne emissions.

At the Mellach power plants site, flue gas purification equipment minimises emissions of environmentally harmful substances into the air. As this is already the best available technology, there are currently no improvement options or key actions planned until new technologies become available. Research projects are carried out on an ongoing basis to gain new insights and deepen the understanding on existing issues.

To avoid and mitigate potential impacts on people and the natural environment in the event of emergencies and incidents, there are appropriate emergency and crisis plans available for companies and sites. These plans also take into account the risk of air pollution that may occur in the event of incidents. In 2023, additional official environmental inspections along with in-depth reviews pursuant to the Industrial Accident Ordinance were carried out and passed in Mellach. In accordance with the requirements of the Regulation on the Protection of Workers from Explosive Atmospheres (*Verordnung explosionsfähige Atmosphären*, VEXAT), Gas Connect Austria gas plants are categorised into defined potentially explosive areas, so-called "Ex zones", and process areas with regard to explosion protection,

and the systems are technically designed accordingly. The equipment used is periodically inspected by external experts (inspection authority).

Metrics and targets

Disclosure Requirement E2-3 – Targets related to pollution

Since the Mellach district heating power plant was put into operation in 1986 with the combined cycle gas turbine power plant following in 2012, VERBUND has been legally obliged to comply with airborne emission limits. Aside from that, no measurable scheduled outcome-orientated targets have been set in relation to air pollution. Relevant certificates, audit reports and management assessments testify that management systems have been implemented at VERBUND, and that they are also effective. Environmental or management system officers are tasked with identifying specific findings and areas for improvement.

The effectiveness of measures is continuously monitored in the respective environmental management system without any specified target level.

Disclosure Requirement E2-4 – Pollution of air, water and soil

The “Airborne emissions” table shows in absolute terms the consolidated emissions of CO and NOx from VERBUND’s thermal power plants and from the Gas Connect Austria gas network. The phasing out of thermal generation using hard coal at the Mellach site has eliminated sulphur dioxide (SO₂) emissions as of April 2020. The increase in CO und NOx emissions compared to the previous year is largely due to the thermal power plant’s increased generation volume.

Airborne emissions

	Unit	2023	2024
CO	t	15	25
NOx	t	73	125

Emissions are measured using recognised continuous monitoring systems in accordance with the EU Best Available Technique (BREF) standards, including regular calibration checks and a review of periodic measurements by independent third parties.

Air quality measurements are carried out in the vicinity of the Mellach power plants site to monitor emissions and immissions. The CO and NOx emissions are recorded in the flue stacks using online measurements, and the data is stored in the emissions calculator, which is also connected to the State of Styria authority.

At Gas Connect Austria, measurements are made at the Kirchberg and Rainbach compressor stations in light of the PRTR requirement there. If specified thresholds are exceeded with respect to the reportable metrics, these are specified in the PRTR notification and included in the reporting.

ESRS E3 Water and marine resources

ESRS 2 General Disclosures

VERBUND is committed to the sustainable and responsible use of water. The strategic focus of the VERBUND Group on renewable generation technologies and the associated decommissioning of thermal power plants powered by hard coal, lignite and crude oil are the factors that had the greatest impact on the conservation of water resources. Since 2020, natural gas has only been used for generation at one site, and the partial recirculation of the cooling water also offers high savings potential at the same site.

Generation from hydropower plays only a minor role with regard to the topics covered by this standard, as the hydropower plant operations utilise the potential and kinetic energy of water and convert this energy into electricity. In the process, the water is neither qualitatively nor quantitatively changed and is not consumed. As a result, the water flowing through hydropower plant turbines is returned directly to the body of water concerned without any changes to its biochemical composition.

Since all of VERBUND's storage power plants are annual or daily storage plants, they are not used for long-term water storage over the course of several years. Compared with energetic utilisation, in terms of volume, the withdrawal of cooling water and service water at hydropower plants is of minor significance and these withdrawals are also returned.

Effluent is either discharged through the public sewer system, or, at sites that are not connected to the public sewer system, is discharged after it is treated in line with the statutory provisions or official notices from the authority. Potential hydropower-specific impacts on water habitats are described under Biodiversity and ecosystems (see section E4 SBM-3).

Wind farms and photovoltaic installations, gas grid systems and power grid installations only withdraw, discharge and consume small quantities of water. The offices and administrative sites at these facilities consume drinking water, and the only water discharged into the water system is of household quality.

Once specific activities are planned or initiated, the business activities related to the production, storage or transport of hydrogen set forth in the VERBUND strategy will be analysed in more detail with respect to their impacts, risks and opportunities in connection with the use of water resources.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Topic-specific disclosures on processes to identify and assess material water and marine resources-related impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Disclosure requirement E3-1 – Policies related to water and marine resources

VERBUND's environmental mission statement stipulates the Group-wide commitment to preventing or mitigating environmental impacts. The statement also sets forth action to reduce emissions, make efficient use of resources and preserve and promote biodiversity. Potential negative impacts arising from water withdrawals are avoided to the greatest possible extent at VERBUND.

Water withdrawals are only relevant at the Mellach site of VERBUND Thermal Power GmbH, which is committed to continuously improving the environmental situation. In addition to ISO 14001 certification, the Mellach thermal generation facilities are validated according to the EMAS III Regulation. EMAS is therefore the central policy. Accordingly, an environmental statement is prepared on a regular basis and

made publicly available to stakeholders for the Mellach power plant site, which also contains detailed information on water management, namely on the use of water resources in the Group's own operations (input, output, process water, river water, effluent, treatment). The management systems in place at VERBUND ensure that improvement processes are continuously pursued while simultaneously defining areas of application, roles, responsibilities, the consideration of context and stakeholder interests, and the establishment of a risk and opportunity assessment. This approach guarantees that the topic of water is continuously addressed and corresponding targets, actions and a monitoring process are derived on this basis.

In order to determine whether sites with a relevant impact on water resources are located in areas at water risk, the potential impacts and risks of VERBUND segments in connection with water resources were first identified. A particular focus was placed on the thermal generation facility. Mapping the location of this VERBUND operational site against the location of areas with high or very high water stress according to the World Resources Institute's (WRI) Aqueduct Water Risk Atlas revealed that the water risk in the selected area is marked as "low".

Certain wind power and photovoltaic installations are located in areas with high water stress, but no significant water withdrawal takes place at these sites. Water is only used to clean the installations on an as-needed basis.

As a result, there are currently no policies, actions or targets in place for areas affected by water risks. Similarly, no specific policies or practices are pursued with respect to the design of products and services in relation to water-related issues or marine resources, as these topics are not directly related to VERBUND's current business activities. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

Disclosure Requirement E3-2 – Actions and resources related to water and marine resources

Where necessary, guidelines relating to actions to potentially reduce water withdrawals are set by the company concerned.

At the Mellach site, cooling water is withdrawn directly from the Mur River (freshwater cooling at Mellach district heating power plant and combined cycle gas turbine plant generator 10) or supplied through cooling tower recirculation (evaporative cooling for combined cycle gas turbine plant generator 20). After being used, the cooling water is returned to the source water body with automated temperature control to ensure compliance with legal thresholds (maximum warming of 3°C and maximum temperature of 25°C). For process water, most of the water is withdrawn from the Mur River and, once the purified effluents have been reintroduced to the source water body, the water is returned to the natural cycle. Measures such as optimising the main cooling circuit and implementing a new central demineralisation plant have already been successfully implemented in Mellach to reduce the use of freshwater.

Together with the relevant audit reports and the environmental programme, the EMAS environmental management system at the Mellach site demonstrates the effectiveness of the management system.

Specific findings or potential areas of improvement are determined on an annual basis. An environmental programme in place at the Mellach power plant site is continuously updated and implemented. The programme also incorporates adequate resource planning and monitoring implementation progress. Notably, these are not one-off actions but instead recurring actions that form part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. Since no water withdrawals take place in areas affected by water risks, no corresponding

actions have been defined. At the Mellach site, no actions have been taken to further reduce water withdrawals. Accordingly there are no related allocated resources.

Metrics and targets

Disclosure Requirement E3-3 – Targets related to water and marine resources

A target for reducing water withdrawals was defined for the period 2015 to 2021 and surpassed in 2020. Accordingly, since 2020, the volume of water withdrawals has remained within the targeted range or below and is only influenced by operational fluctuations. As the current volume of water withdrawals already meets the minimum technical requirements, no specific targets have been set at present to further reduce water withdrawals. Relevant certificates, audit reports and management assessments are evidence that management systems have been implemented at VERBUND, and that they are also effective. Environmental and management system officers are tasked with identifying specific findings and areas for improvement.

The effectiveness of actions is continuously monitored in the respective environmental management system without any specified level to be met.

Disclosure requirement E3-4 – Water consumption

Although water consumption is not associated with any material impacts, risks or opportunities, water use nevertheless is monitored and reported on in a standardised approach throughout the Group. In order to provide a comprehensive overview of the resource flow, the following table “Water input and output” also includes the metrics of total water consumption, water stored, water discharge and water intensity, which are not considered material.

The total volume of stored water refers to the usable storage volume of the dams operated by VERBUND Hydropower. Water is stored exclusively for the purpose of postponing the use of the water supply. VERBUND operates short-term storage facilities (daily and weekly storage) and long-term storage facilities (annual storage), which perform essential functions in the power system and will continue to grow in significance as a largely renewable energy system of the future requires flexibility and storage options, such as the flexibility of the power plant portfolio and the use of storage. The change in storage relates to a change in the usable storage capacity and amounted to zero in the 2024 reporting period.

There is no water treatment for recycled or reused water at VERBUND.

The volume of total water consumption, water withdrawal and water discharge have increased compared to the previous year, mainly due to the particularly low generation volume of thermal power plants in 2023. In 2024, the water metrics generally returned to roughly the same level as in 2022.

Reduced thermal generation in 2023 strongly affected the water intensity metric, which is why it was up in 2024. Compared with 2020 (3,458 m³/GWh), an intensity reduction of 51% was achieved in 2024 relative to total electricity generation, bringing the figure to 1,678 m³/GWh.

Water input and output

	Unit	2023	2024
Total water consumption	m ³	130,245	269,839
Total water consumption in areas of water stress	m ³	0	0
Total volume of water stored ¹	m ³		705,000,000
Changes in storage ¹	m ³		0
Total water withdrawal by source	m ³	30,812,629	54,816,182
from surface water	m ³	25,513,198	48,106,854
from groundwater and well water	m ³	5,160,380	6,581,641
from public water supply	m ³	139,051	127,688
Total water discharge	m ³	30,682,302	54,554,170
of which cooling water returned from thermal power plants into surface water	m ³	24,486,161	46,969,207
other water discharge	m ³	6,196,141	7,584,963
Water intensity relative to net revenue	m ³ per €m	12	33
Water intensity relative to total electricity generated	m ³ /GWh	934	1,678

¹ Data collected from the 2024 reporting period onwards

When determining the water quality class and the water catchment area, particular attention is paid to the thermal generation facility, as this is the only place where relevant water withdrawal takes place. Water is withdrawn from freshwater, with the corresponding section of the Mur River (catchment), which was classified as a significantly modified body of water in the condition assessment as part of the national River Basin Management Plan in 2021.

Data is collected with the annual data collection process in the sustainability data management tool. At 88%, the largest volume of water withdrawal can be attributed to cooling water in Mellach. The majority of this water is taken from surface waters, and the quantity for the Mellach district heating power plant is determined by the pumping capacity. In the case of the other large flows, the main continuous cooling water for generator 10 of the combined cycle gas turbine plant and the main cooling water inlet for the cooling tower operation of generator 20 in the combined cycle gas turbine plant, measurements are taken according to the electromagnetic flow principle.

This makes it possible to accurately identify 92% of the water withdrawal data. Data on the water discharge of cooling water is collected through calculations and estimations in accordance with ESRS 2 BP-2, with a 92% accuracy rate. The majority of the water consumption results from the evaporation of the cooling towers; all figures on water consumption are extrapolated or estimated. The total volume of the stored water as well as any change in storage is determined by adding up the storage capacities of all dams operated by VERBUND Hydro Power GmbH. The figures are based on the respective permits and are publicly available.

ESRS E4 Biodiversity and Ecosystems

ESRS 2 General Disclosures

Strategy

Disclosure Requirement E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The energy transformation, climate change, biodiversity shifts and requirements from environmental regulations along with growing energy demand represent global challenges that require comprehensive and sustainable solutions. VERBUND and its subsidiaries, including Austrian Power Grid AG and Gas Connect Austria GmbH, are tasked with achieving their objectives of maintaining and expanding renewable energy and storage facilities, as well as ensuring stable electricity and gas supplies through grid facilities while protecting, maintaining and promoting biodiversity. Integrating biodiversity considerations into VERBUND's business practices represents more than a commitment governed by responsibility; it is also a strategic necessity for the future success and achievement of the Group's strategic objectives.

As reported in the ESRS 2 SBM3 section, a resilience analysis of the business model with respect to biodiversity and ecosystems was not carried out.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

VERBUND has direct and indirect impacts on biodiversity as a result of its business activities. While today all new construction or expansion projects for electricity generation, storage facilities and the transportation of electricity require comprehensive nature conservation permits and/or strict environmental impact assessments, and generally need to positively contribute to biodiversity, permits granted in the past were subject to different requirements and regulations in line with the state of knowledge at the time. Thorough examinations of biodiversity and positive environmental impact assessments are a key requirement for the successful implementation of Mission V and VERBUND's expansion plans. In this respect, stricter requirements in environmental regulations and long approval processes for environmental impact assessments can pose transition risks when it comes to achieving expansion targets or lead to restrictions on the use of facilities coupled with higher investment or operating costs. No physical risks have been identified in relation to biodiversity. A lack of or insufficient consideration of biodiversity issues, as well as a lack of communication, can lead to reputational damage and resistance against new construction or expansion projects, which also poses risks for the business model. By contrast, a responsible approach to protecting, preserving, restoring and nurturing biodiversity offers opportunities to improve VERBUND's reputation.

Biodiversity and ecosystem impacts arise mainly from changes in the way land is used, the construction or expansion of renewable energy generation plants and grid facilities for transporting energy. These impacts can affect the biodiversity, population size and gene pool of species.

Greenhouse gas emissions indirectly contribute to climate change and negatively impact biodiversity. At VERBUND, greenhouse gas emissions primarily result from the operation of the remaining gas power plants as well as the gas network, including compressor stations operated by Gas Connect Austria GmbH.

Hydropower generation technology can have various impacts on the environment. Positive impacts on aquatic and terrestrial ecosystems include, for example, the designation of Natura 2000 areas in the immediate vicinity of hydropower plants after the plants have been put into operation, the development of semi-dry grassland with orchid vegetation on embankments, and the removal of floating anthropogenic material (e.g. plastic waste) from the screens of hydropower plants. In addition, many areas close to power plants and rivers have lower utilisation rates and are used as recreational areas. However, hydropower plants can also have negative impacts on rivers, particularly their morphology, sediment regime and water balance. For example, transverse structures without fish passes create barriers that divide river habitats.

Wind turbines occupy very little space, and most of that space is for the construction of access roads. Although, when in use, wind farms can affect habitats and populations of birds and bats. Open-field solar installations are preferably built on industrial sites, landfills, etc. As a rule, minimal space is required for the racking.

Indirect impacts of VERBUND on biodiversity along the value chain concern the sourcing of commodities whose generation requires a high volume of natural resources, or uses scarce natural resources, thereby damaging ecosystems.

VERBUND's power plant and grid facilities as well as associated areas are located in or near biodiversity sensitive areas. These include Natura 2000 areas, UNESCO World Heritage sites, Ramsar areas, national parks, nature reserves, nature parks, biosphere reserves and natural landmarks. VERBUND has made it a priority to ensure that electricity generation and the transport of electricity and natural gas take place in harmony with natural ecosystems to the greatest possible extent. The following table lists the locations of VERBUND, Austrian Power Grid AG, Gas Connect Austria GmbH and Ennskraftwerke facilities situated in or near aforementioned biodiversity sensitive areas and that have a potentially negative impact on protected areas or resources. In the analysis, a 5 km buffer was applied for wind turbines to determine whether the sites are in the vicinity of protected areas. For hydropower plants, the areas belonging to the facilities were analysed and included on the list if they were found to be in protected areas. Open-field solar installations, substations, Austrian Power Grid AG overhead lines and Gas Connect Austria GmbH gas compressor stations were analysed based solely on their location in protected areas. Activities that may have negative impacts at these sites include, depending on the type of facility, operation of the generation and grid facilities as well as associated operation and maintenance work. With regard to the impacts of individual facilities recorded as sites at VERBUND, there is currently no standardised approach in terms of the spatial spread of the impacts on diversity associated with the respective facility. The corresponding sites are therefore evaluated under the "potential negative impact" column of the table in a single summarised cell.

Direct dependencies of business activities on natural resources and ecosystem services relate in particular to the supply of water and wind. Indirect dependencies in the upstream value chain result from the raw materials and materials required for plant construction and modernization. These dependencies arise from VERBUND's business model and are not disaggregated by site.

The protected area types are listed in the table below with the following abbreviations: A: Natura 2000 Fauna Flora Habitat, B: Natura 2000 Bird Sanctuary, C: UNESCO World Heritage Site, D: Important Bird Area, E: Biosphere Reserve, F: European Protected Area, G: National Park, H: Natural Landmark, I: Natural Park, J: Natural Reserve, K: Ramsar Area.

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
Austria/Bavaria – hydropower plants						
Abwinden-Asten (AT)	Run-of-river power plant	No	Yes	13	A, B, J	Morphology, barriers, pressure surges/drops, residual waters, lack of river continuity
Aschach (AT)	Run-of-river power plant	Yes	Yes	6	A	
Altenwörth (AT)	Run-of-river power plant	Yes	Yes	197	A, B, C, D	
Freudenau (AT)	Run-of-river power plant	No	Yes	2	D, K	
Greifenstein (AT)	Run-of-river power plant	Yes	Yes	211	A, B, D	
Melk (AT)	Run-of-river power plant	Yes	Yes	132	A, B, C, D	
Ottensheim-Wilhering (AT)	Run-of-river power plant	Yes	Yes	3	A	
Wallsee-Mitterkirchen (AT)	Run-of-river power plant	Yes	Yes	263	A, D	
Ybbs-Persenbeug (AT)	Run-of-river power plant	Yes	Yes	62	A, B, D	
Annabrücke (AT)	Run-of-river power plant with hydropeaking	No	Yes	55	A, B, F, J	
Edling (AT)	Run-of-river power plant with hydropeaking	No	Yes	93	A, B, F, J	A, B, K
Feistritz-Ludmannsdorf (AT)	Run-of-river power plant with hydropeaking	No	Yes	26	A, B, K	
Ferlach-Maria Rain (AT)	Run-of-river power plant with hydropeaking	No	Yes	27	A, B, J	
Malta-Hauptstufe (AT)	Pumped annual storage power plant	No	Yes	85	A, B, D, J, G	
Paternion (AT)	Run-of-river power plant with hydropeaking	No	Yes	3	A, B, K	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
Rosegg-St. Jakob (Austria)	Run-of-river power plant with hydropeaking	No	Yes	25	A, J	
Schwabeck (Austria)	Run-of-river power plant with hydropeaking	No	Yes	5	A	
Braunau-Simbach (Austria)	Run-of-river power plant	Yes	Yes	204	A, B, D, J, K	
Eggfing-Obernberg (Austria)	Run-of-river power plant	Yes	Yes	426	A, B, D, J, K	
Ering-Frauenstein (Austria)	Run-of-river power plant	Yes	Yes	332	A, B, D, J, K	
Jochenstein (AT)	Run-of-river power plant	Yes	Yes	14	A, J	
Nussdorf (DE)	Run-of-river power plant	Yes	Yes	11	A	
Passau-Ingling (DE)	Run-of-river power plant	Yes	Yes	13	A	
Schärding-Neuhaus (AT)	Run-of-river power plant	Yes	Yes	259	A, B, D, J, K	
Perach (DE)	Run-of-river power plant	Yes	Yes	42	A	
Feldkirchen (DE)	Run-of-river power plant	Yes	Yes	64	A	
Gars (DE)	Run-of-river power plant	Yes	Yes	34	A	
Neuötting (DE)	Run-of-river power plant	No	Yes	5	A	
Rosenheim (DE)	Run-of-river power plant	Yes	Yes	8	A	
Teufelsbruck (DE)	Run-of-river power plant	Yes	Yes	86	A	
Stammham (DE)	Run-of-river power plant	Yes	Yes	80	A, B, J, K	
Töging (DE)	Run-of-river power plant	No	Yes	63	A, J	
Wasserburg (DE)	Run-of-river power plant	Yes	Yes	70	A, B, J	
Altenmarkt (AT)	Run-of-river power plant	Yes	Yes	22	I	
Gralla (AT)	Run-of-river power plant	Yes	Yes	22	J	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
Hieflau (AT)	Daily storage power plant	No	Yes	14	A, B, J	
Krippau (AT)	Run-of-river power plant	Yes	Yes	6	I	
Landl (AT)	Run-of-river power plant	Yes	Yes	3	I	
Obervogau (AT)	Run-of-river power plant	Yes	Yes	1	A, B, J, I	
Spielfeld (AT)	Run-of-river power plant	Yes	Yes	10	I	
Pernegg (AT)	Run-of-river power plant	No	Yes	3	A, J	
Pack (AT)	Daily storage power plant	Yes	Yes	3	J	
Retznei (AT)	Run-of-river power plant	Yes	Yes	4	A, B, J, I	
Sölk (AT)	Daily storage power plant	Yes	Yes	49	B, D, J, I	
Talbach (AT)	Run-of-river power plant	No	Yes	1	D	
Kaprun-Hauptstufe (AT)	Annual storage power plant	Yes	Yes	22	A, D, H	
Kaprun-Oberstufe (AT)	Pumped annual storage power plant	No	Yes	47	A, B, D, G	
Häusling (AT)	Pumped annual storage power plant	No	Yes	173	I	
Mayrhofen (AT)	Annual storage power plant	No	Yes	53	I	
Roßhag (AT)	Pumped annual storage power plant	No	Yes	148	I	
Mühlrading (AT)	Run-of-river power plant	No	Yes	10	A, F	
Thurnsdorf (AT)	Run-of-river power plant	No	Yes	5	A, F	
Austria/ Germany/ Spain – photovoltaic installations and wind power plants						
Mitterkirchen (AT)	Open-field photovoltaic installation	Yes		5	D	Interference with bird breeding sites

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
Labrador – Madrigalejo (ES)	Open-field photovoltaic installation	Yes		10	B	and habitats of deer, insects, other native (endangered) animal and plant species
Ellern / Dichtelbach / Seibersbach-Hochsteinichen / Seibersbach-Dörrebach (DE)	Wind	Near to protected area			A, B, D	Impact on the habitats of birds, bats, other native (endangered) species of flora and fauna
Stetten (DE)	Wind	Yes		3	B	
Balat – Buseco (ES)	Wind	Near to protected area			A	
Balat – Loma de los Pinos (ES)	Wind	Near to protected area			A, B	
Balat – Ayamonte (ES)	Wind	Near to protected area			A	
Sorolla – Hiperion II (ES)	Wind	Near to protected area			A	
Sorolla – La Victoria (ES)	Wind	Near to protected area			A, B	
Sorolla – Mallén (ES)	Wind	Near to protected area			A	
Sorolla – Matabuey (ES)	Wind	Near to protected area			A, B	
Sorolla – Sierra de Tineo (ES)	Wind	Near to protected area			A	
Sorolla – Bodenaya (ES)	Wind	Near to protected area			A	
Sorolla – Pico de Gallo (ES)	Wind	Near to protected area			A	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
Sorolla – El Marquesado (ES)	Wind	Near to protected area			A, B	
Austria – gas network						
Baumgarten (AT)	Compressor station and competence center	Yes		20	A, B, D, K	Local warming of habitats, noise pollution
Austria – electricity grid						
Wallsee (AT)	Substation	Yes		2	D	Impact on the habitats of birds, bats, other native (endangered) species of flora and fauna
Neusiedl (AT)	Substation	Yes		3	A, B, C	
Pyhrn (AT)	Substation	Yes		1	D	
Ottensheim (AT)	Substation	Near to protected area			A	
Zurndorf (AT)	Substation	Yes		5	D	
110 kV line Reißeck – Lienz (AT)	Overhead line (servitude)	Yes		11	A, B, K	
110 kV line Reißeck – Landskron (AT)	Overhead line (servitude)	Yes		10	A, B, K	
110 kV line Schwabeck – Obersielach (AT)	Overhead line (servitude)	Yes		1	A	
110 kV line Ternitz – Ebenfurth (AT)	Overhead line (servitude)	Yes		6	A	
110 kV line Ebenfurth – Wien Südost (AT)	Overhead line (servitude)	Yes		6	A, B, D, H	
110 kV line Großraming – Hessenberg (AT)	Overhead line (servitude)	Yes		1	I	
110 kV line Ernstthofen – Hessenberg (AT)	Overhead line (servitude)	Yes		3	A, J, H	
110 kV line Ternberg – Rosenau (AT)	Overhead line (servitude)	Yes		1	A	
110 kV line Landskron – Obersielach (AT)	Overhead line (servitude)	Yes		9	A, H, J, K	
110 kV line Wien West – Bisamberg (AT)	Overhead line (servitude)	Yes		114	A, B, D, F, I, J	
110 kV line Passau – Egglfing (AT)	Overhead line (servitude)	Yes		3	A, D	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
110 kV line Lavamünd – Koralpe (AT)	Overhead line (servitude)	Yes		1	A, B	
220 kV line Weißenbach – Ernsthofen (AT)	Overhead line (servitude)	Yes		209	A, J, D	
220 kV line Weibern – Aschach (AT)	Overhead line (servitude)	Yes		5	A	
220 kV line St. Peter – Ernsthofen (AT)	Overhead line (servitude)	Yes		13	A, B, D	
220 kV line Ernsthofen – Ybbsfeld (AT)	Overhead line (servitude)	Yes		8	A, D	
220 kV line Ybbsfeld – Bisamberg (AT)	Overhead line (servitude)	Yes		53	A, B, D	
220 kV line Dürnrohr – Altenwörth (AT)	Overhead line (servitude)	Yes		29	A, B, D	
220 kV line Tauern – Weißenbach (AT)	Overhead line (servitude)	Yes		132	A, B, D, H	
220 kV line Hessenberg – Weißenbach (AT)	Overhead line (servitude)	Yes		160	B, D	
220 kV line Hessenberg – Ternitz (AT)	Overhead line (servitude)	Yes		46	C	
110 kV line Mürz – Ternitz (AT)	Overhead line (servitude)	Yes		28	C	
110 kV line Mürz – Ternitz (AT)	Overhead line (servitude)	Yes		22	A	
220 kV line Ternitz – Wien Südost (AT)	Overhead line (servitude)	Yes		183	A, B, D, J, H	
220 kV line Wien Südost – Bisamberg (AT)	Overhead line (servitude)	Yes		57	A, B, D, K, G	
220 kV line St. Peter – Simbach/Altheim (AT)	Overhead line (servitude)	Yes		1	A	
220 kV line Tauern – Salzburg (AT)	Overhead line (servitude)	Yes		141	A, J	
220 kV line Salzburg – Salzach (AT)	Overhead line (servitude)	Yes		5	J	
220 kV line Jochenstein – St. Peter (AT)	Overhead line (servitude)	Yes		7	A, D	
220 kV line Greifenstein – Bisamberg (AT)	Overhead line (servitude)	Yes		14	A, B, D, J	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
			property in protected areas (hydropower only)			
220 kV line Wien Südost – Győr (AT)	Overhead line (servitude)	Yes		163	A, B, D	
220 kV line St. Peter – Pirach/Pleinting (AT)	Overhead line (servitude)	Yes		2	A	
220 kV line Obersielach – Lienz (AT)	Overhead line (servitude)	Yes		73	A, B, D, H, J, K	
220 kV line Malta-Hauptstufe – Lienz (AT)	Overhead line (servitude)	Yes		1	H	
220 kV line Zell am Ziller – Westtirol II (AT)	Overhead line (servitude)	Yes		15	B, D, H	
220 kV line Hessenberg – Obersielach (AT)	Overhead line (servitude)	Yes		148	A, D	
220 kV line Dürnrohr – Bisamberg (AT)	Overhead line (servitude)	Yes		32	A, B, D	
380 kV line Westtirol – Memmingen, Leupolz (AT)	Overhead line (servitude)	Yes		70	A, B, D, I, J	
380 kV line Westtirol – Bürs (AT)	Overhead line (servitude)	Yes		57	A, D, I, J, H	
380 kV line Kronstorf – St. Peter (AT)	Overhead line (servitude)	Yes		12	A, B, D	
380 kV line Dünrohr – Kronstorf (AT)	Overhead line (servitude)	Yes		29	A, B, D	
380 kV line Dürnrohr – Wien Südost (AT)	Overhead line (servitude)	Yes		201	A, B, D, G, K	
380 kV line Dürnrohr – Slavetice (AT)	Overhead line (servitude)	Yes		184	A, B, D	
380 kV line Sarasdorf – Győr/Szombathely (AT)	Overhead line (servitude)	Yes		135	A, B, D	
380 kV line Lienz – Tauern (AT)	Overhead line (servitude)	Yes		29	A, B, D, G, H	
380 kV line St. Peter – Salzburg (AT)	Overhead line (servitude)	Yes		1	A	
380 kV line Obersielach – Kainachtal (AT)	Overhead line (servitude)	Yes		12	A, B	
380 kV line Kainachtal – Maribor (AT)	Overhead line (servitude)	Yes		17	A, B, D	
380 kV line Kainachtal – Südburgenland (AT)	Overhead line (servitude)	Yes		2	A, B, K	
380 kV line Südburgenland – Wien Südost (AT)	Overhead line (servitude)	Yes		182	A, B, D, I, H	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area ¹	Potential negative impact
110/220 kV line Wegscheid – Ernsthofen (AT)	Overhead line (servitude)	Yes		5	A, B	
110 kV line Pichling – Linz Ost (AT)	Overhead line (servitude)	Yes		6	A, B, J	
110/220 kV line Ernsthofen – Hütte Linz (AT)	Overhead line (servitude)	Yes		5	A, B, J	
110 kV line Ering – St. Peter (AT)	Overhead line (servitude)	Yes		2	A, D	
110 kV line Eggfling – St. Peter (AT)	Overhead line (servitude)	Yes		14	A, D	

¹ Abbreviations for protected area types: A: Natura 2000 Flora Habitat, B: Natura 2000 Bird Sanctuary, C: UNESCO World Heritage Site, D: Important Bird Area, E: Biosphere Reserve, F: European Protected Area, G: National Park, H: Natural Landmark, I: Natural Park, J: Natural Reserve, K: Ramsar Area.

Endangered species listed in the International Union for Conservation of Nature (IUCN) Red List are also found in the areas in which many VERBUND facilities operate. At these sites, VERBUND takes measures to protect and conserve these species, and adheres to all relevant rules, regulations and requirements associated with the protection of species and biodiversity. Likewise, the requirements of protected species and protected habitats are also taken into account in the ongoing operation of facilities and in the management of land.

Despite constantly taking all legal requirements into account and pursuing additional efforts and measures, the aforementioned impacts of the individual generation technologies cannot be excluded in biodiversity sensitive areas.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

Topic-specific disclosures on processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities can be found in sections ESRS 2 IRO-1 and ESRS 2 SBM-3.

Disclosure Requirement E4-2 – Policies related to biodiversity and ecosystems

Biodiversity has been an integral part of the environmental mission statement and the Code of Conduct for Sustainable Business for several years now. In order to highlight the importance of biodiversity at VERBUND, a biodiversity policy was developed in 2024. The policy covers VERBUND and all consolidated companies with their direct activities in all nations in which VERBUND operates, with the exception of Austrian Power Grid AG and Gas Connect Austria GmbH. The biodiversity policy sets forth principles and practices already in place and provides them with an internal definition.

With these provisions, VERBUND addresses the following impact drivers from the materiality assessment: changes in the use of land and freshwater, direct exploitation, impacts on the condition of

species and ecosystems. The main requirements of the VERBUND biodiversity policy include alignment with the biodiversity mitigation hierarchy, impact monitoring, the continuous improvement of actions, stakeholder engagement, and collaboration with the fields of science and research. VERBUND regulates the management of biodiversity and ecosystem-related risks and impacts by adhering to the steps of avoidance, minimisation, restoration, and compensation of remaining impacts. Social repercussions of impacts related to biodiversity and ecosystems are taken into account in VERBUND internal policies, as described in the Affected communities section. A consistent approach to the biodiversity mitigation hierarchy implies sustainable land-use practices, sustainable forestry and the protection of biodiversity and ecosystems, in particular of protected areas and biodiversity sensitive areas. However, VERBUND has not implemented any Group-wide policies to specifically address these issues beyond the biodiversity policy.

International strategies and targets, such as the EU Biodiversity Strategy, the Sustainable Development Goals, in particular Goal 15 Life on land, the Convention on Migratory Species of Wild Animals (Bonn Convention, CMS), the Convention on Wetlands (Ramsar Convention) and the International Convention on biodiversity (CBD), also provide a framework for planning ecosystem-related projects and were accounted for during the preparation of the VERBUND biodiversity policy.

VERBUND is working to mitigate the root causes of biodiversity loss by expanding renewable energies and transmission capacities to promote climate change mitigation and the efficient use of resources with accompanying environmental measures and sustainable land management concepts.

Transmission system operator Austrian Power Grid has developed a comprehensive mission statement for sustainable habitat management. One of the cornerstones of this strategy is ecological route maintenance, which is intended to minimise or completely avoid interference with the landscape and the balance of nature. At Austrian Power Grid, sustainable habitat management is based on the following four guiding principles:

- Ensuring operational safety is of the utmost priority. Austrian Power Grid maintenance personnel are responsible for implementing measures that are absolutely necessary to achieve this. Where there are several options for ensuring security of supply, the property owner makes the final decision.
- Austrian Power Grid takes a precautionary approach to high-voltage system maintenance by avoiding any encroachment on the local community and their environment to the best of its ability.
- Austrian Power Grid gears its upkeep activities towards the natural potential of the site and its surroundings. In so doing, it endeavours to establish harmony between the natural landscape and the man-made elements in the region. Austrian Power Grid maintenance personnel are available to property owners and advocacy groups in an advisory capacity and promote awareness of the advantages of ecological route upkeep.
- Austrian Power Grid wants to promote ecologically valuable projects in the region.

Pipeline operator Gas Connect Austria GmbH has also enshrined in its mission statement that the impact of its business activities on people and the environment must be taken into account in a sustainable manner. This also includes accounting for biodiversity. Above all, this guiding principle is reflected in the implementation of projects. A large number of measures are being taken as a result of official requirements which focus on protecting biodiversity. As a rule, Gas Connect Austria GmbH is guided by the biodiversity mitigation hierarchy when implementing projects that impact biodiversity and ecosystems.

Disclosure requirement E4-3 – Actions and resources related to biodiversity and ecosystems

Environmental measures have been an important part of the construction and operation of VERBUND, Austrian Power Grid AG and Gas Connect Austria GmbH plants for many years. Many actions result from binding commitments such as laws and orders, and relate to the material impacts of VERBUND's activities. In addition, VERBUND voluntarily pursues additional actions to protect, conserve and promote biodiversity.

Actions are taken along the project life cycle according to the mitigation hierarchy steps of avoidance, minimisation, restoration, and compensation or offsetting. As early as in the project planning phase, potential negative impacts are avoided to the greatest possible extent through the choice of location, project organisation, scheduling and stakeholder involvement. Actions to ensure continuous environmental functionality (CEF) are implemented before any action is taken in natural habitats. VERBUND also resettles protected animal and plant species as necessary for preventive purposes. During the construction of facilities, impacts on fauna, flora and habitats are monitored and minimised to the greatest possible extent. Before, during or after the completion of projects, seeding and planting take place along with the creation or restoration of habitats. A wide variety of suitable actions are implemented, for example, near-natural structures such as gravel bars, rock piles, deadwood, as well as meadow orchards, hedge structures and extensive grassland.

Where compensatory actions or replacement habitats are required, they are implemented or created to the necessary extent. Replacement habitats are designed in such a way as to be able to achieve an additional ecological enhancement of the areas in question. The costs of these actions are taken into account in the project budget and are therefore part of expansion projects. At present, the monetary impacts from the implementation of compensatory actions are not collected or disclosed separately and therefore cannot be reported.

In 2024, the European electricity industry association Eurelectric developed a guide entitled "Guidebook to electrify in harmony with nature" on integrating biodiversity into planning and implementing projects related to the expansion of renewable energy under the project title Power Plant 2.0. VERBUND experts contributed to the preparation of the document, allowing them to share their knowledge and benefit from valuable exchanges on biodiversity issues. The biodiversity guide sets forth twelve principles that need to be taken into account in biodiversity-related projects. Specific examples of how VERBUND and other electric utilities in Europe are successfully applying these principles in projects are also included in the guide.

Aquatic actions

Connecting riverways is of great significance in restoring the natural diversity of revitalised stretches, in genetic exchange and in balancing out population fluctuations. Establishing fish passes enables fish and other organisms to pass through the barrage barriers and continue their migration in the usual way. The fish passes, most of which are designed to blend in with their surroundings, offer additional habitats for flora and fauna. At power plant sites where there is either limited land availability or a large altitude difference to overcome, technical fish passes are erected. Numerous projects are being carried out in cooperation with scientists to examine how fish passes can be optimised, and the findings are being incorporated into future planning at hydropower plant sites. Other measures aimed at promoting biodiversity in the vicinity of hydropower plants include designing riparian zones near bodies of water in accordance with ecological criteria. Such projects entail structural measures and morphological improvements, for example creating shallow water areas and additional side channels. Capital

expenditure in the region of €400m has been earmarked for the implementation of these environmental actions at rivers by 2027 (see section E4-4).

VERBUND has started to conduct feasibility studies for all bodies of water affected by hydropeaking to reduce the impacts of hydropeaking and drops on water habitats. Work on three stretches of water is currently in the report preparation phase following the completion of active adaptations.

Residual water studies were initiated at 13 diversion power plants in Styria to assess residual water discharge. Initial preparatory work began in 2024 and the project will be completed in the course of 2025.

Rehabilitation measures that have already been implemented and are currently planned in connection with a turbine replacement not only promote the energy yield of existing power plants, but also reduce turbine-related damage to fish through limited clearance measures and improved turbine geometries.

Measures are being implemented on the Inn River in partnership with the WWF, the Natopia Association, Naturium Inn, and the Technical University of Munich as part of the INNsieme action plan. The project aims to improve biodiversity and restore a vibrant Inn River through integrated pilot measures and runs from 2023 to 2026. It consists of three modules: species protection measures, restoration of ecological networks and publicity. Three restoration projects are being planned as part of the restoration of ecological networks module. These projects are being executed as part of a participatory planning process in which the public is actively involved. The aim is to reconnect lateral tributaries and improve the continuity of the river network. Gravel spawning grounds and juvenile fish habitats will be created or restored in the process. In detail, the plans already include a flow-through distributary in the tailrace of the Perach power plant. Concepts for optimised bedload management will also be developed and implemented.

LIFE projects

LIFE projects are often implemented in close coordination with the responsible ministry, the waterway operator viadonau, the National Park Donau-Auen, the offices of the state governments, the state fishing associations, and the landowners. VERBUND is currently involved in five LIFE projects on the rivers Danube, Inn and Enns rivers: LIFE Network Danube+ (2019–2024), LIFE Riverscape Lower Inn (2020–2028), LIFE Blue Belt Danube Inn (2021–2029), LIFE Wild Island (2021–2027), and LIFE Nature WeNatureEnns (2024–2031). The following measures are being taken as part of these projects:

- Fish passes constructed as semi-natural bypasses, where possible, in line with the pursuit of nature-based solutions;
- Lateral expansion of rivers to promote dynamic riparian zones;
- Desedimentation measures in the floodplains along the river;
- Structuring measures in the vicinity of reservoir heads to promote the formation of islands and distributaries;
- Forest management measures to promote protected riparian forest habitats;
- Ecological upkeep measures, including on river embankments to promote protected dry sites; and
- Management of non-native and invasive species.

Kilometre stretches of semi-natural rivers have already been created around the power plants in Ottensheim, Abwinden-Asten, Greifenstein, Altenwörth, Ering-Frauenstein and Braunau-Simbach. Over the coming years, semi-natural bypasses will also be built at the power plants in Jochenstein and Eggfling,

and fish passes at all power plants on the Danube and Inn Rivers will allow fish to migrate to key habitats largely unhindered.

Large island distributary systems have already been implemented downstream of the Ottensheim-Wilhering and Ering-Frauenstein power plants and are planned for further sites as part of LIFE projects.

Measures for the de-sedimentation of silted-up-foodplains have already been implemented on the Inn and Danube rivers, and will be implemented in many more reservoirs over the coming years, starting at the Aschach and Jochenstein reservoirs.

Research

Several research projects are conducting scientific studies to explore sustainable, ecologically effective actions in river habitats over the course of several years. The aim is to enhance the value of the aquatic habitat while continuing to meet society's high expectations when it comes to sustainable, economically viable hydropower generation.

In the ÖkoResch project, for example, researchers from the BOKU University of Natural Resources and Life Sciences will be scientifically monitoring planned measures to limit hydropeaking and studying the effect of new residual water releases on aquatic habitats in alpine regions. Research will be conducted over the course of six years (2020–2026). The long duration of the project stems primarily from the necessary field work in the high-alpine habitat. These research activities are carried out in bodies of water affected by hydropeaking and semi-natural reference waters. Dotation tests are also being conducted at representative test sites. At VERBUND, the Hundskehlbach catchment is currently being investigated. Based on the analyses, an ecological assessment and monitoring system will be developed by the end of the project.

The Christian Doppler Laboratory for Sediment Research and Management (BOKU) is evaluating ecologically compatible options for sediment remobilisation. In addition, a new sensor method is being studied at the Gries power plant on the Salzach River to record the beginning and end of bedload transport during water lowering processes. The Christian Doppler Laboratory for Meta Ecosystem Dynamics in Riverine Landscapes (MERI) (BOKU) is analysing the long-term added value of selected LIFE projects on the Danube. The fish bypass project in partnership with Graz University of Technology and engineering offices that specialise in the environment is dedicated to the effects of transverse structures on the fish population, which are assessed in the laboratory and at the sites themselves. The project results will be published and presented at conferences in Germany and Austria in 2025.

In collaboration with the Technical University of Munich, the migration behaviour and habitat use of selected fish species are being closely studied in the Inn River with the use of fish tagging based on PIT tags. PIT tag antennas were installed at a total of 25 sites, 12 of which were equipped with fish passes, to analyse the tagged fish.

In collaboration with the Leibniz Institute of Freshwater Ecology and Inland Fisheries, the impacts of the restoration measures at the Ering-Frauenstein power plant were examined to determine the population dynamics of selected fish species. The project was completed in late 2023 with the findings subsequently presented and published in international publications in 2024.

Terrestrial actions

In the future, additional measures will be taken to promote biodiversity in the terrestrial ecosystems of green spaces owned by VERBUND. Easy-to-implement measures for the management, procurement and design of green spaces at VERBUND are set forth in an internal VERBUND catalogue of biodiversity

measures along with resulting areas of potential. Sections in the catalogue include background information, best practices and recommendations for action on topics such as mowing management, creating structures such as rock piles, deadwood elements, or hedges, forest management, commissioning services on VERBUND plots of land, planting and seeding, and the management of non-native and invasive species. The catalogue of measures was published and communicated internally by VERBUND in 2024 and is intended to raise environmental awareness among employees and to serve as a basis for sustainable management plans.

The actions listed below with regard to terrestrial ecosystems are often part of larger projects, or recurring or continuous activities related to the upkeep, cultivation or management of land, which is why estimations cannot be provided for financial figures.

The following actions have been taken in particular in relation to sustainable land-use practices, including forest management:

In 2024, the forest area owned by VERBUND Hydro Power GmbH was certified as active, sustainable and climate-fit in accordance with the quality criteria of the Programme for the Endorsement of Forest Certification (PEFC). PEFC Austria develops standards and procedures for the system used to certify the domestic forests and the entire downstream value chain.

A tree cadastre was introduced in 2024 to allow trees to be preserved for longer so that the special potential of old trees, as habitat trees and carriers of microhabitats, can be utilised. Such microhabitats provide dedicated habitats for animal, plant, lichen and fungus species. Woodpecker and detritus cavities and hollows in these old trees along with exposed wood and deadwood also provide a diverse range of food and habitat for various species. Road safety assessments in accordance with ÖNORM L1122 in conjunction with ÖNORM L1125 (tree cadastre) are required to maintain these valuable habitat trees in areas frequented by the public or by operating personnel.

The Altenwörth and Greifenstein power plants are located in the Tullnerfelder-Donau-Auen Natura 2000 area. VERBUND Hydro Power GmbH and other landowners participated in the project “Development of an inter-company forest biodiversity monitoring and management concept for maintaining and promoting biodiversity in the Tullnerfelder-Donau-Auen Natura 2000 area” (WAMO). All surveys (inventory sampling, mapping of forest biodiversity elements, faunistic surveys, including bird species surveys) were carried out and completed in 2024. The final report will be published in 2025.

Timber harvesting has largely been switched to modern felling and extraction techniques where possible in recent years. Particular care is taken when introducing rejuvenation measures to ensure that the trees to be removed are intentionally felled to protect saplings. Felling work is carried out with harvesters where possible only under suitable soil conditions (dry or frozen). When used with care, harvesters can reduce soil contamination and protect fauna and flora.

VERBUND leases grasslands to farms as well and often sets out criteria in leases, including bans on fertilising and spraying for semi-natural, biodiversity-enhancing land management. Information on the types of land use and related intensity along with ecological cultivation is obtained from Agrarmarkt Austria and, subject to consent being granted by leaseholders, is transmitted to VERBUND to obtain an overview of the land use. Extensive cultivation is intended not only to avoid the introduction of herbicides and fertilisers along with the associated loss of species, but also to contribute to soil protection through reduced driving on the land and thereby reduce the load placed on the soil by agricultural equipment.

In green spaces located close to bodies of water, the biodiversity of plants and animals (such as rare orchids, herbs, wild bees, lizards, grasshoppers, butterflies and spiders) is promoted through responsible meadow management and ecological maintenance measures. VERBUND is currently in the process of

setting up environmentally optimised dam maintenance at the power plants in Eggfling-Obernberg, Ering-Frauenstein and Braunau-Simbach in Bavaria.

To minimise potential negative impacts of wind turbines on populations and habitats, independent environmental agencies and the related authorities have prescribed a range of actions to be taken as part of environmental assessments. For one, many sites require periodic monitoring of bird and bat populations, often in conjunction with related adjustments to operations and temporary plant shutdowns for certain observed species or specified circumstances, such as the harvest period for cornfields. Environmental compensation areas are also being set up for birds of prey, owls, and other birds at certain sites, including Mariengarten and Göttlesbrunn, to provide substitute habitats that are extensively cultivated or planted with forage crops at a suitable distance from wind turbines. Sections of the land may be mowed on a rare or partial basis to ensure cover is maintained for small mammals, deer and ground nesting species. Another area in the green space is kept mown to provide a biotope where birds of prey can hunt. In order to promote biodiversity, (mineral) fertilisers and pesticides are not permitted in these compensation areas. Following the construction phase of new wind farms, temporary access routes and crane parking spaces are reduced to a minimum and restored to their original condition. Other measures related to wind farms include replacement or reforestation of prescribed tree species, as well as the protection and developmental upkeep of trees and shrubs.

Action plans have been established for open-field solar installations in Austria and Spain, both for the construction phase and for the operation of the installations. These related measures may be one-off or recurring, and follow the biodiversity mitigation hierarchy. For instance, to prevent negative impacts on biodiversity, construction times and any necessary clearing work are adapted to the breeding behaviour of native species, as is the case at the installations in Mitterkirchen and Ludmannsdorf. Valuable habitats are not touched during construction or, where this is not possible, restored after construction. Permeable fences are also built to facilitate the unhindered passage of wild animals, for example at the La Solana installation in Spain. Restoration measures taken after the construction of installations include replanting native plants affected by the construction work. Compensatory measures can include the establishment of insect hotels, wildflower strips on the edge of the installation, or planting new trees and shrubs on the installation land to create additional habitats. In Austria, care is also taken to ensure extensive land cultivation without fertilisation and with the removal of mowed grass clippings. As part of mowing management, attention is paid to ensuring that animals such as partridges remain protected by visual cover and to the management of non-native and invasive species. An example of this approach can be found at the photovoltaic installation in Güssing, which opened in 2024.

Austrian Power Grid AG and Gas Connect Austria GmbH also take measures to maintain and promote biodiversity and base their actions on the mitigation hierarchy as a matter of course. This helps to both minimise the environmental impacts in relation to the grid and avoid unnecessary environmental impacts from the outset. In addition to statutory requirements, special consideration is given to species protection in projects undertaken by Gas Connect Austria GmbH. As part of its sustainable habitat management, Austrian Power Grid AG has a long history of implementing environmental and species protection measures in relation to the power grid that go far beyond the stringent legal requirements.

The Gas Connect Austria GmbH gas network and the Austrian Power Grid AG electricity grid lead through various landscape areas in Austria. Depending on the region, the climate, the naturally occurring circumstances and the type of use by humans, Austrian Power Grid AG and Gas Connect Austria GmbH routes pass through various landscapes, including forests, grasslands and farmland. The route corridors not only contain the power lines and pipelines, but also provide valuable habitats for flora and fauna.

When planning the construction of new gas pipelines and high-voltage power lines, the aim is always to plan the route such that it avoids sensitive areas (nature reserves, bird sanctuaries, biotopes, natural and archaeological monuments, etc.). If this is not possible, nature conservation experts are consulted to determine whether interfering with nature can be avoided to the greatest possible extent.

At Gas Connect Austria GmbH, biodiversity measures include ecological site supervision, compliance with guidelines for proper soil recultivation, reforestation, regulatory monitoring, management of non-native and invasive species, relocation of protected species and wildlife corridors.

At Austrian Power Grid AG, for example, CEF measures have been introduced to ensure the continuous ecological functionality of the habitats in which the wood grouse is found. In addition, numerous amphibian spawning grounds along with nesting areas and woodpiles have been established to compensate for encroaching on the terrestrial ecosystem. Bird conservation is of particular importance for Austrian Power Grid AG. When constructing overhead line systems, special care is taken to observe the breeding periods of rare species along with other measures. Numerous nesting aids for endangered bird species have been installed on electricity pylons and around lines. For example, if the habitat of gophers is affected during line construction, they are temporarily resettled for the duration of the construction work until their habitat is restored. Nature and species protection experts as well as local residents contribute their experience in resettling the gophers. Compensatory measures and spaces are defined in the planning phase and are legally secured through land purchases or long-term lease agreements. Current biodiversity measures in connection with construction projects are reported for Austrian Power Grid AG in the year during which new installations are put into initial operation. Every year, experts from various specialist fields are invited to participate in the Austrian Power Grid AG nature conservation meeting to share their experiences, engage in scientific debate and talk to stakeholders.

VERBUND has been implementing a wide range of decarbonisation measures and is indirectly working to mitigate biodiversity loss by expanding renewable energy generation and reducing its greenhouse gas emissions. Please consult section E1 Climate change for more information.

Metrics and targets

Disclosure Requirement E4-4 – Targets related to biodiversity and ecosystems

VERBUND has set itself the goal of investing around €400m between 2002 and 2027 in environmental measures such as constructing fish passes and restoring stretches of rivers. By the end of 2024, €194m had already been allocated to corresponding measures, as described in the previous section. Of the 92 installations required to ensure fish passage at present, 71 had achieved fish passability by the end of 2024. In base year 2021, upon the launch of the third National River Basin Management Plan in Austria, this figure stood at 66. By 2027, 89 installations are expected to be passable, subject to the timely receipt of the required public permits. Both corporate targets include VERBUND Hydro Power GmbH, Grenzkraftwerke GmbH and VERBUND Innkraftwerke GmbH as well as Ennskraftwerke AG. They primarily address the impacts of hydropower on the river ecosystem, particularly on the historically altered river morphology, the barrier function, and the associated impacts on the development of the fish population. The targets cover the catchment areas of the Danube, Drau, Salzach, Enns, Mur and Inn rivers in Austria and Bavaria. These targets have been allocated to the restoration step of the mitigation hierarchy.

Restoring the passability of major rivers is one of the objectives set out in the European Water Framework Directive. This Directive was enshrined in Austrian law by the Third National River Basin

Management Plan in 2021 and in Germany by the coordinated management plan (2022–2027). Among other things, the plans specify which stretches of river are to be morphologically restored to achieve good ecological condition or good ecological potential of the surface water bodies, and where measures for passability and residual water discharges need to be implemented. The international and national requirements are based on ecological thresholds for river basins. VERBUND uses these findings to improve its knowledge and contributes to the sustainable use and improvement of bodies of water through its targets and actions.

In addition, VERBUND targets are linked to the restoration of freshwater ecosystems objective set in the EU Biodiversity Strategy. Fish and all organisms found in and around the water habitat benefit from fish passes and the many bypass channels around them. Ecological thresholds for monitoring the functionality of fish passes are set forth by the responsible federal ministry in the form of guidelines. The functionality of fish passes and compliance with the requirements must be verified by VERBUND in the context of monitoring and corresponding reports. In Bavaria, the Technical University of Munich carries out comprehensive functionality monitoring in coordination with the Bavarian State Ministry of the Environment and Consumer Protection.

If compensation measures are required in relation to the implementation of semi-natural projects (e.g. for clearing work to reconnect silted distributaries), these are ordered by the authorities and executed alongside project implementation. However, these measures are not subject to any set targets.

Sustainability commitments have been developed for wind and photovoltaics, including biodiversity commitments. Through these commitments, VERBUND aims to achieve biodiversity net gains by 2030 for wind and photovoltaic projects. Specific targets for biodiversity net gains in the construction and operation of installations are currently being developed on the basis of these commitments. These targets include the development of comprehensive biodiversity concepts for wind farms and open-field solar installations. The aim is to not only minimise the negative impacts of infrastructure projects on the environment, but also to actively contribute to promoting biodiversity and creating sustainable habitats. For further business areas, compliance with policies and the implementation of measures related to biodiversity will be ensured through environmental management systems, annually updated action plans, monitoring requirements and the schedule of legal provisions, as well as through external certifications. These plans concern one-off, ongoing measures to be implemented at defined intervals. Progress of the measures is documented at least once a year.

Disclosure Requirement E4-5 – Impact metrics related to biodiversity and ecosystems change

At VERBUND, 128 sites with a potential negative impact on protected areas are located in or near biodiversity sensitive areas (see table for E4 SBM 3). Of this amount, 6,242 hectares comprise land that is either owned by VERBUND or which is under third-party ownership with easements (servitude) for VERBUND.

The number of fish passes completed is used as a metric for determining changes in the passability of rivers. As of the end of 2024, a total of 71 VERBUND power plant sites, including Ennskraftwerke AG, were passable for fish. This corresponds to 76% of the run-of-river power plants. Plans for a further eleven run-of-river power plants are already in the advanced stage, and completion is planned for 2025 and 2026. Construction of the fish passes at the Rosenheim power plant (Inn River), the Laufnitzdorf and Bodendorf power plants (Mur River), as well as the Landl (Enns River) and Sölk power plants (Donnersbach River) is scheduled to begin in 2025. The metric “Number of fish passes” covers both the restoration of the

structural continuity of ecosystems and the functional connectivity in freshwater bodies. In order to check the functionality of fish passes, fish monitoring is carried out upon completion of newly built passes.

Fish passes

		Base year	Comparison (N-1)	(N)
		2021	2023	2024
Sites	Number	66	69	71

More than 80% of VERBUND wind turbines and all open-field solar installations throughout Europe are already accompanied by environmental measures during construction and operation. Compensation, offsetting and substitute measures as well as ensuring environmental continuity are the most common measures. The majority of wind turbines are monitored on an annual basis. While bird and bat populations are usually checked, plant species and native animal species are also frequently monitored.

ESRS E5 Resource use and circular economy

ESRS 2 General Disclosures

VERBUND recognises the need to implement a fully functional circular economy at national and international level without delay. Accordingly, VERBUND strives to expand on measures implemented to date on the topics of resource efficiency and circular economy and to identify further relevant topics.

VERBUND wants to contribute to a successful circular economy. Measures already implemented include, for example, the utilisation of by-products from thermal energy generation as well as comprehensive maintenance programmes for VERBUND facilities. These initiatives are aimed at extending the service life of VERBUND facilities, reducing the use of raw materials and minimising the generation of waste in the long term.

Impact, risk and opportunity management

The provision of electricity requires the construction and maintenance of various types of power plants along with the necessary related infrastructure. For this reason, both resource inflows and waste were categorised as material topics.

More information on the assessment methodology applied in the double materiality assessment and on how affected communities were involved in the process is described in the section ESRS 2 IRO-1.

The following sections discuss the approaches to managing identified opportunities and risks, allocated actions and resources, and related key metrics and targets.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Topic-specific disclosures on processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities can be found in the section ESRS 2 IRO-1.

Disclosure Requirement E5-1 – Policies related to resource use and circular economy

At VERBUND, the management of impacts, risks and opportunities related to resource use and circular economy is of importance when it comes to keeping primary resource consumption to a minimum while maximising the circularity of waste streams.

A comprehensive Group-wide approach to conserving resources and the circular economy is yet to be established as the related direct impacts on the environment are considered to be low compared to the other environmental topics. However, VERBUND has launched an analysis process to evaluate the aspects of the circular economy relevant to the Group. The aim is to develop a circular economy strategy that generates both environmental and economic benefits for society and for VERBUND.

The VERBUND Executive Board has already adopted and regularly updates executive orders that define responsibilities and areas of responsibility in relation to materials management and sustainability management within the Group.

The following ecological criteria have been established to support the transition to a circular economy at VERBUND:

Responsible use of natural raw materials and resources. VERBUND records the proportion of renewable energy sources in its total energy consumption and monitors the development of energy consumption and materials on an annual basis.

Waste management represents another important topic. VERBUND is committed to ensuring the prevention, recovery, reuse, and proper collection and treatment of hazardous and non-hazardous waste. As a result, all waste is handed over for appropriate recovery or disposal.

VERBUND is focused on optimising its existing operational processes and efficiently reducing waste streams. Following the coal phase-out, the volume of waste generated has been on the decline. However, greater waste streams are expected in the long term due to recent photovoltaic and wind installations.

Waste management at VERBUND follows the principles of the European Union's five-step waste hierarchy: waste prevention before preparation for reuse, before recycling, before recovery and before disposal. The VERBUND Group Waste Coordinator and their deputy monitor waste management and provide advice based on the VERBUND Waste Management work instruction. The Group waste coordinators are responsible for administration and knowledge management with regard to waste management at VERBUND. They review the appointment of waste officers and their deputies on an annual basis, assist with submitting reports to the authorities, update work instructions, identify training needs, organise trainings and hold coordination meetings. Responsibility for compliance with the legal requirements rests with the respective managers.

Procurement takes place in accordance with the specially defined executive order for materials management and the VERBUND procurement guidelines, which stipulate that materials management must be carried out in accordance with the business principles and with due regard to the corporate mission statement, the corporate objectives and sustainability. Accordingly, economic, environmental and social criteria must be taken into account in award decisions, both for procurement and for sales.

In addition to the executive orders, a Supplier Code of Conduct (SCoC) has been established for the management of resource inflows to ensure resource-efficient waste and materials management at VERBUND and all subsidiaries. Resource inflows related to procurement are subject to this Supplier Code of Conduct (SCoC). Among other things, the Group-wide SCoC provides recommendations for VERBUND contractors on resource use and circular economy. The SCoC applies to all suppliers and business partners that supply products or services to the Group, including both domestic and

international suppliers. Suppliers in business relationships with VERBUND must adhere to the standards and expectations set out therein.

In order to improve energy and resource efficiency, VERBUND suppliers are advised to implement measures that significantly reduce the use thereof. These recommendations are listed in the SCoC, are available to all suppliers, and form part of VERBUND's general terms and conditions for orders. VERBUND also encourages its suppliers to minimise and continuously reduce the production and use of microplastics.

Furthermore, VERBUND recommends the active promotion of a circular economy in order to support the reuse and recycling of materials. The waste hierarchy of prevent, reuse, recycle, recover, dispose must be upheld with regard to waste management. In this way, it can be ensured that any waste generated is properly disposed of.

With these recommendations for action, VERBUND aims to help create the conditions for resource-efficient and sustainable management. The full SCoC is available online and a more detailed description can be found in the ESRS G1 section of this report. Stakeholders were accounted for when the above policies were drawn up through various dialogue platforms, as described in more detail in ESRS 2 SBM-2.

Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy

The topic of resource flows related to resource use and circular economy (ESRS E5) was categorised as material in the double materiality assessment.

VERBUND is working on identifying measures to improve resource use and circular economy. This involves a comprehensive analysis of existing practices and obtaining feedback from various departments and companies throughout the Group. By incorporating the perspectives of its employees and partners, VERBUND hopes to gain valuable insights that will enable it to expand and optimise its measures in a targeted manner.

The measures listed below are not one-off measures but instead recurring measures that form part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures.

VERBUND is committed to reducing waste and to preventing waste wherever possible. The Group consistently separates waste. In addition, the valid "Occupational safety and environmental guideline on the provision of services by contractors at VERBUND sites and/or construction sites in Austria" and the "Occupational safety and environmental guideline on the provision of services by contractors at VERBUND sites and/or construction sites in Germany", require contractors in Austria and Germany to diligently implement the applicable provisions relating to the dismantling and separation of waste. Through these ongoing measures, VERBUND actively contributes to the conservation of resources and environmental compatibility of its construction and demolition projects. This directive is part of VERBUND's General Terms and Conditions.

At VERBUND, activities related to waste management are structured according to the EU waste hierarchy: waste prevention, followed by preparation for reuse, recycling, and energy or material recovery. Any remaining non-hazardous as well as hazardous waste is sent exclusively to authorised waste collection and treatment firms. By consistently implementing this hierarchy, VERBUND ensures that waste is prevented at the earliest possible stage and, where this is not possible, is considered a valuable

resource through reuse or recycling. This not only reduces the volume of waste, but also promotes environmentally friendly and resource-efficient operations management.

Waste prevention is a key pillar of VERBUND's operating practices. Annual waste generation from demolition work is kept low through the use of durable building materials, the long-term use of installations in operation, and repair policies designed to maximise the useful life of installations. Due to the phase-out of thermal power generation using coal products in 2020, annual volumes of lime sludge material flows as by-products of thermal generation are on the decline. The remaining quantities are used as additives in the cement industry.

The aim of elongating the useful life of operated facilities and thereby saving materials for new construction is pursued through ongoing maintenance measures and optimised service intervals for wind farms and photovoltaic installations. One measure that has already been implemented is the utilisation of the press filter cake from the cooling tower makeup water treatment system at the Mellach gas power plant. The by-product, namely sludge from the cooling tower makeup water treatment system, was converted into raw meal as part of the cement production process. Recovery measures such as these help to preserve natural resources. The resulting material flow accounts for only a fraction of the material streams of coarse ash, fly ash and gypsum generated prior to 2020. The phase-out of coal-fired power generation completely eliminated these material streams.

A waste recovery project was launched at the end of 2023. At a former power plant site, soda ash, which was previously generated as a result of coal combustion with subsequent flue gas desulphurisation and temporarily stored on a landfill belonging to the site, is now treated and used as an additive at a cement plant. Thanks to this ongoing measure, the material properties of the soda ash are being put to good use while simultaneously saving natural raw materials in the cement industry.

Waste generated on an annual basis is collected and treated by several service providers, and the waste streams can be roughly divided into different categories. In light of the current legislative environment and lack of transparency on the part of waste collection and treatment firms, it is not possible to provide information on the final recovery of waste broken down into thermal and material recovery. Figures are being recorded on the total amount of waste sent for recovery and the amount of waste that is disposed of.

Metrics and targets

Disclosure Requirement E5-3 – Targets related to resource use and circular economy

At this point in time, VERBUND does not yet have any quantifiable targets in relation to resource use and circular economy as the Group is currently undertaking a comprehensive analysis and strategic planning on these topics. VERBUND is examining the possibility of formulating measurable and quantifiable targets in the course of developing its circular economy strategy.

In order to measure the effectiveness of the policies and actions listed, VERBUND reviews the development of resource inflow volumes on an annual basis, broken down according to the most important technical materials and raw materials, and records the generated waste volumes with the help of its central sustainability data management tool. The evaluation of the resource inflows for the financial year 2024 will be carried out for the first time using the structure outlined in this report and subsequently used as a base year for future comparisons. Since 2018, year-on-year comparisons for data on waste have been recorded and analysed electronically. This approach helps VERBUND to adhere to the legally required waste documentation in accordance with, for example, Section 17 of the 2002 Austrian Waste

Management Act (*Abfallwirtschaftsgesetz, AWG*), the 2012 Waste Disclosure Ordinance and Section 50 of the German Circular Economy Act (*Kreislaufwirtschaftsgesetz, KrWG*) in conjunction with the German Ordinance on Waste Recovery and Disposal Records (*Nachweisverordnung, NachwV*).

Disclosure Requirement E5-4 – Resource inflows

The products and technical materials relevant to VERBUND are listed in the table below.

Products and technical materials

	Unit	2024
IT equipment	t	17
Auxiliary and operating materials	t	500
Products for customer projects	t	360
Buildings and infrastructure	t	236,730
Vehicle fleet	t	500

When evaluating resource inflows at VERBUND, the Group focuses on materials that are important for the construction of new installations and for overhauls. Purchased materials include concrete, which is key to plant construction, and steel, which plays a key role in power line and plant construction. Gravel is mainly used in the expansion of the power grid and in the construction of run-of-river power plants, while glass is mainly used in photovoltaic modules. Aluminium and copper are also relevant material components for VERBUND. Materials that could not be clearly assigned to these main categories were not reported separately due to their differing composition and low relevance in terms of volume.

A breakdown into the most important material categories is presented in the table below.

Material categories including critical raw materials

	Unit	2024
Steel	t	29,570
Copper	t	990
Aluminium	t	6,010
Concrete	t	40,500
Glass	t	11,380
Iron	t	960
Gravel	t	128,750
Total	t	218,160

No relevant material flows of biological materials were identified during the annual evaluation of VERBUND's resource inflows. This finding results from an assessment of operation activities and the materials used.

Currently, the proportion of recycled and reused materials in products purchased by VERBUND is not recorded and therefore no information can be provided. VERBUND is aware of the importance of using recycled materials and plans to implement suitable tracking systems in the future in order to collect data on this topic and communicate it with transparency. No estimations could be made at this point in time.

Disclosure Requirement E5-5 – Resource outflows**Products and materials**

VERBUND does not have any material outflows of resources in relation to energy generation as its corporate focus lies in the provision of renewable energy. Unlike traditional industrial production processes, which often involve significant material consumption and waste production, VERBUND's activities are primarily based on the generation of electricity and the transport of electricity and natural gas. This focus minimises material consumption and associated waste.

At VERBUND, waste streams are divided into five categories: non-hazardous waste from ongoing operations, non-hazardous waste from projects, hazardous waste from ongoing operations, hazardous waste from projects, and screened debris. The disclosed figures are based on measurements and calculations according to data collected on waste at VERBUND. Data is collected on the basis of statutory record-keeping and verification obligations, along with other requirements.

The following table shows the breakdown of data on waste.

Waste

	Unit	2023	2024
Total waste	t	535,149	93,576
Total hazardous waste	t	3,601	1,859
from ongoing operations	t	795	902
from projects	t	2,806	958
Total non-hazardous waste	t	501,302	59,923
from ongoing operations	t	8,612	7,593
from projects	t	492,690	52,330
Screened debris – hydropower plants	t	30,246	31,794
Radioactive waste	t	0	0

All waste is recorded directly and subsequently passed on to authorised waste collection and treatment firms. By directly handing waste over to waste collection and treatment firms, VERBUND ensures that all waste accrued is properly treated and recycled.

In 2024, VERBUND recorded a lower volume of waste compared with the 2023 reporting period. This decline can be attributed to one-off activities in 2023 in different power plant groups, including dredging, de-sedimentation and the construction of a sewer, which resulted in a greater amount of excavated material (excavated soil). As a result, the volume of non-hazardous waste has decreased significantly. The reduction in hazardous waste from 2023 to 2024 can be attributed to a number of factors. For one, hazardous waste such as used batteries, fluorescent tubes and waste oils are generally not produced at the same frequency as non-hazardous waste, resulting in a lower waste disposal intensity. In addition, project-related waste, which is often solely generated by one-off activities such as changing oil in generator sets, varies, leading to fluctuations in the annual volume of waste. Another decisive factor is the inventory of the work materials and hazardous substances as part of the “Work materials, hazardous goods and waste management strategy” Group project, which was carried out in the 2023 reporting period. This inventory made it possible to identify many obsolete substances that are no longer required and dispose of them as hazardous waste, which also contributed to the reduction in hazardous waste in 2024.

It is currently only possible to estimate the breakdown of total waste, hazardous and non-hazardous waste into recovery and disposal as VERBUND does not consistently receive this information from waste recipients (e.g. authorised waste collection firms). In the absence of information, in some cases waste can be clearly assigned to recovery or disposal on the basis of ordinances to the 2002 Austrian Waste Management Act, such as the Recycling Building Materials Ordinance (*Recycling-Baustoffverordnung*, RBV) which contains guidance on waste streams generated by construction activities.

A breakdown of waste streams into the types of recovery and waste treatment is not possible due to legislation. Waste collection firms are not currently required to provide data on the recycling of waste streams they receive. Accordingly, the total amount of waste that ends up in a recycling process is not currently known. Waste recipients only provide VERBUND with information on the amounts of waste sent for recovery or disposal. For this reason, all recovered waste that has been transported for preparation for reuse, a recycling process or other recovery methods is included in the recovery category. Similarly, incineration, landfill and other types of disposal are covered under the disposal category (non-recycled waste).

A breakdown of hazardous and non-hazardous waste into recovery and disposal categories (non-recycled waste) can be found in the table below.

Recovery or disposal of hazardous and non-hazardous hazardous waste

	Unit	2024
Hazardous waste		
Recovery	t	976
Disposal (non-recycled waste)	t	882
Non-hazardous waste (incl. screened debris)		
Recovery	t	79,872
Disposal (non-recycled waste)	t	11,846
Total recovery	t	80,848
Total disposal (non-recycled waste)	t	12,728
Disposal share (non-recycled waste)	%	14

All VERBUND companies have appointed waste officers, including deputy waste officers and local waste officers. The waste officers determine the composition of the waste generated and classify it as either hazardous or non-hazardous. They monitor on-site compliance with waste regulations, such as separating waste as specified by the waste disposal company, and transfer the waste to haulers for transport and to waste disposal companies or licensing-exempt reclaimers (dealers) for treatment. Waste may only be transferred to authorised waste collection or waste treatment firms. Confirmation that the disposal company has been issued the required authorisations must be obtained prior to transfer. The confirmations (bill of delivery, consignment note, weighing note and invoice) relevant to the disposal process are sent to the party awarding the contract. This procedure ensures compliance with the legal requirements for waste treatment and minimises the impact of waste generation. Waste-related data is collected by all VERBUND companies in accordance with statutory record-keeping requirements. The waste officers submit the figures for their area of responsibility for publication in the Group report. The data is then aggregated at the Group level.

The methodology for collecting data on resource inflows and waste is based on an integrated approach as part of VERBUND's sustainability data management. Resource inflow data is converted into metric

tons (t) to ensure a consistent analysis. Resources used in products and installations are allocated based on life cycle assessments (LCAs) and information from in-house contacts. Data uncertainties according to disclosure requirement ESRS 2 BP-2 are to be expected as a result of these conversions and estimates using secondary data. Data on waste is derived from records based on entries made by waste officers. By analysing the respective descriptions of the EU Waste List Ordinance and the categories of the European Waste Catalogue, VERBUND was able to identify the relevant materials in its waste streams. An analysis of waste streams on the basis of data collected in 2024 identified the following main streams: screened debris, excavated material such as excavated soil and dredging material, iron and steel waste, soil slurry, sand slurry and excavated slurry walls, and concrete fragments. Relevant flows also include the contents of cesspits and construction site waste.

Social information

ESRS S1 Own workforce

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Topic-specific disclosures on the interests and viewpoints of VERBUND's own workforce can be found in ESRS 2 SBM-2.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Actual and potential impacts related to own workforce were examined in the course of the materiality assessment. The term own workforce covers both employees directly employed by VERBUND and non-employees provided by third party undertakings primarily engaged in employment activities. All sub-sub-topics related to working conditions, equal treatment and opportunities for all, and other work-related rights were examined in the materiality assessment. This detailed approach is justified by the fact that VERBUND's employees are its most important asset on the path to transitioning to clean energy. Please consult the ESRS 2 IRO-1 section for a detailed description of the process for identifying and assessing material impacts, risks and opportunities.

The assessment did not identify any risks or opportunities with respect to own workforce. This is due to the approach selected for materiality assessment, which was carried out at the level of the sub-sub-topics and consequently the defined financial thresholds for risks and opportunities were not exceeded.

The material impacts of VERBUND's business activities on its own workforce identified in the materiality assessment are as follows:

Positive impacts:

- Work-life balance accompanied by social benefits, a stable income and flexible working models.
- Continuing professional development options that promote ongoing personal development.
- Active worker participation through a structured dialogue between the workforce and management fosters a higher degree of motivation and satisfaction.

Negative impacts:

- Work-related accidents in relation to plant operation and on construction sites that result in temporary or permanent ill-health.
- Violation of privacy rights due to loss of data.
- Unequal pay and unequal promotion prospects for men and women.

As the materiality assessment is conducted on the basis of a gross presentation, negative impacts must be reported prior to the effect of compensatory measures. Accordingly, even impacts that were identified as negative some time ago and are already being addressed with measures must also be assessed before the effects of the compensatory safeguarding measures. The material negative impacts of work-related

accidents and breaches of privacy rights resulting from data loss relate to non-recurring events, such as an accident or an individual incident involving the disclosure of personal data.

The transition plans for decarbonisation have already resulted in impacts on the workforce in the past, but these impacts have been mitigated by ongoing training measures and demographically-induced departures from the Group as part of long-term HR planning. In the future, there will be no negative impacts on VERBUND's own workforce arising from the current business model and the strategy pursued by VERBUND. VERBUND does not undertake any activities where there is a significant risk of forced or child labour resulting from the type of work or the geographical areas in which the work is carried out.

VERBUND is committed to protecting vulnerable individuals who could be particularly affected by negative impacts based on their age, gender or other diversity criteria.

VERBUND acknowledges that people with certain characteristics could be more severely affected by negative impacts. Equal opportunities officers who affected individuals can turn to have been appointed at all companies. Examples of particular characteristics of people in VERBUND's own workforce relate to young people who may be more susceptible to impacts on their physical and mental development, or women in an environment where women are routinely subjected to unequal treatment.

Impact, risk and opportunity management

Disclosure Requirement S1-1 – Policies related to own workforce

At VERBUND, the term workforce used in the ESRS refers to both employees directly employed by VERBUND and non-employees. Non-employees refers to temporary staff, namely workers mediated by third party undertakings primarily engaged employment activities. All employees may be affected by any material impacts that exist in relation to VERBUND's business activities. The policies for managing material impacts apply to all VERBUND employees, i.e. to the Group's own workforce and temporary staff. The Executive Board bears ultimate responsibility for implementation of these policies. Disclosure requirement S1-2 explains how the interests and views of stakeholders were considered in the adoption of the policies outlined below. The policies are accessible to all VERBUND employees on the intranet. News reports are regularly published on the intranet, and the mandatory annual training courses on employee protection, compliance, data protection and information security continually remind employees of this fact and help improve their knowledge on the subject.

VERBUND does not tolerate any unethical conduct in violation of human rights or legislation. It is the responsibility of all top management and all VERBUND employees to comply with human rights and to report any violations they become aware of. This responsibility is enshrined in the VERBUND Group Policy on human rights due diligence and included in VERBUND's Code of Conduct for Sustainable Business. These policies are consistent with the UN Guiding Principles on Business and Human Rights. Accordingly, they are based on the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Forced labour, human trafficking and child labour are explicitly covered in the Group policy on human rights. A large number of due diligence processes have been put in place to ensure human rights due diligence. These include a compliance process, reviewing the integrity of business partners and compliance with the Supplier Code of Conduct. These processes are discussed in section G1-1 under Corporate culture policies.

Policies to prevent work-related accidents and promote health in the workplace

Work-related accidents and injuries can be avoided if Group processes are adequately optimised by an occupational health and safety management system. All VERBUND employees are covered by appropriate occupational health and safety management systems. Currently, Austrian Power Grid AG and Gas Connect Austria GmbH, and, since 2023, VERBUND AG, have a management system certified according to ISO 45001 in place. As a result, as many as 33% of the employees work in companies with externally certified occupational health and safety management systems. The remaining Group companies are in the process of obtaining certification and will have received certification by 2025.

VERBUND strengthens the physical and mental health of its employees through comprehensive occupational health management that goes above and beyond the legal requirements. VERBUND is aware of its corporate duty of care and aims to preserve the creative energy of its employees into old age through health promotion and primary prevention initiatives. In 2024, a management system for promoting occupational health was launched in partnership with the Österreichische Gesundheitskasse (Austrian health insurance fund) in response to the rise in physical and mental stress. The goal is to sustainably maintain the quality standards for promoting health in the years that follow and to meet the requirements for obtaining the relevant quality seal.

The topic of occupational health and safety is afforded very high priority at VERBUND. The relevance of these topics was also apparent in the materiality assessment. VERBUND has summarised its vision for occupational health and safety in the form of guiding principles designed to ensure health and safety at the workplace. VERBUND provides safe and healthy working conditions and relies on preventive measures to minimise hazards and risks in the work environment.

In 2024, the occupational health management at VERBUND was strategically reorganised with the aim of implementing a systematic and performance-based approach that can be easily linked to relevant certifications such as ISO 45001. In addition, comprehensive occupational health management supports the implementation of Mission V. In the future, a participatory approach will result in the creation of offerings tailored to specific needs and target groups, for example for apprentices or older employees. The “Fit and Healthy at VERBUND” initiative focuses on three implementation levels: employees health behaviour and awareness, framework conditions to promote health and a health-oriented leadership culture.

Equal treatment and diversity policies

VERBUND is committed to fostering tolerance and respect for all employees, regardless of gender, skin colour, nationality, ethnic origin, religious or cultural beliefs, disabilities, age, sexual orientation or identity. Several policies have been adopted at VERBUND to address unequal treatment. The Diversity Charter (*Charta der Vielfalt*) is an initiative of the Austrian Economic Chambers and the Vienna Economic Chamber aimed at promoting appreciation for all members of society. VERBUND signed the Diversity Charter in 2012 and has been a premium member since 2015. ZukunftVIELFALT® is both a management policy that helps companies to develop a comprehensive diversity management system and a distinction honouring comprehensive diversity management. VERBUND aims to embrace diversity within the Group and to systematically expand on and update its diversity strategy. A task force consisting of employees and works council members analyses past measures and draws up future ones. The proposed measures are then evaluated by a management team and key measures are set out in a target agreement. The implementation and effectiveness of the measures are evaluated as part of the

certification process conducted on a regular basis. With this, VERBUND promotes diversity throughout the Group and ensures equal treatment. VERBUND received this certification for the first time in 2017.

The established Diversity Network puts equal opportunity issues at the heart of the Group's organisational structure and focuses on promoting diversity at VERBUND. The network and underlying Group policy define the parameters, internal structures and responsibilities to facilitate a debate on the topic of equal treatment as a facet of a modern and supportive corporate culture. The Group-wide network consists of around 50 employees from all divisions at various sites throughout Austria and Bavaria. The network is made up of a Group Diversity Committee as the Group body, diversity officers specifically appointed for each company, and diversity representatives from all companies.

Data protection policy

VERBUND has a Group-wide data protection management system (DSMS) in place. Two subsidiaries and the companies in the unbundled segment each operate their own data protection management systems. This management system ensures processes are in place to prevent violations of privacy rights due to loss of data. The Group's certified Data Protection Officer plans, manages and coordinates all of the Group's data protection-related matters. The Group officer is supported in this by data protection officers at the individual companies together with the Group's own legal advisors.

TOM&PIA is a proprietary data protection tool developed by VERBUND to support the Group's data protection officers in their work, namely, ensuring compliance with GDPR documentation and evidence requirements – above all, updating records of processing activities, upholding the rights of data subjects and handling reports to data protection agencies. Regardless of the size and complexity of a company, the rights of the data subjects (rights to information, to withdraw consent, to erasure, etc.) must be safeguarded.

Personal skills development policy

VERBUND trains its employees on a continuous basis and offers numerous opportunities for training and education. The workforce is continuously gaining further qualifications, developing their skills and therefore prepared to meet constantly changing requirements. The employee entitlement to educational leave is enshrined in a collective agreement.

Work-life balance policy

The audit berufundfamilie is a management system designed to improve work-life balance. VERBUND has been conducting this audit since 2009, with a three-year reaudit cycle. As part of the audit, a task force consisting of employees and works council members analyses past measures and draws up future ones. The proposed measures are then evaluated by a management team and key measures are set out in a target agreement. The implementation and effectiveness of the measures are evaluated as part of the certification process conducted on a regular basis.

Collective bargaining and wage agreements

Collective bargaining and works agreements provide the basis for the cooperation between VERBUND and its employees. The rules set out therein strengthen positive impacts that affect VERBUND's own workforce, namely personal skill development, work-life balance, and employee satisfaction. They uphold human rights and are consistent with the UN Guiding Principles on Business and Human Rights. Due to the "outsider effect" enshrined in employment law, all employees are covered by the collective

bargaining agreements regardless of whether they belong to a trade union or not. Some of the aspects governed by collective bargaining agreements are minimum salaries, working hours and special payments (holiday and Christmas bonuses) along with the employee entitlement to educational leave. A number of voluntary benefits including company pension scheme, supplementary health insurance coverage, discounted lunches and health check-ups, and social benefits governed by collective bargaining agreements such as the child allowance are available to its employees, regardless of whether they work part time or full time. The right of employees to take family-related leave, including maternity leave, paternity leave, parental leave and carers' leave, are legal entitlements. The same applies in Germany, where employees are subject to the provisions of a German collective wage agreement consistent with those found in the Austrian collective bargaining agreement. In other countries such as Italy, Spain and Romania, local collective bargaining agreements or equivalent individual agreements have been concluded.

Anti-discrimination policies

VERBUND rejects any form of discrimination, bullying, and sexual harassment and works with all people, regardless of their racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinions, national extraction or social origin. In doing so, VERBUND stands for mutual respect and a respectful approach to individuality. VERBUND has a zero-tolerance policy with regard to violations. All reported cases of suspected violations are systematically investigated. Fairness towards others is an important part of VERBUND's corporate culture. "Measures against violence and harassment in the workplace" in section S1-4 summarises a number of targeted measures implemented to ensure that discrimination is prevented, mitigated and acted upon once detected. Equal treatment and discrimination concerns can be raised by the entire workforce through the whistleblower system or the Diversity Network. Section G1 outlines the procedure for the whistleblower system.

In Austria, the Disability Employment Act (*Behinderteneinstellungsgesetz*, BEinstG) imposes a regulatory obligation to employ people with disabilities. Similar legislation is also in place in Germany and in all other EU states in which VERBUND operates.

Disclosure Requirement S1-2 – Processes for engaging with own workers and workers' representatives about impacts

In the course of the materiality assessment, the structured dialogue maintained between workers' representatives and management was cited, as reflected in the high level of job satisfaction and motivation among employees. One of the ways in which workers' representatives are engaged is in the form of structured economic talks that are held each quarter and at which the Executive Board informs the employee representatives about the economic situation, all human resources management measures and other current developments in the Group. In particular these structured economic talks give employees the opportunity to voice their suggestions, concerns and recommendations to the Executive Board via the Works Council. Operational responsibility for incorporating the views of the Group's own workforce and the related findings into corporate policies rests with the CEO, who receives support from the HR organisation assigned to him with fulfilling this responsibility.

Under the Austrian Labour Constitution Act (*Arbeitsverfassungsgesetz*), employees must be represented on the supervisory boards of stock corporations via the works council. Consequently, at VERBUND, one-third of the Supervisory Board members are workers' representatives who sit opposite

the Executive Board at Supervisory Board meetings and are able to incorporate employee concerns into Supervisory Board decisions.

An employee survey is conducted on a regular basis to assess the effectiveness of VERBUND's engagement with its workforce. The survey provides an opportunity to ask questions on a wide range of factors, all of which affect employee satisfaction. Every three years VERBUND participates in the Group-wide Trust Index® employee survey conducted by Great Place to Work®. Due to the high participation rate of 72% and a Trust Index® rating of 76%, VERBUND was once again certified as a Great Place to Work® in 2024. VERBUND was also included among the GREAT 50 in the reporting period as on one of the Best Workplaces™ in Austria for 2024 and the Best Workplaces™ in Bavaria for 2024. Findings from the 2024 employee survey showed a high level of overall satisfaction with VERBUND as an employer (89% responded yes to the question: "All in all, I can say this is a very good place to work"). However, room for improvement was cited in the management-related aspects of "credibility, respect and fairness", particularly with regard to "cooperation, balance and neutrality". The results of the surveys are used by the Strategic Human Resources Management team and the responsible operational management team to develop appropriate measures. The findings are also analysed and monitored.

Healthy and motivated employees are another material impact identified by the materiality assessment. The views of VERBUND's employees are therefore also taken into account with regard to occupational health and safety. Occupational health and safety committees have been established in Austria and Germany in accordance with the applicable statutory obligations. Each year, the Supervisory Board sets targets with regard to the lost time injury frequency rate (LTIFR) and issues instructions, the achievement of which is incorporated into the target agreements concluded with every member of the Executive Board. The Managing Director of VERBUND Hydro Power GmbH chairs the Central Occupational Safety Committee and reports to the COO, who is the member of the Executive Board responsible for occupational health and safety. Employees are represented on the occupational health and safety committees by workers' representatives and safety officers. The occupational health and safety committees must ensure that information is shared, experiences are exchanged and occupational safety facilities are coordinated. They must also work towards improving safety, occupational health and working conditions. In addition, they offer advice on all matters relating to safety, occupational health, programmes promoting health at work and ergonomic workplace design. Employee consultation and participation in all matters relating to occupational health and safety is also ensured in Spain and Romania in accordance with the applicable laws.

A select group of employees is also actively involved in developing measures to improve specific issues during the regular certification and audits of the ZukunftVIELFALT® and Work and Family management systems. This contributes to work-life balance. Target agreements are formulated on the basis of action areas and forwarded to the Executive Board for approval at a strategy meeting attended by top management and workers' representatives. These targets will be implemented over the next three years. Compliance with the targets and the effectiveness of the cooperation are assessed during the reaudit. Holiday care for the children of VERBUND employees was initially established in response to feedback received from employees through the audit berufundfamilie, and has formed an integral part of the summer programme ever since.

The Diversity Network allows workers to submit suggestions for improving gender equality directly at any time. The Diversity Committee manages operational diversity management at VERBUND and is responsible for communicating and implementing relevant topics. The Executive Board holds the

highest-ranking position on the Diversity Committee. Diversity committees have also been set up at the individual companies. The appointment of a certain number of diversity officers for three-year periods is mandatory at all Group companies. With the appointment of dedicated officers at the site or in a team, the companies maintain a direct line of communication with their employees. The aim behind this is to gain insight into the views of workers who may be particularly vulnerable to related impacts. Youth counsellors are also appointed at sites where apprentices work to act as the first point of contact for young people.

Within the Group, all stakeholders undertake to comply with the Code of Conduct and with the Human rights due diligence guideline. Through this, VERBUND intends to ensure that the same standards with respect to upholding human rights are observed in every country in which it operates.

Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

Various processes and channels are in place to detect and subsequently eliminate, or to first mitigate negative impacts on VERBUND's workforce. In particular, employee performance reviews held on a regular basis offer a suitable and confidential platform for raising concerns. The institutionalised whistleblower system also reflects an open approach to dealing with errors. VERBUND is keen to identify any undesirable developments early on and to eliminate them moving forward. Other channels for raising concerns include reporting concerns to the Diversity Network and the Works Council, and reporting incidents. A detailed procedure for tracking and monitoring issues raised is set out in a work instruction, which applies to the whistleblower system in particular. Mandatory annual compliance training for all employees also includes information on the options available for reporting compliance incidents. More information on this topic can be found in section G1.

Employee performance reviews

Employee performance reviews are conducted for all members of VERBUND's own workforce and thereby provide comprehensive insight into the views of all internal stakeholders. The reviews are confidential, cooperative discussions that generally take place in private and last one to two hours. Employee performance reviews are carried out at least once a year. During the employee performance review, the target agreement for the coming year and target attainment over the past year, including a competence check, are discussed between employees and their managers. Time is also set aside for a joint reflection on tasks, motivation, values and collaboration within the team. Well-being at work, work-life balance, health protection, work performance and concerns are discussed with managers in good trust. By providing a safe setting, material negative impacts such as gender inequality can be discussed with confidence.

VERBUND whistleblower system

The Group-wide whistleblower system plays a key role in ensuring that due diligence requirements are met. A detailed description of how the issues are tracked and monitored, and how the effectiveness of the system is ensured can be found in section G1 under the headings Whistleblower protection policies and Actions and metrics for whistleblower protection. The whistleblower system can also be used to submit reports on incidents of discrimination, bullying and similar issues governed by employment law. Furthermore, the inappropriate use of data can also be reported on this channel. More information is provided on the corresponding measures in S1-4 under the heading Data protection. A detailed set of

rules ensures that reports received are independently, objectively and diligently reviewed, with particular attention paid to protecting the privacy of both the whistleblowers and the affected individuals. In order to ensure that VERBUND employees are also aware of the options available for reporting suspected violations, mandatory annual training draws attention to the code of conduct and the various reporting options available. VERBUND has made it a priority to ensure that employees not only have access to these channels, but are aware of them and have enough trust in them to use them when required. Please consult section G1 for more information.

Reporting to the Diversity Network

If employees have questions, concerns, suggestions and grievances about gender equality or suspect discrimination has occurred, they can contact any member of the Diversity Network. Enquiries are treated confidentially as a matter of course. All questions are answered, any suspicions of gender equality violations investigated, and suggestions for solutions offered. Reports regarding issues governed by employment law such as discrimination, bullying and similar topics are reviewed and handled in accordance with the rules of procedure for the whistleblower system. The members of the network are not responsible for deciding on repercussions under employment law. This responsibility instead lies with top management.

Reporting to the Works Council

The Works Council provides advice on all social, cultural, health and economic matters. When it comes to specialist topics such as employment law or health issues, the expertise of the chamber of labour, trade unions or the occupational health service is obtained. Prevention specialists are also consulted for mental health problems related to work. Queries may be submitted in writing or verbally. The Works Council takes on all requests and screens them according to topic area. Then, depending on the case, a solution is found. All conversations and data are treated confidentially, and the employees are provided with information about the result at the end of the process.

Incident reporting system

All employees are able to submit suggestions for safety measures, hazard reports and reports of near misses directly to an incident database. This process is designed to reduce the number of work-related accidents. The reports are reviewed by the Group's safety experts, and, wherever possible, the appropriate improvements are identified and made in consultation with the responsible organisational unit.

Work-related hazards and hazardous situations may be reported to the incident database anonymously to protect employees against reprisals. Confidential reports may also be made to the respective safety officer or, later in the process, to the responsible employee representative.

Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

VERBUND is aware of the material impacts of its business activities on its own workforces. Positive impacts are continuously reinforced through numerous measures. Negative impacts, on the other hand, are mitigated through ongoing action. With regard to occupational health and safety and equal treatment, impacts have also been linked to specific measurable targets that can be used to track the effectiveness of implemented measures. The targets are outlined in section S1-5 under Disclosure requirements. All

measures apply to the entire VERBUND workforce, which includes both employees and non-employees. Occupational health and safety measures also apply to workers in the value chain who work at VERBUND sites. The measures have no time limits, as the significant negative and positive impacts of the business activities on the workforce are also of a lasting nature and therefore require permanent measures to mitigate or reinforce them. Measures on topics such as data protection and skills development are either enshrined in statutory provisions or in collective bargaining agreements, or they result from developments within the Group. Measures derived from within the Group pertain to topics such as gender equality and work-life balance. To summarise, the measures listed below are not one-off measures but instead recurring measures that form part of ongoing business processes for which it is not possible to make any accurate estimates with regard to current and future financial figures at present.

As noted above, there were no material risks and opportunities identified with respect to VERBUND's own workforce in the materiality assessment, as the financial thresholds were not exceeded. Therefore, only measures to mitigate negative impacts and reinforce positive impacts are described below.

Occupational health and safety measures

To enhance the occupational health and safety culture at the Group, the We Live Safety project was launched in 2018 and 2019. Since 2020, the project has been continued as a policy. The project is intended to lead to positive change in terms of ensuring an atmosphere of trust and fostering a role model culture and not least by improving the Group's safety KPIs by introducing behaviour-based approaches to safety. In 2024, a month of action on occupational health and safety with a comprehensive informational campaign was organised to celebrate the World Day for Safety and Health at Work in April. In addition, refresher workshops on behaviour-oriented occupational health and safety were held for top management.

The focus topic of safety briefings in 2024 was "Evaluating psychological working conditions". Every year, as was the case in financial year 2024, legally mandated safety briefings are successfully completed by close to 100% of the workforce, either in person or via an e-learning programme that includes a final test. In 2024, the most common types of injuries were skin injuries and bruises. The most common injury-causing incidents included tripping, and workers accidentally cutting or stabbing themselves with sharp or pointed objects.

With regard to health protection, in 2024 the focus was on expanded medical check-ups and health checks, which were offered free of charge at numerous sites during working hours. In order to raise awareness of the topic of health in general and to publicise the availability of the services on offer, several VERBUND sites held a health tour with well-known speakers from the world of elite sport. Keynote speeches by speakers on the health tour focused on mental and physical health and provided employees with inspiration for their own everyday (working) lives. Informational events were also held for top management to draw attention to the importance of occupational health and safety management and the measures taken. Services already available included both discounted access to sport and exercise facilities and mental health counselling. Another point of contact has been set up for questions regarding providing care and support to relatives to assist affected employees in challenging situations. Webinars on the topic of healthy eating, online vision training as well as presentations on brain-friendly working were also offered, as were physiotherapy training days with a focus on a healthy back. An app-based motivation platform was used to run various challenges to promote physical activity and health in 2024.

Gender equality measures

VERBUND has published a gender pay gap analysis in accordance with ESRS reporting requirements since 2024. The gender pay gap refers to the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level for male employees. Differences in pay between men and women at VERBUND can be attributed to disparity in the amount of overtime, on-call pay and allowances paid, and unequal gender distribution at organisational levels. The percentage of women in top management positions did not increase at the same rate as in the overall organisation and is lower than the Group average, especially in the companies VERBUND is unable to influence due to statutory unbundling provisions.

VERBUND pursues the policy of gender equality at all levels. For this reason, numerous measures have been defined based on the VERBUND diversity strategy, including the inclusion of the metric “percentage of women among new employee hires” in the target agreements for top management, a gender-inclusive high potential employees programme to increase women’s career opportunities (50% female participation in the first cycle), monitoring the percentage of women in projects and with regard to salary adjustments, work-life balance measures such as flexible working hours, childcare vouchers and holiday care for children, promoting paternity leave and increasing the number of female apprentices.

The women’s network Mission V-emale is an in-house women’s community (employee resource group) with a dedicated MS Teams channel and network events. Ideas are shared, problems are solved, opportunities are created for members, and solid, lasting relationships are built. The Diversity Network (Employee Assistance & Support Group) puts equal opportunity issues at the heart of the Group’s organisational structure and addresses issues such as gender balance.

Measures to achieve gender equality have started to bear fruit: the percentage of women among employees has increased by more than 20% to 22.6% since 2020.

Data protection measures

To maintain data protection awareness, the training policy requires all employees to renew their data protection qualifications each year. They may choose between attending a classroom training session and taking advantage of the online option offered on the intranet, an e-training course or online courses created in-house called Stories of TOM&PIA. Initiatives such as these create the conditions for the optimum protection of personal data.

Skills development measures

VERBUND has highly trained employees whose dedication, motivation and versatility make a significant contribution to the success of the Group. This is why the Group invests in comprehensive further training. The aim is to provide a central, Group-wide training structure for all employees that supports VERBUND’s global reach. An important milestone in this respect was the expansion of the learning management system (LMS) to include English-language content in 2024, which involved the development of various e-learning modules in English.

In order to counteract developments in the labour market and demographic trends, VERBUND has relied on a tailor-made approach to skills development for many years and has established the VERBUND trainee programme, a master craftsperson development programme and a high potential employees programme as personnel development measures.

Work-life balance measures

VERBUND offers its employees models for flexible working hours and achieving work-life balance. In addition to models such as flexitime and remote work, this commitment also encompasses the stipulation that overtime is only to be paid or permitted to the extent that it is necessary and agreeable for employees. A number of measures have been implemented and exercised in practice for many years: the option to take a third year of parental leave, a company agreement on remote work and mobile working, various working time models, a pension scheme, a child allowance and more. Other measures include a free crisis hotline for employees in difficult situations, child care options during holidays and an optional parental leave month for fathers. VERBUND has used the Work and Family Audit management system since 2009 and is re-audited every three years in order to communicate its commitment to work-life balance to the outside world. Another re-audit was successfully carried out in 2024. The newly defined action areas include instating a family-friendly management culture throughout the Group, further developing flexible working hours, holiday care options and remote working rules, and promoting part-time management roles.

VERBUND has also been a part of the Companies for Families network since 2015. The goal is to improve and update the level of knowledge of executives and employees via activities on the topic of work-life balance and to initiate additional projects.

Measures to ensure employee satisfaction

The employees of almost every consolidated VERBUND company in Austria and Germany are represented by a works council. Workers' representatives maintain an ongoing dialogue with management at VERBUND. (See S1-2 Processes for engaging with own workers and workers' representatives about impacts)

All employees are able to join a trade union. However, due to the "outsider effect" enshrined in labour law, all employees are subject to the collective agreements regardless of whether they themselves belong to the union or not. Employment contracts must adhere to collective bargaining agreements and may not contain any provisions that are less advantageous than those contained in the respective collective bargaining agreement. Some of the aspects governed by collective bargaining agreements include employees' minimum salaries, working hours and supplemental payments (holiday and Christmas bonuses). The inflation-driven increase in wages and salaries is negotiated in annual collective bargaining rounds. VERBUND also declares its commitment to paying its employees in line with market standards and employee performance. Nearly 99% of employees are covered by collective bargaining agreements. To meet this commitment, a performance-based remuneration model that sets targets based on both individual performance and the Group's profitability and ensures fair pay for employees at all levels is in place.

Initiatives on the topic of diversity are pooled under the umbrella DEI (diversity, equity and inclusion) strategy set by VERBUND. Measures have been defined with regard to age, gender, disability, sexual orientation, social and national origin, and religion and ideology. Information on the various DEI aspects is published on an ongoing basis both in the diversity and inclusion training programme and on the intranet in order to promote an inclusive corporate culture. The defined strategy as well as the associated measures are evaluated at three-year intervals as part of the certification of ZukunftVIELFALT® management system certification.

Increased employment and inclusion of persons with disabilities and/or chronic illnesses are also enshrined as a policy in the diversity strategy and form a key element of the ZukunftVIELFALT®

certification. VERBUND assumes its social responsibility to offer equal opportunities and has set itself the goal of continuing to fulfil the quotas stipulated in the Austrian Disability Employment Act (BEinstG) and to recruit and employ people with disabilities beyond these quotas. With diversity management and accessibility management, this topic is anchored in the organisation at several points within the Group. Awareness of the topic is raised throughout the Group with informational campaigns, regular news articles on the intranet, and diversity and inclusion webinars. In addition to the reference to an inclusive mindset in all VERBUND job advertisements, recruiting people with disabilities has been established as a focus within the Group. VERBUND participates in the myAbility Talent Program, which helps companies network with students with disabilities. In addition, a quota for the number of people with disabilities employed was included in the target agreements. Both measures focus on inclusion.

The collaboration with the Austrian Disabled Sports Association (*Österreichischer Behindertensportverband*) continued in 2024, strengthening the connection to the affected groups. Participation in the Hidden Potential (*Versteckte Potenziale*) initiative helped to promote the search for apprentices with disabilities. VERBUND has also improved digital accessibility with the establishment of the Digital Accessibility Team. Employees with disabilities and allies can share their experiences as part of the newly established employee resource group DiversAbility.

VERBUND rejects any form of discrimination, bullying or (sexual) harassment. Combating violence and harassment requires comprehensive strategies and measures that are both preventive and reactive. The VERBUND Code of Conduct and the BlueCode (see G1) set out clear guidelines and behavioural standards. With Mission V (see G1), VERBUND is also actively promoting a respectful corporate culture in which violence and harassment are not tolerated.

Different platforms are used to raise awareness among the workforce and top management and train them on the topic of diversity and inclusion: the VERBUND diversity and inclusion training programme is available to all employees in the form of webinars. Information on various topics is published on an ongoing basis on the intranet. Both diversity management and top management continuously convey VERBUND's stance, provide information and outline available reporting channels in various settings. Various points of contact and support systems are in place for reporting incidents or suspected violations, including the Works Council, the Diversity Network and the whistleblower system (see S1-3). The consistent handling of reported cases enables VERBUND to better protect those affected, find solutions and impose the necessary sanctions in the event of violations. The measures taken in specific cases strengthen awareness of the importance of a respectful, appreciative and non-discriminatory corporate culture. This enables VERBUND as a company to intervene at an earlier stage and minimise more serious cases.

All of the measures described above are not one-off measures but instead recurring measures that are implemented on a routine and continuous basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures.

A major step toward decarbonisation has been achieved in recent years with the closure of coal-fired power plants. Several measures related to long-term strategic human resources planning helped to mitigate the negative impacts of this transition to more environmentally friendly electricity generation. These included ongoing training and retraining, an internal job board and a redundancy plan including an early retirement programme. No negative impacts on VERBUND's workforce are foreseeable in the future under the current strategy.

Metrics and targets

Disclosure Requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In order to continuously drive progress with regard to the management of material negative impacts and promotion of positive impacts, targets have been set for identified impacts that apply to all workers and are monitored on an ongoing basis. These targets are measurable and include a target attainment deadline. Targets based on statutory provisions such as skills development and data protection are always applicable regardless of target attainment deadlines. All targets focus on achieving a healthy and stable workforce with a high level of employee satisfaction, an optimal work-life balance, ongoing skills development, diversity and disability inclusion. At the same time, unequal treatment on the basis of gender must be eliminated. With this, many of the sustainability matters enshrined in the ESRS are covered and VERBUND is pursuing European Union targets. The targets are formulated and defined in ongoing coordination between management, workers' representatives, and strategic HR management. In financial year 2024, there were no amendments to targets, metrics, underlying measurement methods, significant assumptions, restrictions, sources or data collection practices.

Target: occupational health and safety

The lost time injury frequency rate (LTIFR), the international metric for accident frequency, is used to monitor occupational safety performance. The LTIFR is the number of occupational accidents per million working hours from the first day of lost time. This retrospective metric allows VERBUND to compare its performance with other domestic and international companies. At VERBUND, the Group target is to achieve an LTIFR ≤ 5 by 2025. The LTIFR is to be maintained on a permanent basis and has improved for the Group's own workforce in recent years. The target value was determined in consultation with the Group's Central Occupational Safety Committee and is included in the Executive Board's target agreement. It applies to all VERBUND workers and value chain workers working at VERBUND sites.

As a corporate objective, VERBUND is striving to achieve ISO 45001 certification for all VERBUND companies by the end of 2025. Initial preparatory work and ISO readiness audits began in 2020. In June 2023, VERBUND AG's management system was successfully externally certified according to ISO 45001. In the 2024 reporting period, a Group project was launched to roll out the management system to other core companies in order to ensure safety and health at all consolidated companies.

Target: gender equality

The VERBUND Executive Board has set a target of increasing the percentage of women among employees and in top management positions to at least 25% by 2030. A detailed calculation of quotas based on strategic personnel planning and labour market data demonstrate how this goal can be achieved over the target timescale. This model also forms the basis for the annual setting of targets by the individual divisions. In addition, the target is also included in the Executive Board's target agreement. In 2024, women represented 22.6% of the workforce.

Actual progress is tracked on the basis of ongoing monitoring and reporting. Top management, works councils and employees receive regular updates on this topic. The measures taken are outlined in section S1-4 under the heading Gender equality measures.

Target: data protection

Annual completion of data protection training is defined as a target for addressing the material negative impact of “violations of privacy rights”. This target is monitored by the Group Data Protection Officer and has been achieved at a rate of 100% over the past three years.

Target: personal skills development

VERBUND offers its employees 38.5 hours of training per year. With this, the workforce is given the opportunity to learn about the latest developments in their field and pursue personal development. The target is enshrined in the collective bargaining agreements concluded with electric utilities and applies to all employees of VERBUND. Target achievement fell sharply following the outbreak of the COVID-19 pandemic. In recent years, the figure has gradually moved closer to the target, and by 2024 it had almost been reached with 37.6 hours of training for every employee per year.

By training its own apprentices, VERBUND develops a steady source of qualified and operationally trained employees, which in turn reduces turnover and creates long-term loyalty among employees. As a result, VERBUND not only secures its own future skilled workforce, but also successfully addresses potential operational challenges such as a lack of skilled workers, high turnover rates, competitive disadvantage, growing recruitment costs, and a lack of innovative strength. The number of new apprentices reflects both the number of available places at apprenticeship training centres and operational needs. In recent years, the target of 35 new employee hires from the pool of apprentices has consistently been achieved.

Target: work-life balance

As part of the recertification by the Work and Family Audit, the following targets were set for 2025–2027 with regard to the positive impact of work-life balance:

- Fostering a family-friendly management culture throughout the Group through clear, consistent guidelines on managing remote work;
- Further improving flexible working hours and remote work guidelines;
- Continuing to communicate family-friendly services and programmes;
- Enhancing holiday child care options; and
- Promoting part-time work and part-time management positions along with family-friendly personnel planning.

As addressed in S1-2, recertification as part of the Work and Family Audit involves consulting workers from various divisions when setting targets. The targets are scheduled to last three years, but there is usually no defined metric. Progress made in the working group will therefore be analysed and discussed and evaluated by the auditor at the end of the three-year period. All of the aforementioned topics contribute to overall employee satisfaction.

Target: Employee satisfaction

With regard to the material topic of “structured dialogue between management and employees”, the set target is to conduct a direct dialogue on the employee satisfaction analysis every three years. In the year of implementation, targets were also set for management: participation rates were defined and a minimum satisfaction index was prescribed. Indirect exchanges between management and the workers’

representatives take place annually in the form of structured, documented discussions held over the course of several hours. The target is to hold at least four discussions each calendar year, which has been consistently achieved in recent years. In the subsidiaries, this structured dialogue between the respective management team and the workers' representatives takes place at the same intervals.

VERBUND strives to achieve a low employee turnover rate (with the exclusion of employees going into retirement) of < 5%. At 3.7%, this figure was once again surpassed in 2024. Maintaining a low employee turnover rate strengthens employee loyalty and preserves knowledge transfer over the long term. Moreover, low employee turnover fosters a positive corporate culture while increasing productivity and efficiency. It also helps keep recruitment and training costs to a minimum.

A balanced age structure is another key pillar of the Group's stability. Access to differing perspectives from different age groups increases VERBUND's innovative strength. The objectives with regard to managing demographic changes are to keep knowledge within the Group and maintain the loyalty of VERBUND's top performers. The benchmark for this is the breakdown of salaried employees by age group in Austria, with VERBUND employees in the highest age group being less strongly represented than in the reference value.

By 2030, the Executive Board has set itself the target of employees with disabilities constituting more than 3.5% of the workforce. National regulations that require the recruitment of people with disabilities vary by country, as do regulations governing equalisation payments. When determining the percentage of people with disabilities among with workforce, all individuals who have reported a disability determined by the authorities to VERBUND are accounted for, irrespective of the severity of their disability. This not only ensures comparability between nations, but also the recognition of all forms of disability. A target to increase the percentage of people with disabilities in the workforce is enshrined in the Executive Boards' target agreement and is also incorporated into the annual target setting at the individual divisions. Actual progress is tracked on the basis of ongoing monitoring and reporting.

Disclosure Requirement S1-6 – Characteristics of the undertaking's employees

In the 2024 reporting period, 4,424 people were employed directly by VERBUND. This equates to 4,278.9 full-time equivalents and an average of 4,149.2 full-time equivalents for the entire reporting period. The increase in personnel during the reporting period can be attributed to the Group's domestic and international growth trajectory, particularly in new renewables, hydrogen and grid expansion.

Employees by gender

Gender	2023	2024
Male	3,195	3,423
Female	900	1,001
Diverse ¹	-	-
Not specified	-	-
Total number of employees	4,095	4,424

¹ gender as reported by employees

Employees by type of contract and gender

	Female	Male	Diverse ¹	Not specified	Total
Number of employees (head count)	1,001	3,423	-	-	4,424
Number of permanent employees (head count)	958	3,160	-	-	4,118
Temporary employees (head count)	43	263	-	-	306
of which apprentices and apprentices in post-qualification retention period (head count)	26	162	-	-	188
Number of non-guaranteed hours employees (head count)	0	0	-	-	0
Number of full-time employees (head count)	779	3,338	-	-	4,117
Number of part-time employees (head count)	222	85	-	-	307

¹ gender as reported by employees

The data cited above refers to the number of individuals as at 31 December 2024. The first section distinguishes between permanent and fixed-term contracts. The majority of temporary employment relationships at VERBUND are due to regulatory requirements for apprenticeships. Apprenticeship training lasts four years, which is why the training contracts stipulate a fixed end date.

Non-guaranteed hours employees are employed by an undertaking without a guarantee of a minimum or fixed number of working hours. VERBUND does not have any non-guaranteed hours employees.

The number of part-time employees refers to all employees who work less than 100% of full-time hours.

In 2024, 237 individuals left the company, representing an employee turnover rate of 5.4%, and taking into account retirement as stipulated in ESRS. Accordingly, the employee turnover rate remained low.

The most representative figure in the financial statements is the average head count presented in the notes to the consolidated financial statements.

Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce

At VERBUND, the term non-employees refers exclusively to temporary staff. They provide cover for employees absent due to maternity leave and long-term sick leave, and cover capacity peaks. Non-employees are workers mediated by third party undertakings primarily engaged in recruiting and leasing workers. In 2024, the number of temporary staff at VERBUND was 98. As VERBUND has been offering temporary staff permanent employment in recent years, the number of temporary staff fell by 14% in the reporting period. Temporary staff who have a core function, whose expertise should be preserved and whose retention is beneficial due to labour market policy considerations have been hired for permanent employment. For consistency reasons, the number of employees covered by an employee leasing agreement is reported as the number of persons covered, rather than as the number of full-time equivalents; the figure is reported at the end of the reporting period.

VERBUND does not have any self-employed persons in its own workforce.

Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue

A total of 98.7% of employees at VERBUND are covered by a collective bargaining agreement. The salaries of employees who are not covered by collective bargaining agreements are higher than the equivalent minimum salary entitlements under collective bargaining agreements and verified using market analyses. In Austria, the Works Council represents 100% of employees. Employees are not represented by a European works council.

Disclosure Requirement S1-9 – Diversity metrics

In 2024, there were 24 female (18.6%), 105 male (81.4%), and 0 diverse (0%) employees at top management level. VERBUND applies the definition of top management as stipulated by ESRS, which relates to the two levels directly below the management and supervisory bodies.

Metrics – total distribution by age

	Unit	2023	2024
under 30 years old	%	22.0	20.8
30–50 years old	%	51.3	54.0
over 50 years old	%	26.7	25.2

In order to cushion demographic change in the Group, VERBUND takes care to ensure a balanced age structure for its employees. The benchmark for this is the breakdown of salaried employees by age group in Austria. Around 25% of VERBUND employees are in the oldest age group and are accordingly less represented than the working-age population in the whole of Austria, as intended (working population in Austria: <30 years old: 21%, 30-50 years old: 47%, >50 years old: 32%, source: Statistik Austria).

Disclosure Requirement S1-10 – Adequate wages

VERBUND declares its commitment to paying its employees in line with market standards and employee performance. In Austria and Germany, wages and salaries are governed by collective bargaining agreements. The salaries of employees who are not covered by a collective bargaining agreement are higher than the equivalent minimum salary entitlements under collective bargaining agreements. Accordingly, all VERBUND employees across the Group receive an adequate wage in line with the benchmark.

Disclosure Requirement S1-11 – Social protection

Employees in all countries in which VERBUND operates, namely Austria, Germany, Spain, Italy, and Romania, are covered against loss of earnings resulting from significant life events. These events include sickness, unemployment, work-related accidents, disability, parental leave and retirement. Coverage is fully guaranteed on the one hand due through country-specific regulation of social security services and on the other hand through collective bargaining and wage agreements. Both country-specific regulations and collective bargaining agreements define the benefits to which employees are entitled and the rules applicable to calculating and determining the length of time for which benefits can be claimed.

Disclosure Requirement S1-12 – Persons with disabilities

VERBUND considers itself to be an inclusive employer and is actively committed to employing people with disabilities. At VERBUND, every person is seen as a whole, not just their disability, and a focus is placed on each individual's personal strengths. The Group aims to increase the percentage of people with disabilities in its workforce. Disabilities can be reported to VERBUND, as the employer, at any time, but their disclosure is not mandatory. In order to ensure data can be compared across the countries in which VERBUND operates, all disabilities are recorded regardless of their degree of severity. In 2024, the percentage of employees with disabilities at VERBUND was 2.4%, marking a slight year-on-year increase. This figure demonstrates that the measures put in place are working.

Disclosure Requirement S1-13 – Training and skills development metrics

Employee performance reviews offer a platform for joint reflection and discussing the targeted improvement of performance, reviewing skills demonstrated at work and setting work priorities. As such, they promote collaboration between managers and employees. The objective of employee performance reviews is not only to structure joint work through agreed targets and to evaluate target achievement, but also to create clarity about the roles and priorities of the individual employees and to jointly determine further development opportunities for the employee. The reviews are carried out on an annual basis.

Skills development metrics

	Unit	Female	Male	Diverse ⁽¹⁾	Not specified	Total
Employee performance review rate	%	93.6	93.6	-	-	93.6
Average number of training hours per employee	Hours	36.8	37.6	-	-	37.4

¹ gender as reported by employees

In 2024, each VERBUND employee completed 38 hours of training. Personnel development in financial year 2024 focused on safety, technology and IT training. An uptake in interest in AI training was also observed.

Disclosure Requirement S1-14 – Health and safety metrics

All VERBUND employees are covered by appropriate occupational health and safety management systems. Currently, Austrian Power Grid AG and Gas Connect Austria GmbH, and, since 2023, VERBUND AG, have a management system certified according to ISO 45001 in place. As a result, as many as 33% of the employees work in companies with externally certified occupational health and safety management systems. The remaining Group companies are in the process of obtaining certification and will have received certification by 2025.

Occupational safety metrics

	Unit	2024
People in own workforce covered by a health and safety management system (total)	%	100.0
Employees according to ESRS definition of employees	%	100.0
Temporary staff according to ESRS definition of non-employees	%	100.0
People in own workforce covered by an ISO 45001-certified health and safety management system (total)	%	33.3
Number of fatalities as a result of work-related injuries and work-related ill health (total including value chain workers who work at the Group's sites)	Number	0
Employees S1	Number	0
Non-employees S1	Number	0
Value chain workers S2 if they work at the Group's sites	Number	0
Number of recordable work-related accidents (total including value chain workers who work at the Group's sites)	Number	82
Employees S1	Number	41
Non-employees S1	Number	4
Value chain workers S2 if they work at the Group's sites	Number	37
LTIFR: Rate of reportable work-related accidents (total including value chain workers who work at the Group's sites)	Number	5.8
Employees S1	Number	5.0
Non-employees S1	Number	22.3
Value chain workers S2 if they work at the Group's sites	Number	6.4
Number of days lost to work-related injuries and fatalities (employees S1)	Number	903
Number of days lost to work-related injuries and fatalities (non-employees S1)	Number	101
Accident severity (employees + non-employees S1)	Days/accident	22.3
Number of severe accidents (employees + non-employees S1)	Number	5

With regard to occupational safety, VERBUND does not distinguish between employees, temporary staff and workers in the value chain who work at the Group's sites. All of the above workers are required to participate in safety training.

Accident severity refers to the average number of days lost per accident. Accidents resulting in more than 45 days lost are classified as accidents with serious consequences. The following were identified at VERBUND as general work-related hazards with risks that could have very serious consequences or cause irreversible damage to health or result in death: hazardous work materials, atmospheres with oxygen deficiency, falls on level ground and from heights, electrocution and work on live parts, drowning, cut injuries from hand-held chainsaws, high-pressure jets, harmful noise and mechanical injuries. The most frequent causes of injury in serious accidents in recent years were as follows: trapping and crushing, falls on level ground, falls and falling objects. There was one workplace accident resulting in serious injury in financial year 2024.

As there is no reporting requirement for work-related ill health in Austria, and VERBUND, as the employer, is not provided with information on the type of illness suffered by the workforce, the reporting obligation set forth in S1-14, 88d is hereby omitted.

Disclosure Requirement S1-15 – Work-life balance metrics

All VERBUND employees are entitled to family leave according to the applicable laws. This includes maternity, paternity and parental leave as well as carer's leave. At VERBUND, 13.0% of employees and 17.2% of female employees took leave for family reasons in the past year.

Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)

The gender pay gap at VERBUND is 11.4%. This means that female VERBUND employees earn on average 11.4% less than their male counterparts. Due to the stringent unbundling provisions, the policies and requirements set by VERBUND AG do not apply to the grid operator companies. The gender pay gap is higher in the companies that are not subject to the policies and requirements set by VERBUND AG. At 7.6%, the gender pay gap is much lower at companies on which VERBUND can exert influence.

The ratio between the remuneration of the highest-paid individual in the Group (CEO) and the median remuneration for employees in the Group takes into account base salary, cash benefits, in-kind contributions and direct compensation. It also includes the total fair value of all long-term annual incentives. The remuneration of all employees is adjusted for the remuneration of the CEO, resulting in a ratio of 1:20.

Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts

Thirteen cases of discrimination were reported in the reporting period. In addition, five grievances related to the social matters referred to in section 2 of this standard were raised through the Group's internal whistleblower system. No reports were submitted to the National Contact Point (NCP) for the OECD's Guidelines for Multinational Enterprises.

All reported cases of discrimination and grievances were reviewed by VERBUND. In three cases, no discrimination was identified. In all other cases, remediation plans have been developed and implemented. Remedies included holding discussions or offering further counselling. In addition, VERBUND has parted ways with three individuals who harassed others, either through termination of their employment contracts or dismissal.

The total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above came to €0.

There were no severe human rights incidents involving the Group's workforce in financial year 2024. Likewise, there were no incidents of violations of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. No related payments were required as a result.

ESRS S2 Workers in the value chain

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Topic-specific disclosures on the interests and views of workers in the value chain can be found in ESRS 2 SBM-2.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

VERBUND supports the transition to clean energy through the generation and expansion of renewable energy. This involves investing in existing and new installations, which requires the purchase of plant components and construction activities. As a result of these business activities, the following topics were defined as material in the materiality assessment: “working conditions” and “equal treatment and opportunities for all”. Impacts can arise from the procurement of products, especially in the upstream value chain, which can contribute to the deterioration or exacerbation of poor working and environmental conditions. Construction projects may involve work-related accidents affecting external contractors on VERBUND construction sites, resulting in negative impacts on health and employability. VERBUND also relies on the availability of workers in the value chain; without value chain workers, the construction and revitalisation of plants would either not be possible in the first place, or take much longer.

On the one hand, the affected workforce includes those who work for companies in the upstream value chain of VERBUND, for example in connection with the production of plant components and technical components, and workers who are employed by external contractors at VERBUND construction sites.

VERBUND sources around 90% of its products and services in its direct supply chain from Austria and Germany, the rest being sourced from other parts of the world with the majority of suppliers being located in the European Union. The risk of child or forced labour is therefore very low.

Material impacts primarily involve VERBUND construction sites due to new construction and revitalisation projects. The construction sector is traditionally known for its higher prevalence of work-related accidents, which also affects occupational safety metrics and accidents at VERBUND construction sites, and thereby impacts the workers of external contractors that work for VERBUND. Clear measures have been introduced to counteract this heightened risk and to reduce accidents among external contractors, which are listed in section S2-4.

VERBUND strives to positively impact working conditions as well as equal treatment and opportunities among value chain workers through the application of its Supplier Code of Conduct (SCoC).

No financially material risk drivers that could be directly or indirectly either positively or negatively influenced by factors affecting value chain workers have been identified.

As described above, negative impacts affect workers on VERBUND construction sites in particular, especially in light of the higher accident rate among workers for external contractors compared to VERBUND’s own workforce and the LTIFR (see LTIFR in section S1-14). These factors provided the basis for assessing the negative impacts in the materiality assessment.

No specific affected groups of workers have been identified beyond the workers on VERBUND construction sites described above.

Impact, risk and opportunity management

Disclosure Requirement S2-1 – Policies related to value chain workers

VERBUND has expressed its commitment to sustainable management in its mission statement. The VERBUND Code of Conduct and Supplier Code of Conduct stipulate that the Group’s suppliers and business partners must likewise uphold the Group’s quality standards and sustainability principles.

The Supplier Code of Conduct is the fundamental policy for the management of impacts on value chain workers, namely injuries on construction sites and any contributions to the deterioration of working and

environmental conditions in the upstream value chain, and is a component of all VERBUND tenders and contracts. Group procurement is responsible for central management and execution of the tender award process and for placing orders with suppliers. Minor purchases – in terms of monetary amount – may be ordered directly from decentralised offices, such as at power plant sites, whereby orders are generally placed in the online catalogue platform. Due to the unbundling provisions, the grid companies Austrian Power Grid AG and Gas Connect Austria GmbH have implemented independent procurement organisations with equivalent codes and guidelines for sustainable procurement. Ultimate responsibility for sustainable management lies with the Executive Board.

The Supplier Code of Conduct covers the workers of all direct suppliers, and also requires them to pass on responsibility to their suppliers. The Supplier Code of Conduct is publicly available on the VERBUND website. It covers ESG issues in line with ESRS, international human rights standards (e.g. the International Bill of Human Rights, the UN guiding principles on Business and Human Rights), and the OECD Guiding Principles. The Supplier Code of Conduct addresses issues such as climate change mitigation and adaptation, labour practices and the prohibition of discrimination, the use of conflict minerals, anti-corruption and grievance mechanisms. In terms of human rights, the Supplier Code of Conduct also contains provisions on forced labour and child labour. The Supplier Code of Conduct was extensively revised in 2024. Please consult section S2-4 for more information.

The Supplier Code of Conduct is based on international, European and national requirements, including the following in particular:

- the International Bill of Human Rights;
- the 17 global UN Sustainable Development Goals;
- the Ten Principles of the UN Global Compact;
- the OECD Guidelines for multinational companies;
- the standards of the International Labour Organization (ILO), such as the Declaration on Fundamental Principles and Rights at Work and Core Labour Standards;
- the EU Charter of Fundamental Rights;
- the UN Guiding Principles on Business and Human Rights; and
- the Austrian Code of Corporate Governance.

No issues of non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises have been reported to VERBUND, and the Group is not aware of any corresponding incidents. Details on procurement procedures and the organisational structure for procurement can be found in section G1.

Following the OECD Due Diligence Guidance for Responsible Business Conduct, VERBUND intends to provide remediation, if necessary, to improve negative impacts on value chain workers. The aim is to restore the situation of the affected people to what it would have been had the negative effect not occurred. It also involves compliance with laws and international directives on redress and, in the absence of corresponding rules, considering remedial measures equivalent to those granted in similar cases.

Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts

In order to avoid work-related accidents at VERBUND construction sites, each external contractor must be provided with instructions in the legally specified and internally prescribed manner, as established in an internal process. Contact partners from VERBUND, which may include the responsible work supervisor, project manager or on-site coordinator, provide briefings and instructions to work supervisors from external contractors with regard to specific local hazards, safety technology and organisational matters in the local language, which must then be confirmed by the external contractor. External contractors hired to work at VERBUND construction sites are required to demonstrably brief and instruct their employees, subcontractors, suppliers and visitors, on how to perform work in a safe manner and on the general, location-specific and union-specific employee protection and accident prevention regulations. Briefing and instructions are to be provided before work begins and before workers enter the work area.

In terms of safety, external contractors working at VERBUND facilities or at VERBUND construction sites are governed by either the Austrian (ASchG) or the German (ArbSchG) occupational health and safety acts or by the Act on the Coordination of Construction Works (*Bauarbeitenkoordinationsgesetz, BauKG*), in Austria, or the Regulation on Health and Safety at Construction Sites (*Baustellenverordnung, BaustellV*), in Germany. Compliance with all occupational safety provisions is monitored on an ongoing basis. Any work-related accidents suffered by a worker of an external contractor engaged by the Group must be reported to VERBUND immediately. The accident data are also captured, analysed and reported continuously in VERBUND's internal statistics. Operational responsibility for implementing the steps outlined above and for engaging non-employee workers lies with the respective project manager. These workers are engaged as required in relation to coordination and construction site meetings.

Disclosure Requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Various processes have been implemented to prevent work-related accidents involving external contractors and the consequent negative impacts on their health and ability to work. As part of the workplace evaluation and hazard assessment, external contractors are required to identify and assess the risks to workers' health and safety, and to define and document preventive measures. The identification and assessment of hazards must incorporate at-risk or vulnerable employees, which includes adolescents and pregnant women, and the suitability of employees in terms of constitution, physical strength, age and skills. Any required occupational health check-ups and aptitude tests must be undertaken.

All non-employee workers can submit safety suggestions, and report hazards and near misses confidentially to the respective safety officer or, subsequently, to the responsible employee representative. In accordance with the general employer obligations set out in the Occupational Health and Safety Act (ASchG), suitable measures must be taken and suitable instructions issued to enable all non-employee workers to cease their activities in the event of serious and imminent danger and to seek safety by leaving the workplace immediately. Non-employee workers are protected from reprisals due to the employer's legal duty of care.

Any deviations relevant to occupational safety that are identified and reported by an external contractor itself or by third parties must be recorded in problem reports and measures must be taken to remedy the situation. Work supervisors appointed by external contractors must report on the status of the remedial action during project/construction meetings.

In the event of an accident that impairs the health of a worker, the external contractor responsible for the non-employee worker is responsible for remedying the situation.

The effectiveness of the reporting system can be ensured through the submission of suggestions and hazard reports that document the use of the related tools and improvements in accident metrics.

The VERBUND whistleblower platform (see section G1) is also available as a channel for all value chain workers to anonymously report possible concerns and observations. Accordingly, the safeguards prescribed in the whistleblower protection directive therefore also apply to value chain workers.

Disclosure Requirement S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The following section outlines how negative impacts on value chain workers can be prevented and mitigated through concrete requirements and rules, supplier audits and the further development of ESG criteria in procurement. Notably, these are not one-off measures but instead recurring measures that are implemented on a continuous and annual basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. Details on the “best bidder” principle and supplier integrity checks can be found in section G1-2.

Due to the integration of the SCoC into supplier contracts, VERBUND suppliers are bound to behave responsibly and ethically. In supplier meetings VERBUND engages in dialogue with selected suppliers to identify risks and to build a mutual understanding of sustainability issues such as occupational safety, the environment, compliance or human rights. Suppliers are also required to submit sustainability assessments in the form of ESG ratings as part of tenders. In addition to the top A-suppliers, other strategic contractual partners were also included in the ESG rating analysis.

In order to further reduce the number of work-related accidents affecting external contractors on VERBUND construction sites, all external contractors must contractually adhere to the Health, Safety and Environmental Policy. This policy, which is binding for all deliveries and services, include additional safety requirements for contractors engaged in major projects and work involving particular hazards in order to promote accident prevention, especially at construction sites. In the event of non-compliance with or infringement of the provisions of the Health, Safety and Environmental Policy or statutory employee occupational safety provisions, a four-step escalation scenario comes into play. The first escalation step, verbal reprimand, can be given verbally for minor or first-time offences; in the event of repeated offences or an immediate need for action, written warnings may be issued as a second step. In the third escalation step, suspension of work, parts or all of the work may be suspended in the event of repeated infringements after prior warning, imminent danger or gross negligence, until the risk has been eliminated or action has been taken. In the event of deliberate or repeated grossly negligent violations, there is the fourth and final escalation step, an extraordinary right of withdrawal.

VERBUND develops its ESG criteria for procurement on an ongoing basis. For example, the Supplier Code of Conduct was revised in 2024, updated along the pillars of environmental, social, and governance pillars and supplemented with current topics, including those from ESRS. The hotspot analysis, which also analyses social issues relevant to value chain workers, was also updated. In addition, the Group's Procurement Excellence project defined sustainability criteria for different sourcing groups that are also related to human rights. VERBUND is keen to intensify its efforts along its value chain along with its positive impacts and is exploring the possibility of collaborating with industry associations such as Solar Power Europe with this objective in mind.

No cases of serious human rights violations or other incidents related to value chain workers were reported in the reporting period.

Metrics and targets

Disclosure Requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

VERBUND has not set itself any specific targets in relation to value chain workers. Accidents affecting non-employee workers, however, are an integral element of the overall LTIFR (quota for work-related accidents among VERBUND's own employees and non-employee workers) and, accordingly, of the We live Safety initiative, which has been ongoing since 2018. Please consult section S1-5 for more information on this topic. The current aim is to reduce the LTIFR to ≤ 5 by 2025, which can only be achieved by simultaneously improving the LTIFR among external contractors. Achieving this would also ensure the effectiveness of the policies and measures put in place, as reducing the LTIFR among external contractors involves fewer work-related accidents.

ESRS S3 Affected communities

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Topic-specific disclosures on the interests and viewpoints of affected communities can be found in ESRS 2 SBM-2.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

By adopting a forward-looking strategy, VERBUND has positioned itself as a pioneer with a focus on the major expansion of renewable energies and the development of market-ready storage technologies. The VERBUND business model is based on efficient generation of electricity through hydropower plants, wind farms and photovoltaic installations. These activities result in a number of direct and indirect impacts on affected communities. For VERBUND, this primarily includes those local groups and sections of the population directly or indirectly affected by the Group's operating activities and projects. Affected communities include, in particular, municipalities, landowners, land managers, fishing associations, and residents in the vicinity of power plant sites, power grids and other VERBUND infrastructure. These affected groups are referred to as local residents.

Work such as the construction and operation of facilities can cause noise, environmental changes and other impacts that affect the lives of local residents. Due to their direct proximity to the facilities and dependence on natural resources such as water and land, which could be affected by VERBUND activities, local residents are a core focus.

Another significant group of affected communities includes the general population and the industrial sector. VERBUND bears the crucial responsibility of guaranteeing a secure energy supply. Security of supply is essential for this group to maintain their daily private and economic livelihoods.

In addition, VERBUND is serious regarding its responsibility towards those communities potentially affected by the activities along its value chain. This includes towards communities that could be directly or indirectly affected by the extraction and disposal processes for resources such as metals and minerals used in the production of plant components and technical components, along with other purposes.

VERBUND has identified and assessed its actual and potential impacts, dependencies, risks and opportunities related to these affected communities (see ESRS 2 IRO-1). All sub-topics for the S3 standard Affected communities were analysed and discussed as part of the materiality assessment. The sub-topics “Communities’ economic, social and cultural rights” and “Communities’ civil and political rights” were identified as material. The sub-topic “Rights of indigenous peoples” was not found to be material, as VERBUND’s business activities have little to no influence on indigenous peoples.

Conflicts of interest and land-use conflicts in connection with the expansion of renewable energies represent the most material impacts VERBUND has on affected communities. For example, the construction and expansion of facilities can raise concerns among local communities about noise levels, obscured views, environmental impacts and space requirements. Another potential impact on affected communities is disruptions to supply. Technical disruptions or maintenance work on energy pipelines can adversely affect the everyday life of the local population and industry, both private and commercial, in an unforeseeable manner.

Public feedback, which is actively sought through dialogue formats such as citizen forums and open days, allows for the wishes and concerns of local residents to be adequately addressed. Prior, informed consent from local residents for new construction projects, for instance, can have a positive impact on all involved. This transparent and responsible behaviour promotes trust in communities, improves relations with affected communities and strengthens VERBUND’s reputation as a reliable partner.

Consideration of these impacts in the context of affected communities leads to the regular adaptation and fine-tuning of activities with the aim of minimising potential conflict and maximising positive impacts on the communities and all stakeholders to the greatest possible extent.

Impact, risk and opportunity management

Disclosure Requirement S3-1 – Policies related to affected communities

In all major projects, VERBUND considers its responsibility to society and the environment right from the start. Great importance is placed during all stages of planning and implementation on executing construction work with the utmost consideration and ensuring that the effects of plant operation on the environment are minimal. In all projects, a strong focus is placed on dialogue with citizens, beginning as early as the planning stage to avoid land-use conflicts and adequately take the concerns and wishes of local residents into consideration. Wherever possible, VERBUND seeks to leverage synergies in planning and execution to provide direct advantages for those affected (for example by improving local flood protection installations and through appropriate transportation infrastructure). This commitment to information and dialogue is also very consciously applied to measures with (in some cases exclusively) environmental relevance, including fish passes and bypass channels as well as LIFE projects. This is the reason why there are separate websites for larger projects. In addition, social media communication activities have been further stepped up and professionalised.

In addition to strictly adhering to the legal framework, VERBUND has defined its own directives regulating correct conduct with regard to affected communities.

VERBUND is guided in particular by the requirements of the OECD Due Diligence Guidance for Responsible Business Conduct. VERBUND is committed to a diligent human rights policy through its internal policy on respect for human rights, which encompasses all civil, political, economic, social and cultural affected communities. With the help of the Supplier Code of Conduct (SCoC) and the Code of Conduct, all employees, suppliers and business partners are urged to respect and uphold the rights of all affected communities, including indigenous peoples. Due to the unbundling provisions, the grid companies Austrian Power Grid AG and Gas Connect Austria GmbH have established independent integrated management systems in connection with affected communities, and prepared equivalent codes of conduct and directives.

Communicating with local residents

VERBUND and all its subsidiaries are subject to a standardised communication policy that sets out the quality of communication with all affected communities. This policy must be adhered to with respect to all investment and construction plans and projects implemented by VERBUND in Austria and abroad that impact the public, as well as in joint projects. The key aspect stipulated by the policy is taking the interests of affected communities into account by communicating on investment projects in a timely and transparent manner. The most important objectives of this policy include increasing project acceptance, minimising potential conflicts at an early stage, and continuously monitoring communication measures to ensure coordination with relevant stakeholders. Ultimate responsibility for communication with affected communities lies with the project manager who approves the communication measures, and the communication managers who coordinate their implementation. The interests of affected parties are taken into account through targeted analyses and feedback mechanisms.

The communication strategy in place at Austrian Power Grid AG aims to address target groups in a way that is tailored to their concerns and interests with the help of a 360-degree communication tool that ranges from newsletters and project websites to social media. The focus is on energy security, achieving climate and energy goals, and integrating new players into the energy system. By using modern social research methods and engaging in a direct dialogue with affected communities, Austrian Power Grid AG fosters the necessary acceptance of projects.

Gas Connect Austria GmbH acts with great care and sensitivity when carrying out projects or activities along pipelines and facilities that encroach on the habitats of local residents. The aim is to promote acceptance and awareness of the need to operate, maintain and adapt the gas infrastructure system in a way that promotes security of supply and a sustainable energy future among those affected. This is achieved through a wide range of communication channels and measures. Timely and open communication as well as dialogue events strengthen trust and help build a cooperative relationship.

Secure energy supply

One of VERBUND's key concerns is ensuring that the general population and industry enjoy a secure supply of electricity, which entails reliable, sustained electricity generation thereby preventing disruptions to supply. As an independent transmission system operator for electricity and VERBUND's grid subsidiary, Austrian Power Grid is responsible for energy security in Austria through a powerful, reliable high-voltage grid. The gas network of Gas Connect Austria GmbH enables VERBUND to make a significant contribution to providing a secure gas supply for Austria and the countries Germany, Slovakia,

Slovenia and Hungary. Security of supply is ensured by increasing the efficiency of existing sites, expanding sustainable electricity generation facilities, promoting forward-looking research and innovation projects, and ensuring that VERBUND installations maintain a high level of operational readiness. Accordingly, in addition to the officially prescribed regulations and statutory provisions, VERBUND has established its own standards for the operation of power plant and grid facilities, some of which go beyond the official requirements. VERBUND also complies with internationally coordinated standards for grid operation.

Disclosure Requirement S3-2 – Processes for engaging with affected communities about impacts

At VERBUND, affected communities are directly engaged with through various platforms. With respect to reaching out to concerned parties, the main communication channels and methods are as follows:

- citizen informational events;
- citizen forums;
- public relations activities;
- local project information centres, information fairs or information tours, as well as ombudsmen;
- presentation of the project on the VERBUND website; and
- project films, project newsletters, leaflets, or direct mail.

These measures are designed to gain insights into the views of affected parties and secure broad acceptance for the projects. The effectiveness of the participation processes is regularly reviewed and adjusted to ensure that the concerns and interests of the communities are adequately addressed and incorporated into the continuous improvement of operational processes. In each construction project, the communication measures and results are reported to the project client as part of a project steering committee.

The relevant internal experts, who maintain a direct or indirect line of contact with the local residents and other stakeholders, incorporate the views and concerns of these communities in the materiality assessment process. In this way, the views of affected communities on specific topics are accounted for in the process of identifying relevant impacts, risks and opportunities. Furthermore, a communication schedule is drawn up in good time before each project that covers all phases of the project (planning phase, environmental impact assessment, construction phase) and involves affected parties. The roadmap defines the identification of the affected parties, schedules, responsibilities and budgets for communication measures.

Points of contact at the project site are either the regional communications manager in charge of the project, or the project management, whose details can be found on all relevant media. Available information channels include personal contact, telephone, e-mail, letter, social media, project-related websites and corporate headquarters.

In all projects, a strong focus is placed on maintaining a dialogue with affected parties, beginning as early as the planning stage. Wherever possible, VERBUND seeks to leverage synergies in planning and execution to provide direct advantages for those affected (for example by improving local flood protection installations and through appropriate transportation infrastructure). Regular open days also give local residents a good opportunity to obtain information and to voice their views directly at the site.

Disclosure Requirement S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

In principle, the central communications department and, specifically, the respective regional communications manager and the deputy manager act as the general point of contact for all kinds of information, from tour requests to suggestions and complaints. Neighbouring property owners and interested parties may also visit VERBUND in person or get in touch by phone, e-mail or letter or through social media. Specific grievances against the sites are handled together with the department in charge of the project and power plant group management, if applicable, who define who will assume responsibility for contact going forward. Such contact may involve a written response from the communications manager or a conversation with operating department specialists. The central communications department decides on whether additional public relations work is needed (e.g. for complaints about limited opening hours for power plant crossings) and coordinates all activities.

National system protection plans are in place in the event of grid outages or supply disruptions that adversely affect regional supply security. They specify measures for controlling critical grid conditions and for preventing and limiting the related impacts.

The electronic whistleblower platform set up by VERBUND makes it easy to anonymously report concerns about perceived or suspected misconduct. The specific procedure and strategies for protecting individuals against retaliation are described in more detail in section G1.

To date, no actual impacts have been inflicted on affected communities in which additional remedies above and beyond statutory or governmental requirements were required. The procedures for remediating negative impacts are presented annually in the VERBUND Annual Report in order to inform affected communities of the options available to them for communicating their concerns or needs and to assess these options.

Disclosure Requirement S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

VERBUND continually strives to minimise negative impacts on affected communities and actively develop positive ones. The Group allocates targeted resources for this purpose. Notably, these are not one-off measures but instead recurring measures that are implemented on a continuous and annual basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. Relationships with VERBUND's stakeholders are planned and managed centrally by the holding company. Operational implementation of the measures is handled by the respective departments within VERBUND and by the VERBUND subsidiaries, or also jointly, depending on the affected groups in question.

The various dialogue platforms available, such as opening the doors of VERBUND power plants to interested visitors, targeted information sessions at the sites, and financial participation models for affected local residents, can have a positive impact on all stakeholders. At the same time, these platforms help to effectively counteract negative impacts by allowing potential issues and concerns to be raised and discussed in advance. The success of these measures is based on the experience of the internal experts, who maintain a direct line of contact with the local residents or are directly involved in the projects.

As a responsible power plant operator, VERBUND also introduces measures on a regular basis to ensure the safety of its facilities. These include crisis management training exercises on major damage situations such as flooding and earthquakes together with the regulatory authority at both local and state level, and

operational exercises with local fire departments at VERBUND sites, including extinguishing fires and evacuating the building. By maintaining close links to the local authorities and emergency services, quick action is guaranteed in the case of an emergency, as demonstrated by the floods in September 2024 in Lower Austria, first and foremost in Tullnerfeld. Thanks to collaboration with the local fire department, an important pumping station was protected from flooding.

Traditional dialogue platforms employed at VERBUND include an experience day for local residents, at which people from the area are able to gain insights into the project activities and discover a new day-trip destination on their own doorstep. This format also raises additional awareness of current issues, especially with regard to environmental projects. We therefore work with local partners to promote consideration, for example during bird breeding season. Rather than imposing bans and excluding people from the natural environment, the focus is on raising awareness of the sensitive ecosystem and the needs of flora and fauna.

These platforms can also be used to make affected communities aware of any conflicts of interest and find solutions. For example, solutions to address noise pollution from construction work (e.g. by delaying noisy work), or to reduce dust and dirt pollution by installing a truck wash facility, could be found as a remedy through direct interaction between project managers and residents.

VERBUND seeks to collaborate with other companies, local regulatory authorities and non-profit organisations wherever possible in order to develop solutions that benefit all parties involved. For example, VERBUND works closely with the local tourism boards on renovation projects in the vicinity of power plants in order to jointly optimise existing leisure facilities such as cycle paths, to develop new routes where necessary, or to plan diversions. When new facilities related to renewable energies are built, residents of the affected communities are given the exclusive opportunity to participate in the financial return of a facility through an investment product ("Climate Savings"), as is the case at the photovoltaic projects in Wallsee-Mitterkirchen, Güssing and Ladendorf.

The effectiveness of these measures is assessed on the basis of feedback from residents and other stakeholders through the various available platforms. If negative feedback on specific measures is identified, this is taken into account when evaluating the measure and the resulting optimisation.

In order to prevent negative impacts due to grid failures or a lack of electricity and natural gas supplies and to ensure supply security, grid capacities are being continuously expanded (e.g. 380 kV Salzburg line) and reacting to changed parameters, such as the war in Ukraine and the change in the gas flow direction (west-east instead of east-west), by reinforcing the west-east line with a new parallel pipeline (WAG Loop 1). Effectiveness is then determined by the occurrence, or non-occurrence, of grid outages. Should outages occur, immediate steps are taken to restore supply. First, a root cause analysis is carried out to determine subsequent measures required to restore supply. Corresponding measures may include repairs or rebuilding the grid on the basis of reconstruction plans.

Sustainability risks in the supply chain are identified and assessed through regular hotspot analyses. These analyses also consider information from recognised external sources, such as the Business and Human Rights Resource Center. Risk mitigation measures and processes are derived from the hotspot analyses and integrated into the regulatory system and into contracts with business partners. Grievance mechanisms and due diligence reviews are used to effectively counter negative impacts and ensure consistent compliance with human rights standards.

In the reporting period, there were no cases of serious human rights violations and no other incidents in connection with affected communities at VERBUND.

Metrics and targets

Disclosure Requirement S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

All measures and processes listed above aim to avoid potential negative impacts on affected communities and to minimise any impacts currently experienced. VERBUND wants to maintain and further improve the open dialogue and exchange with affected communities based on the principles of the Group policy that has been in force since 2011. The effectiveness of related measures is reflected in the successful implementation of various target group-specific dialogue platforms. No measurable outcome-oriented targets have been identified through these platforms.

ESRS S4 Consumers and end-users

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Topic-specific disclosures on the interests and views of consumers and end-users can be found in ESRS 2 SBM-2.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the materiality assessment (see ESRS 2 IRO-1), the topics “Information-related impacts for consumers and/or end-users” and “Social inclusion of consumers and end-users” were defined as material for VERBUND on the basis of their material impacts. These material impacts may potentially affect all VERBUND residential customers, and language barriers can affect non-German-speaking residential customers in particular. Any subsequent mention of customers refers exclusively to VERBUND residential customers. Possible negative impacts may arise from the loss of customer data, a lack of, or poor understandability and accessibility to Group information, barriers to concluding contracts, including language barriers, and misleading marketing promises can lead to dissatisfaction. Positive impacts concern, in particular, the strong accessibility of VERBUND services for residential customers with easily accessible grievance mechanisms, as well as support for low-income households through the VERBUND Electricity Relief Fund in collaboration with Caritas.

At VERBUND, there are a number of non-commodity products for residential customers, the proper use of which depends on customers receiving accurate and accessible information. Examples include the installation of photovoltaic systems and the installation of wall-mounted charging stations for electric vehicles by external assembly partners. No material impacts have been identified with respect to non-commodity products.

VERBUND has developed a solid understanding of which customers could be particularly affected by negative impacts through the collection and systematic evaluation of empirical data from everyday customer service as well as through the analysis of customer feedback and satisfaction surveys. For low-income households, higher electricity costs can pose a financial barrier. There is also a possibility that key

information regarding the use of products and services may be ambiguous, especially for non-German-speaking households and individuals. Negative impacts can primarily be attributed to one-off incidents or circumstances pertaining to individual customers (data protection, income, language) and are not systemic or widespread.

The following sections describe the policies, actions, metrics and targets VERBUND pursues in relation to its residential customers. They also feature a description of the channels available for interacting with customers, processes for active participation, measures to mitigate negative impacts, and how feedback channels are provided to customers and used. Furthermore, an explanation is provided on how initiated strategies and processes are to be monitored through metrics and refined in line with the topic-specific targets. VERBUND strives to communicate transparently and truthfully, and ensures the protection of its customers' privacy.

Impact, risk and opportunity management

Disclosure Requirement S4-1 – Policies related to consumers and end-users

The legal basis for engagement with residential customers by the VERBUND subsidiary responsible for corresponding interactions, namely VERBUND Energy4Customers GmbH, is industry-specific legislation, such as the Austrian Electricity Industry and Organisation Act (*Elektrizitätswirtschafts- und Organisationsgesetz*, ElWOG), the Electricity Labelling Ordinance (*Stromkennzeichnungsverordnung*, KenV), and the Consumer Protection Act (*Konsumentenschutzgesetz*, KSchG) and the General Data Protection Regulation (*Datenschutz-Grundverordnung*, GDPR). Communication also complies with the Austrian Ethics Council for Public Relations (*Ehrenkodex des Public Relations Verband Austria*, PRVA), the Code of Athens, the Media Transparency Act (*Medientransparenzgesetz*, MedKF-TG), and the Lobbying and Advocacy Transparency Act (*Lobbying- und Interessensvertretungs-Transparenz-Gesetz*, LobbyG). The VERBUND Code of Conduct provides a further important basis for customer relationships (see section G1-1). As a result, and with the Group's internal policy on human rights due diligence, human rights are also upheld in accordance with international human rights standards and the Ten Principles of the United Nations Global Compact (UNGC) in the dealings with all residential customers. No incidents related to human rights and customers were reported to VERBUND in the reporting period.

Customer feedback and satisfaction surveys are used to analyse customer engagement. Customers are informed about the policies in place in their contracts, invoices, e-mails and on the website. Senior management is primarily responsible for the policies cited above.

Loss of customer data and access to company information

From planning advertising campaigns to launching all advertising measures, the legal aspects of the Consumer Protection Act (KSchG) and the Data Protection Act (*Datenschutzgesetz*, DSG) are taken into account in order to avoid customer dissatisfaction, to protect their data, and to provide them with the best possible information about the Group's products and offerings. VERBUND provides related information on the VERBUND website, through ads placed on social media and in print media, through radio and television advertising, or by telephone if requested. E-mails and newsletters are also sent to existing customers.

Understandability of information

In addition, detailed discussion guidelines have been developed to ensure the quality and consistency of customer interactions. These guidelines provide clear guidance to customer service representatives on managing a range of customer situations, including escalation. They help to ensure consistent and customer-focused communication and to maintain a high level of satisfaction. In addition, all customer service employees, especially those in direct contact with customers, receive comprehensive training. Related training covers topics such as de-escalative behaviour, learning how to anticipate objection, non-discriminatory behaviour and respectful communication. As a result, all employees are prepared to treat customers with respect and in a professional manner. Customer interactions, especially telephone conversations, are evaluated and reviewed on an ongoing basis. This process helps ensure that training courses are conducted effectively and that the Group's guidelines on conduct with customers are followed.

Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts

VERBUND provides a wide range of communication channels and contact options to ensure that customers can access all relevant information. Contact takes place either through direct communication by telephone or e-mail, or by means of regular newsletters or current offers published on the VERBUND website. The EcoClub newsletter is sent out on a quarterly basis. Other newsletters, such as the Advent Calendar newsletter, the Hardship Fund newsletter, the Birthday newsletter, the Loyalty Bonus newsletter, and the Online Invoice newsletter are not sent out at fixed intervals. Instead, these newsletters are sent out ad hoc or as required to draw attention to specific events or special offers.

- Service centre and service line: VERBUND's freephone customer service number 800 210 210 provides a single point of contact for existing customers and potential new customers to ask questions and receive support. Every year, the service centre responds to over 400,000 telephone and written enquiries.
- Online platforms: the VERBUND website offers comprehensive information about the Group's product portfolio, price comparisons, the simple switching process, frequently asked questions, and specific services such as online invoices and managing customer account data.
- Other contact options: regular customer newsletters, VERBUND's social media presence, trade shows and media relations round off the communication strategy and offer additional ways to get in touch with customers and other stakeholders.

An external party also conducts a monthly customer satisfaction analysis, with contact taking place by e-mail. The feedback gathered and received from customers through the various channels is evaluated on a continuous basis. Engaging customers through the customer satisfaction analysis allows VERBUND to gauge general sentiment among customers and respond to their concerns in the further development and optimisation of processes.

Relationships with vulnerable groups (multilingual call centre, VERBUND Hardship Fund) are described in section S4-4.

Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

VERBUND has established various processes to ensure the effectiveness of communication channels and to mitigate negative impacts for consumers and end-users, such as poor accessibility and barriers to

information and offers as well as misleading marketing promises. To this end, VERBUND monitors the effectiveness of its communication channels through internal structures, with continuous monitoring of its telephone system, for example. In the event that the telephone system is affected by technical malfunctions, customers are notified by telephone announcement and informed of alternative communication channels such as e-mail or online forms. Ongoing monitoring ensures that any malfunctions are recognised early on and that communications are maintained through timely notification.

As a remedy for specific grievances, customers can contact the VERBUND hotline or send an e-mail. Their concerns will then be addressed in a targeted manner by trained personnel. A wide variety of options are employed to draw customers' attention to the available communication channels. Customers can find comprehensive information on the various customer service options on the VERBUND website. In addition, tips and contact details for the various channels are provided on invoices received by customers, ensuring their questions can be directed to the right addressee. Communication options are also outlined in specific customer letters, such as the welcome letter when a contract is signed or in newsletters.

VERBUND employs protective measures to ensure that customers trust the communication channels and that their information is secure. These steps include various authentication methods that vary by channel. When a call takes place, the identity of the customer is verified by consulting specific information such as the customer number or facility number. With e-mail communications, a check is made to verify whether the message comes from a registered e-mail account. If an e-mail is sent from an unregistered account, an additional check will be performed to ensure that no unauthorised access takes place.

In addition, analyses of customer enquiries and complaints received by the call centre and ticket systems provide valuable data that is used to optimise processes for an enhanced customer experience. If any problems are identified in these analyses, the corresponding information is forwarded to the responsible process manager. The process manager analyses the shortcomings identified and develops targeted optimisation approaches to improve processes and increase customer satisfaction. Once these optimisation proposals have been developed, they are passed on to the relevant departments or teams for implementation.

Negative feedback or unresolved concerns following a customer query are reviewed by specialist employees in order to produce appropriate remedies and to re-engage with the affected customers. Phone calls are analysed on an ongoing basis. If a call check determines that an agent has not satisfactorily solved a problem, the agent in question will then receive targeted training. These training sessions are designed to enhance the knowledge and skills of employees so that future customer enquiries can be handled more effectively.

Customers can voice their concerns and needs without fear of retaliation. The VERBUND whistleblower platform (see section G1-1) is available for customers to report any suspected cases of human rights violations or corruption.

As a final step and a final remedy, all customers have the option of contacting consumer protection organisations such as the Verein für Konsumenteninformation or legal regulatory authorities with their grievances and concerns, and thereby reach a suitable solution with their support.

Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

VERBUND ensures that any problems that could have a negative impact on residential customers are quickly identified and adequately resolved through systematic evaluation and its feedback systems. A decision board has been established to prioritise measures. As part of this process, experts meet twice a week to decide which measures should be implemented for residential customers and in which order. Measures are prioritised based on five key criteria, with assessments used to adjust decisions, while the final implementation and effectiveness of measures are monitored by management as well as through ongoing evaluation. The feasibility of measures is reviewed and their effectiveness assessed in relation to the intended objectives. The measures listed below are not one-off measures but instead recurring measures that form part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures.

Understandability of information

VERBUND customers are informed of any updates to their contracts in due time by e-mail or post and offered alternative solutions. The customers can accept the new contract in an online form or in writing. If they do not respond, customers are sent reminders and proactively contacted to ensure they remain informed and continue to receive electricity. If contracts with customers are subsequently terminated, they always have the option to conclude another contract in the future.

In cases where incorrect or incomplete data is encountered during registration, VERBUND proactively contacts the affected customers to obtain the required information and update it as necessary. This reduces the risk of inadvertent service discontinuation due to incomplete or incorrect information, for example with regard to the meter number, metering point name or address. Customer service also steps up contact in an effort to quickly resolve problems and ensure an uninterrupted electricity supply.

A structured reminder system ensures customers are issued with late payment reminders in several stages and, if necessary, dunning blocking or instalment payments are offered in order to avoid contractual terminations. This proactively supports customers. In addition to payment reminders and warnings, VERBUND offers assistance options such as the Hardship Fund. These support options are communicated in various customer letters and billing statements. Proactive reminder management ensures that customers receive the best possible support in order to avoid contract termination.

When available, VERBUND offers multilingual support at its call centre to overcome any language barriers and ensure that customers receive comprehensive support. This service is used as required and is not actively promoted.

In order to avoid ambiguous marketing promises, VERBUND relies on clear and transparent communication. The Group's website and various informational materials explain to customers which services and products are available and the related conditions. By doing this, VERBUND aims to ensure that all relevant information is easily accessible for customers. VERBUND's website provides detailed information on frequently asked questions (FAQs) about topics such as billing and payment, credit transfers, electricity costs and assistance with switching energy providers. If specific questions from customers are not answered in the FAQs on the website, customers can use an online form to obtain further information.

VERBUND raised electricity prices for existing customers in May 2022 and March 2023 due to higher market prices, which led to legal action against the Group by interest groups challenging the applicable

price adjustment mechanisms. Consequently, VERBUND entered into agreements with these agents, resulting in revisions to the disputed price adjustments.

As part of the price adjustment agreement concluded in May 2022, affected customers were able to register for the payout of a flat-rate credit (depending on consumption). At an average consumption of 3,300 kWh, the payout was around €90.

In the price adjustment agreement concluded in March 2023, a flat-rate credit of €20, €40, or €85, depending on consumption, was transferred to the bank accounts of affected customers.

Support for low-income households

The VERBUND Hardship Fund was established to help customers forced to contend with rising living costs and who were no longer able to pay their energy bills. The aim of the fund is to reduce or even fully offset existing claims, thereby providing tangible relief to the affected customers. VERBUND customers who are considered natural persons and consumers under the Consumer Protection Act are entitled to apply to the Hardship Fund. Applicants must receive at least one state benefit and must not exceed a gross income of €1,600 per month (plus €290 per child) in order to be eligible.

Protection of customer data

VERBUND takes the protection of customer data very seriously. The data protection guidelines were drawn up in accordance with the EU General Data Protection Regulation (GDPR) to ensure the secure processing, storage, and transfer of customer data. Related measures ensure that the personal and financial information of customers is handled in a secure and confidential manner. Employees receive regular training on the topic of data protection to promote the safe handling of sensitive data. (see section G1-1).

Metrics and targets

Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

VERBUND has defined targets and metrics to both promote positive impacts and manage material negative impacts. Customer opinions are incorporated into the targets through customer feedback. The metrics are not validated beyond the validation by the external quality assurance authority.

At present, the main target is to increase customer satisfaction through targeted measures and to minimise the number of complaints. The Customer Loyalty Index (CLI) is a robust metric that comprehensively measures satisfaction and has been reviewed by VERBUND for years. The CLI combines the key impact drivers for customer satisfaction – namely overall satisfaction, willingness to recommend VERBUND, trust, likelihood of renewing a contract, emotional connection, willingness to cross-sell – and weights their significance.

VERBUND aims to go above and beyond the market benchmark in this regard, and has done so every year since 2015 with the exception of the energy crisis, where this target was missed in 2022 and for 2023, when no survey was carried out. In 2024, household customers returned to the target CLI level of 70.9 (benchmark 70.1). In 2025 and over the coming years the CLI is also expected to rise to pre-crisis levels following upheaval from the energy crisis.

The following ongoing sub-targets can be used to measure customer service effectiveness and support the main target of achieving high customer satisfaction.

Written enquiries from existing customers and potential new customers must be answered within specified deadlines, with 80% of existing customers receiving a response within two days and potential new customers within one day. However, certain topic groups can be prioritised in this metric and process-related exceptions are possible.

In 2024, 51% of all written enquiries received were answered within the defined time periods. This metric has been measured for around 15 years and, on average, comes close to the defined target of 80%. Since the energy crisis in 2022, the level reached has been only around 50%.

Customer service efficiency is measured on the basis of metrics that specify the number of customer calls to be answered in less than 30 seconds. This ensures short waiting times and fast query processing.

Governance information

ESRS G1 Business conduct

ESRS 2 General Disclosures

The following principles apply to all policies listed in G1. The executive order establishing the compliance management system and the guidelines based on it are issued by the Executive Board. The Group Executive Board and the respective management at Group companies are responsible for upholding these requirements. Compliance officers have been appointed at all major Group companies to assist management. They ensure consistent compliance management in close coordination with the Chief Compliance Officer. Further development of the CMS is managed by the Chief Compliance Officer in cooperation with the compliance officers from the Group companies and the Compliance Committee. The Chief Compliance Officer reports to the CEO.

The Code of Conduct for Sustainable Business is drawn up by the CEO and enforced by the entire Executive Board. The code of conduct applies to all employees and top management across the Group and is also communicated to stakeholders on VERBUND's website.

The other Group Policies listed in the section on governance are drawn up under the leadership of the respective specialist department and enforced by the entire Executive Board. All rules and regulations are transparently available to employees to download and view on the intranet at any time.

Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG have implemented their own codes of conduct and regulations based on VERBUND guidelines in accordance with the circumstances required for their business activities.

Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies

In addition to all of the Group's employees, the administrative, management and supervisory bodies also play a key role in shaping the corporate culture. They have a decisive impact on corporate culture and promote it both by acting as role models and through appropriate rules and by enacting suitable measures. Information on the role of the administrative, management, and supervisory bodies can be found in the section entitled General information and ESRS 2.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Topic-specific disclosures for identifying and assessing business conduct-related material impacts, risks, and opportunities can be found in the ESRS 2 IRO-1.

Disclosure Requirement G1-1– Corporate culture and business conduct policies

This section explains the impacts, risks and opportunities with respect to the key governance issues of corporate culture, protection of whistleblowers and political engagement identified at VERBUND, and describes the associated policies, actions and, where available, metrics.

Material topic – corporate culture

As Austria's leading company in the transition to clean energy, VERBUND serves as a role model for many other companies and stakeholders. In its capacity as a publicly listed company with a high awareness of sustainability and compliance, adherence to the rules and guidelines and the implementation of the defined corporate values are given high priority at VERBUND. Even mere rumours of legal violations,

such as suspected acts of corruption or bribery, can cause a lot of damage. Related damage goes beyond possible penalties in connection with legal proceedings and may include a loss of reputation and a loss of trust among stakeholders. Violations of policies or the Code of Conduct can affect this trust, VERBUND's image, and thereby indirectly its enterprise value.

In response, VERBUND has focused its corporate culture on boosting awareness among all of its employees. The VERBUND corporate culture aims to establish a common culture of values among all stakeholders in order to sustainably safeguard the value of the Group on the capital market and promote its public image. Avoiding misconduct on the part of employees can improve trust among stakeholders with regard to the Group's business activities. To achieve this, a Group-wide compliance management system was implemented and further preventive measures have been established and continuously developed, including clear internal rules and regulations, appropriate training and information for employees and other stakeholders. In addition, the Group-wide whistleblower system goes above and beyond the legal requirements to promote an open culture when it comes to dealing with errors. This reporting system encourages employees and other VERBUND stakeholders to report suspicious circumstances. At the same time, it provides protection for whistleblowers from retaliations arising in relation to reported incidents, as well as protection for people affected by reported incidents.

A separate Group-wide compliance risk management system ensures that compliance risks are identified early on and appropriate countermeasures taken in good time. The tailored training programme conveys the material content to all employees and promotes a high level of awareness on topics relevant to VERBUND. In addition to teaching the content of the Code of Conduct and the whistleblower system, training also covers topics such as preventing corruption, financial market compliance, competition law, Dawn Raid and REMIT.

The Group-wide data protection management system provides the framework for the responsible handling of personal data. This essential topic is taught to all employees with relevant training conducted either online or in person. Reaching an adequate level of awareness among employees who work with personal data on a daily basis is crucial for mitigating the risk of violations of data protection regulations.

Detailed procurement requirements, including internal guidelines for the awarding of orders as well as the definition of corresponding general terms and conditions, help to prevent potential suppliers and business partners from engaging in anti-competitive conduct. Potential business partners above a defined size, or involving certain types of business relationships, (e.g. strategic partners, consultants) undergo a standardised business partner assessment, which involves upholding any sanctions requirements. This minimises the risk of entering into contractual relationships with risky business partners or undertakings on sanctions lists.

The Code of Conduct for Sustainable Business forms the basis of the corporate culture at VERBUND. Acting in accordance with this Code of Conduct and the principles and values enshrined therein is a top priority for VERBUND. The Code provides instructions and support for all employees on the fulfilment of all legal, contractual, ethical and voluntary internal requirements.

VERBUND reinforces the trust of its stakeholders by openly and transparently communicating its Code of Conduct to the outside world and business partners. The Code of Conduct is communicated within the Group to avoid any need to penalise employees or VERBUND for culpable misconduct.

VERBUND is subject to the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex*, ÖCGK, as amended in January 2023) and produces a Consolidated Corporate Governance Report on an annual basis. The report provides detailed information on how VERBUND complies with the rules and regulations set out in the ÖCGK.

All of these measures make it possible to minimise the risk of violations of the law, the potential risk of a loss of reputation or any threat of a reduction in the value of VERBUND on the capital market, and to avoid damage or penalties for employees and/or the Group.

Corporate culture policies

Compliance management system

Based on the requirements of capital market regulations, VERBUND launched a Group-wide compliance management system (CMS) back in 2002. Since then, this CMS has been continually refined and expanded using a risk-based approach. The scope of the CMS is defined in a separate executive order, which sets out the topics and principles of the CMS as well as the roles and functions of the Chief Compliance Officer, the compliance officers at the Group companies and the Compliance Committee.

Topics covered by the CMS include material topics that are not covered by specialised specialist departments in the Group and are relevant to all business areas.

- Preventing corruption, including business partners' compliance
- Financial market compliance
- Competition law
- Implementation of the Code of Conduct for Sustainable Business
- Compliance with the Austrian Code of Corporate Governance
- Implementation of and compliance with rules and regulations for reporting violations of the law (whistleblowing)

External regulations include relevant laws and regulations, in particular the Austrian Stock Exchange Act (*Börsengesetz*, BörsenG), the Austrian Criminal Code (*Strafgesetzbuch*, StGB), Austrian competition law, the EU Whistleblowing Directive in conjunction with national implementing laws and directly applicable European Union regulations, as well as other external norms and standards, such as the Austrian Code of Corporate Governance.

Compliance organisation at VERBUND

Chief Compliance Officer	Compliance Officers	Compliance Committee
Central point of contact within the Group for all compliance-related matters	At every major subsidiary	Group-wide representation (all compliance officers)
Reporting authority for compliance incidents, responsible for handling/processing compliance reports	Central point of contact for compliance-related issues at the respective company	Works with sustainability officer and workers' representatives
Reports to the Group Executive Board on activities and all compliance-related matters in the Group	Reporting authority for compliance incidents in the company	Regular meetings, analyses compliance risks, defines processes and reporting lines, coordinates training, etc.
He is not subject to instructions in his work	Report to the Chief Compliance Officer and the respective management	Main task: coordination and further development of the CMS within the Group

This compliance organisation makes it possible to communicate the relevant matters to all divisions and companies within the Group and to control and refine internal processes.

All controlled Group companies are included in the compliance organisation. Austrian Power Grid AG and Gas Connect Austria GmbH are registered in the compliance organisation but have implemented their own internal rules and regulations on compliance matters based on VERBUND guidelines due to the organisational unbundling. SMATRICS Limited & Co KG is included in the VERBUND CMS and has also implemented its own compliance guidelines in coordination with VERBUND.

The compliance management system is refined on an ongoing basis. This is achieved through an ongoing exchange of experience with experts and other companies as well as through external consultations and evaluations.

Code of Conduct for Sustainable Business

The Code of Conduct for Sustainable Business included in VERBUND's mission statement governs internal and external action and aims to uphold fair, transparent and sustainable business practices. It is implemented, refined and communicated through the CMS. Its content is defined by internal executive orders and Group guidelines, which are also issued by the Executive Board.

The content of the Code is based on the United Nations' 17 Sustainable Development Goals (SDGs) and the Ten Principles of the UN Global Compact. The main topics covered in the Code are human rights, labour standards, environmental protection and anti-corruption. The Code is divided into five sections: our ethical corporate governance, our commitment to the climate and the environment, our way of working, our economic responsibility and our commitment to society. Each of these sections is broken down into further sub-topics, such as compliance and transparency, sustainable supply chain, climate change commitment, and diversity and inclusion.

The Code of Conduct applies to all executives and employees, and to an equal extent in their dealings with colleagues, customers, suppliers, local residents and all other stakeholders. It applies at all controlled Group companies, with the exception of Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG. These companies have implemented their own codes of conduct.

Serious code of conduct violations can be reported using the Group-wide whistleblower system. (See information on the material topic of whistleblower protection provided in section G1.)

Group policy on corruption prevention

A Group policy on corruption prevention establishes guidelines for the acceptance or granting of benefits, handling conflicts of interest, fundamental rules for awarding contracts and donations, and for relations with business and contractual partners. Due to VERBUND's ownership structure, all employees are considered public officials within the meaning of anti-corruption law, which is why special attention is paid to the granting or acceptance of benefits. Obligations to obtain internal approvals, such as approval by supervisors, the Chief Compliance Officer or compliance officers in specific cases, and documentation requirements ensure the necessary transparency. Reports on suspected violations in connection with corruption and bribery can be submitted using VERBUND's whistleblower system. The policy was updated and modernised in the past financial year.

Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG have implemented their own directives based on the VERBUND policy.

Group policy on business partner compliance

Integrity and trust form the basis for cooperation with all business partners. VERBUND therefore commits not only itself but also its business partners to exercise fairness and transparency and incorporates them into its CMS. This counteracts the potential risk of anti-competitive behaviour before transactions are entered into and prevents contracts being signed with high-risk or sanctioned business partners.

The most important business partner compliance measures include standardised business partner integrity checks, which are implemented throughout the VERBUND Group. They are used to actively manage integrity risks. Aside from fulfilling legal requirements, VERBUND's primary aim is to safeguard the Group's reputation. The results of the analysis underpin the more extensive assessment of business partners. In our business partner integrity checks, we check in particular whether any partners are affected by sanctions and embargoes; country risks – which also include human rights risks – were also analysed from a compliance perspective in the reporting period. A Group policy sets out the principles and criteria for reviewing business partners, the model criteria to be applied and the internal processes and responsibilities for approvals. The value of the transaction in question is taken into account. Certain business partners are also subject to a review regardless of their contract value based on the nature of their business activities and/or geographic location (integrity check).

No contracts with business partners had to be terminated due to corruption-related breaches in 2024.

As part of M&A processes, VERBUND also addressed compliance and sustainability matters such as the requirements of potential business partners relating to environmental, social and human rights criteria in the reporting period.

Due to unbundling, corresponding integrity checks are not conducted at Austrian Power Grid AG and Gas Connect Austria GmbH. These two companies carry out their own business partner assessments according to their own requirements.

Group policy on competition law

VERBUND conducts itself fairly and in accordance with the law in its business transactions as a matter of course. VERBUND has made an express commitment to this in its Code of Conduct. In day-to-day business, employees also come into contact with other companies that compete with VERBUND or have a relationship with VERBUND as suppliers or consumers.

An internal policy helps top management and employees carry out their work for the Group in business transactions with other companies in a manner that is consistent with competition law.

Violations of competition law can have severe consequences for VERBUND, which may include high fines, recovery of proceeds from antitrust violations, nullity of contracts, liability to pay compensation to affected competitors and customers, as well as repercussions for employees themselves, including penalties and consequences under labour law. The mere suspicion of being involved in conduct in violation of competition law can have considerable consequences for an enterprise, including loss of image and reputation. The policy and tailored training within the Group not only counteract the risk of possible violations of the law and the risk of sanctions against the Group and its employees, but also any potential damage to the Group's image.

Austrian Power Grid AG and Gas Connect Austria GmbH have implemented their own directives on compliance with the provisions of competition law based on the VERBUND policy.

Group policy on financial market compliance

As a listed company, VERBUND AG is subject to the relevant European and Austrian capital market regulations. Based on these provisions, a Group policy governs the principles for handling insider-relevant information as well as the organisational measures to prevent the improper use or disclosure of inside information. The policy applies to all individuals who receive insider-relevant information about VERBUND and contains important details in particular with respect to the definition of areas of confidentiality, lock-up periods and trading bans as well as general definitions and measures in connection with insider-relevant information and inside information and the management thereof. Incorporating the topic in the Group-wide training programme has helped to foster the necessary awareness among employees. The aim is to avoid conflicts of interest and prevent insider trading through the proper and lawful conduct of all boards, employees, and persons who work with this information provided by VERBUND. The management teams of the major Group companies (including Austrian Power Grid AG and Gas Connect Austria GmbH) are included in the list of insiders at VERBUND AG and are therefore subject to a duty of confidentiality, a trading ban and lock-up periods. Austrian Power Grid AG is contractually obliged to comply with the financial market compliance policy and has set up its own internal organisational measures on issues related to financial market law.

Corporate culture actions and metrics

Compliance risk survey

A systematic, annual Group-wide compliance risk survey for the topics covered by the CMS gives insight into whether and in which business areas potential risks exist for VERBUND. Targeted measures are derived and implemented on the basis of these risk surveys. In the survey, risk owners can also report their own department-specific risks along with the specified risk areas. The results are discussed and necessary actions planned during an annual compliance meeting between the Chief Compliance Officer and the respective risk owners.

This approach to compliance risk management allows potential problem areas to be identified early on and the risks to be countered preventively through the implementation of appropriate measures. In turn, this prevents violations of the law and the ensuing consequential risks of reputational damage, loss of stakeholder trust and potential penalties. Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG are involved in the risk survey.

The results of the compliance risk survey are also incorporated into Group risk management and are used as input in the materiality assessment.

Compliance meetings

Standardised compliance meetings are held with all risk owners on an annual basis. The Chief Compliance Officer chairs these meetings together with the management and compliance officers from all major Group companies as well as with the heads of the holding company's divisions. At the meetings, each risk survey is discussed, any necessary measures defined and current compliance issues discussed. The results are recorded and the implementation of measures monitored. This approach promotes the continuous improvement of compliance within the individual companies and therefore within the Group. Compliance meetings are also held with Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG.

Training, consulting and provision of information

Training programmes and general informational events along with one-on-one consulting and briefings on specific matters from the Chief Compliance Officer and the compliance officers from Group companies play an important role at VERBUND. In order to further improve the Group's ability to handle compliance issues, a comprehensive training programme – which includes both on-site classes and online modules – has been implemented across the entire Group to deal with compliance regulations. In addition to general training, particularly for new employees and new managers, there are also special training courses on specific topics and for specific target groups and areas. The objective is to avoid compliance incidents anywhere in the Group.

The main focal points of these training courses in financial year 2024 were the general principles of compliance along with the Code of Conduct, financial market compliance and the prevention of corruption, and the whistleblower system. The Chief Compliance Officer held 14 training sessions in the reporting period (several of which as video conferences). In addition to VERBUND subsidiaries, the target groups for these sessions were individual holding company divisions as well as new employees and new executives. The compliance officers at the subsidiaries also held training sessions on compliance matters. The intranet-based e-training programme was once again a key pillar of the training programme in 2024. The compliance e-learning programme comprises courses on compliance basics, anti-corruption and financial market compliance and has now been integrated into the Group-wide Learning Management System (LMS), along with the related surveys.

All of the Group's top management as well as employees in key account management, trading, sales, purchasing, accounting, and payment transactions were identified as having functions-at-risk with respect to the risk of corruption and bribery within the Group. These individuals are required to complete the corresponding online surveys on an annual basis. Of the employees with functions-at-risk, 98% received training on anti-corruption.

Group companies in Spain, Italy and Romania held classroom training courses on compliance issues for new employees during the reporting period. In addition, training was provided to all employees on

the Group policy on corruption prevention. The companies in these countries are also included in the online training programme. Austrian Power Grid AG and Gas Connect Austria GmbH have established their own online training programmes on the compliance topics relevant to them.

The Chief Compliance Officer and the compliance officers of the Group companies provided information on correct conduct in person, by phone or by e-mail in response to the numerous queries received. The volume of enquiries demonstrates the high level of awareness of compliance matters among executives and employees.

Additional training and information measures related to corporate culture were also carried out in the context of the projects Mission V and KraftWert.

Mission V and KraftWert

At VERBUND, we view good corporate culture as the way in which we act and work together on a daily basis. Mission V, VERBUND's strategy on the transition to clean energy and the fight against climate change, is supported internally by the KraftWert project. The KraftWert project involves three pillars of good cooperation, referred to as the BlueCode, which are defined as determined, united and proactive. In addition, various measures were developed in the course of this project to make the values tangible for all employees and to incorporate them as fixed elements in the daily workflow.

Maintaining a positive corporate culture of integrity, transparency and ethical business practices is a high priority at VERBUND and serves as a strategic opportunity. Focusing on strong values and a clear code of conduct improves the morale, commitment and sense of purpose of employees within the Group. VERBUND's corporate values underscore the Group's stance as an employer, partner, competitor and as a driver of the transition to clean energy that assumes social responsibility. The Group's corporate values are continuously communicated to its employees as part of the aforementioned KraftWert communication project. This is supported through Group-wide workshops and communicating the corporate values in a Mission V workbook with practical tips and suggestions for collaboration.

Austrian Power Grid AG and Gas Connect Austria GmbH are not included in this project.

Data protection management system

VERBUND takes the implementation of the provisions of the EU General Data Protection Regulation (GDPR) very seriously. VERBUND operates a Group-wide data protection management system. The Group's certified Data Protection Officer plans, manages and coordinates all of the Group's data protection-related matters. The Group officer is supported in this by data protection officers at the individual companies together with the Group's own legal advisors. The level of protection is guaranteed through technical and organisational measures, recorded using TOM&PIA, the data protection database developed by VERBUND, and allocated to the respective processing operation, or several processing operations as required, using a risk-based approach. The more sensitive the personal data is, the greater the dangers and risks are to which the data are exposed, and the more serious any violations of the data subjects' personal rights are in the event of a data breach. Moreover, the higher the value of the data for the company is, the higher the level of protection that must be defined. The goal is to record all operating business processes and data processing in order to present the complete set of data protection-relevant facts and processing in a transparent and verifiable manner, in addition to incorporating overlap with the functions of compliance, IT security and internal audit.

Two subsidiaries and the companies in the unbundled segment each operate their own data protection management systems.

In financial year 2024, a total of 19 enquiries from data subjects were processed and responded to, compared with 28 enquiries in 2023. In the past financial year, one complaint was lodged with the Data Protection Authority, which was processed in accordance with the rules and did not result in any penalties for VERBUND.

Material topic – whistleblower protection

An important component of good corporate culture is a commitment to an open culture in dealing with errors. VERBUND is keen to identify any misconduct and undesirable developments at the earliest possible stage and to eliminate them moving forward. For this reason, it is very important that appropriate reporting channels are in place to allow employees to report undesirable developments or (suspected) violations, anonymously if required.

VERBUND has established a Group-wide and comprehensive whistleblower system for this purpose that goes above and beyond the legal requirements. As a result, it is possible to identify misconduct and undesirable practices in relation to a broad range of issues and to eliminate them for the future in order to prevent harm to employees or the Group, and to avoid penalties. VERBUND has an overriding interest in immediately investigating, investigating and taking measures to eliminate suspected incidents.

Maintaining the trust of the employee or person who reports a violation or suspects misconduct is a crucial factor when operating a whistleblower system. This trust is gained and strengthened by clear rules and regulations along with processes that determine how the reports are processed and how the investigation is to be conducted, and by protecting whistleblowers and people affected by the report. The laws implementing the EU Whistleblowing Directive expressly stipulate this protection for the persons concerned, on the basis of the EU requirements. VERBUND also ensures this protection for all reports that go beyond the statutory topics, unless they are wilful reports or reports of misconduct in which the whistleblower is culpably involved.

Whistleblower protection policies

The main aspects of VERBUND's whistleblower system are set out in the executive order for the CMS and outlined in detail in a work instruction based thereon. These rules and regulations, which can be downloaded and viewed by employees on the intranet at any time, define the permissible topics and available reporting channels, clear processes for handling and investigating tips, and the applicable protection of whistleblowers and affected parties. The Chief Compliance Officer and his team are responsible for operating the whistleblower system and coordinating the handling and investigation of reports. He is not bound by instructions in his work.

Reports on witnessed or suspected violations, abuses or misconduct can be submitted with regard to the following topics:

- Corruption, bribery, fraud, theft and other economic crimes
- Anti-competitive behaviour, market abuse
- Financial crime and capital market violations, such as insider trading
- Data protection
- Procurement and awarding of orders
- Environmental protection and safety
- Consumer protection

- Conflicts of interest
- HR-related issues in the case of violations of laws, especially discrimination, harassment and bullying
- Other serious violations of the VERBUND Code of Conduct
- Any other topics listed in Article 2 of the EU Whistleblowing Directive, including food law, radiation protection and product safety, and additional issues of the applicable national implementing laws.

Reports or tips can be submitted using the electronic whistleblower platform Integrityline. Integrityline is available on VERBUND's website for both employees and external stakeholders to submit reports. The platform ensures the required level of confidentiality in the reporting process and permits anonymous communication with the whistleblower through a secure mailbox within the platform that is inaccessible to third parties.

In addition to Integrityline, other internal channels are available for submitting reports to defined contact persons, including supervisors, management and appointees. In the event they receive a report, these individuals are personally instructed to contact the Chief Compliance Officer immediately and to determine the further course of action.

Appropriate processes and responsibilities are defined for each type and form of report. Depending on the topic and context within the Group, case handlers are appointed and the investigation is handled under the coordination of the Chief Compliance Officer. All reports are documented in the platform. In order to assess the situation, a case officer is appointed to oversee the investigation with the support of the Chief Compliance Officer. At every step of the process, it is ensured that reports received are promptly investigated in accordance with the defined principles.

The entire process of an investigation, from the receipt of a report to the implementation of any measures taken, is defined transparently in a separate process in the VERBUND process map.

As the Chief Compliance Officer is not bound to instructions and clear principles have been enshrined in VERBUND's rules and regulations, it is ensured that incoming reports are objectively examined and investigated. The number of people required to process reports received is determined on the basis of the topic in question, as set out in the corresponding guidelines. Each report is promptly reviewed and investigated in accordance with a defined procedure. Individuals from other Group units such as the Audit department are involved in case management on a case-by-case basis as required to investigate the report.

Whistleblower protection actions and metrics

Top management and compliance officers receive appropriate training on how to handle reports they receive as well as training on the protection of whistleblowers and affected parties. The "Short briefing for top management" sets out the initial steps to be taken after a report has been submitted and the particular confidentiality that must be respected. The individuals and/or case handlers involved in the investigation process receive extra training on the necessary protection of whistleblowers and affected parties directly prior to their involvement in the case, and are required to confirm that they have received corresponding training with a written declaration.

Information on the whistleblower system is communicated to employees through various communication initiatives. All compliance training courses conducted either in person or online include content on the system. (See Training, consulting and provision of information.)

Once an investigation has been completed, a final report is prepared, which summarises the outcome of the investigation and – depending on the circumstances – recommends appropriate actions. The report is then forwarded to the manager in charge of the case.

The whistleblower system covers all of the Group's companies with employees that are required to establish a corresponding system due to their employee head count. However, it also covers reports made to other Group companies and arranges for them to be investigated and clarified to the extent permitted by law. Austrian Power Grid AG and Gas Connect Austria GmbH have set up whistleblower systems in line with the requirements of their companies based on the VERBUND policy and in accordance with the legal requirements. A system that takes national legal requirements into account is to be set up for VERBUND Green Power Iberia.

No specific metrics have been defined for whistleblower protection; effectiveness is ensured through the processes listed above.

Material topic – political engagement

Advocacy is a key pillar of democratic processes and consequently of business conduct at VERBUND. Accordingly, corporate responsibility at VERBUND entails analysing energy, environmental, economic and social policy decisions and initiatives that affect VERBUND, and advocating the Group's own positions in decision-making processes. Through this engagement, VERBUND aims to help improve public debate on energy and climate policy issues. VERBUND's goal in this regard is to achieve greater acceptance of the transition to clean energy with respect to renewables expansion, climate change mitigation and the regulatory framework. Greater acceptance could consequently mitigate project-related risks and increase the likelihood of a smooth implementation process for expansion projects. (See the disclosures provided under ESRS G1-5 below.)

Political engagement policies

Principles for the responsible representation of interests and the interaction between the individual organisational units of VERBUND in relation to those principles are governed by the Group policy on the responsible advocacy of interests. In addition, a further Group policy specifies the organisations and bodies in which VERBUND is represented and the principles and documentation requirements that apply. Along with other decision-making bodies, the Group Executive Board decides whether to enter into and when to end memberships of Group-wide significance.

VERBUND has prepared a code of conduct for lobbying activities in accordance with the Austrian Lobbying and Advocacy Transparency Act (*Lobbying- und Interessenvertretungs-Transparenzgesetz, LobbyG*). The code governs dealings with stakeholders in Austria as well as at the European and international level, and sets out the principles for transparent and responsible lobbying activities. It is published on the Group's website.

Please consult General information and ESRS 2 for information on stakeholder management.

Political engagement actions and metrics

Advocacy of interests

VERBUND closely followed the developments and changes in the regulatory framework at EU level as well as in Austria again in 2024. The main developments in the regulatory framework in Germany were also monitored. 2024 was dominated by the European Parliament election and the Austrian election at

both the European and national level. At the European level, important outstanding packages of measures were adopted in the first half of 2024, including the reform of the EU electricity market design, the adoption of the gas market decarbonisation package, the Net Zero Industry Act, the Nature Restoration Law, and the EU Corporate Sustainability Due Diligence Directive (EU Supply Chain Directive). The Council of the European Union elections on 9 June 2024 led to a fragmented outcome that resulted in losses among the main political groups, such as the European People's Party (EPP) and the Socialist Group (S&D) in some cases. Parties critical of the EU gained influence. The newly-formed European Commission under Commission President Ursula von der Leyen clearly focused on the competitiveness of European industry in its work programme and announced that a clean industrial deal to complement the Green Deal from the previous legislative period would be presented in the first 100 days of its mandate. The new European Commission took office on 1 December 2024.

At the national level, the first half of 2024 was dominated entirely by the Federal Government's efforts to submit and conclude key legislative packages, such as the Electricity Act, the Renewable Energy Expansion Act and the Renewable Gases Act. However, the legislation could no longer be enacted. In the 2024 federal election, the Freedom Party of Austria (FPÖ) emerged as the largest party in the vote for the first time. The autumn of 2024 was characterised by exploratory talks and coalition negotiations between the Austrian People's Party (ÖVP), the Social Democratic Party of Austria (SPÖ), and NEOS (The New Austria and Liberal Forum).

External memberships and representation on boards and panels

Membership in and cooperation with associations and professional organisations are an important part of responsible advocacy work. VERBUND is therefore represented in numerous associations so as to optimally contribute its knowledge and integrate its interests as well as to acquire expertise of value in its ongoing activities. Focus is placed on European and national interest groups as well as on scientific organisations and professional associations. Factors such as transparency, clarity and responsibility are of particular importance in VERBUND's advocacy efforts. Any memberships held by VERBUND must therefore be consistent with the Group's mission statement and the principles of responsible representation of interests.

In order to ensure that processes for dealing with memberships and assigning representatives are uniform and clearly structured, the basic rules are set out in the form of an internal guideline, which is currently being revised in light of organisational changes. The guideline governs responsibilities for initiating, managing and terminating VERBUND's memberships and assigning representatives. For example, the Executive Board of VERBUND decides on the initiation and termination of memberships that are of significance to the entire Group and on the assignment of representatives to boards and panels of Group-wide importance. In addition, overall coordination and support for all of the Group's memberships are pooled in a single organisational unit. VERBUND works actively with the sector association Oesterreichs Energie, the Federation of Austrian Industries, the Austrian Economic Chambers, the Austrian Chamber of Labour and other interest groups and associations. At European level, VERBUND is in regular contact through the liaison office with the European Commission, the European Parliament and various European advocacy groups and associations working in the energy sector, particularly Eurelectric. VERBUND is also active in various working groups established by Hydrogen Europe, a hydrogen advocacy group located in Brussels.

The following principles must be observed when deciding on the initiation and termination of memberships:

- All memberships must be consistent with VERBUND's mission statement.
- The benefits to and interests of the Group are the crucial factors with regard to memberships. Personal interests must be set aside when deciding on a membership. For each membership, the specific added value for VERBUND must be demonstrated.
- Holding memberships in political parties or political activist organisations is not in accord with VERBUND's principles. Memberships in organisations that are closely affiliated with political parties must be considered on an individual basis in consultation with the compliance officer at VERBUND. VERBUND makes no financial donations to political parties, grass-roots political organisations or holders of political office.
- Explicit justification must be given if a personal rather than a corporate membership is taken out that is in the interest of the Group and is paid for by the Group.

VERBUND and the companies in the VERBUND Group are members of the following organisations, among others (excluding memberships of Austrian Power Grid AG and Gas Connect Austria GmbH):

- Oesterreichs Energie
- Bundesverband der Energie- und Wasserwirtschaft e.V. (German Association of Energy and Water Industries)
- Hydrogen Europe
- Energy Traders Europe (formerly European Federation of Energy Traders)
- Federation of Austrian Industries
- Austrian Water and Waste Management Association
- German Federal Association for Energy Storage Systems
- Austrian National Committee of the World Energy Council
- German Chamber of Commerce in Austria
- Global Reporting Initiative: Organizational Stakeholder 24
- respACT
- UN Global Compact ("Network Austria")
- Transparency International

VERBUND employees are also active in Eurelectric bodies based on a nomination by Oesterreichs Energie.

No specific metrics have been defined for political engagement; effectiveness is ensured through the processes listed above.

Disclosure Requirement G1-2 – Management of relationships with suppliers

Procurement management at VERBUND aims to ensure that contracts are awarded in accordance with the law and to avoid anti-competitive behaviour. Clear rules in the procurement process also make it possible to select the most competitive and best contractual partners while minimising procurement costs. Sustainable supplier management is one of the focus areas in procurement. VERBUND also sets

high economic, social and environmental standards in its supply chain. Attention is paid to this in our collaboration with suppliers and in our procurement processes.

Supplier management policies

At VERBUND, deliveries and services are procured on the basis of a standardised Group-wide system. Procurement at VERBUND is guided by rules for awarding contracts and several detailed work instructions based on an executive order that governs the basic principles of procurement at VERBUND. This approach also ensures that VERBUND maintains consistent behaviour and a uniform image toward suppliers. The executive order defines the procurement processes, regulates the Group's cooperation with requesters and sets forth the decentralised procurement powers. Guidelines for invitations to tenders and contract awards ensure compliance with legal regulations and internal competencies and requirements.

Another Group policy – the Payment Regulations – ensures standardised processing from the point an invoice is received and approved up to payment. This facilitates the rapid processing of payment runs, in turn ensuring compliance with the agreed payment and discount periods as well as deadlines for claiming tax benefits. It also ensures that monetary resources are used in a legal manner for their intended purpose. There is no separate policy in place for small and medium-sized enterprises.

Due to the integration of the Supplier Code of Conduct (SCoC) into supplier contracts, VERBUND suppliers are bound to behave responsibly and ethically. In supplier meetings VERBUND engages in dialogue with selected suppliers to identify risks and to build a mutual understanding of sustainability issues such as occupational safety, the environment, compliance or human rights. The SCoC and an explicit anti-corruption clause are included as part of the contract award procedure and the General Terms and Conditions.

In light of the applicable unbundling provisions, Gas Connect Austria GmbH and Austrian Power Grid AG have implemented their own policies on the topic of supplier management based on VERBUND policies.

Supplier management actions and metrics

VERBUND is working to further refine the sustainability assessment of its suppliers, which it has done since 2022 based on the ESG ratings of a rating agency. This will also indicate to suppliers areas in which there is potential for development and improvement with respect to sustainability matters in their supply chain. In addition to the top A-suppliers, other strategic contractual partners were also included in the ESG rating analysis.

VERBUND not only briefs all of its Board members and employees on anti-corruption strategies and measures internally but also provides information to all external stakeholders via its website. In addition, compliance and anti-corruption topics are communicated to suppliers over the electronic supplier portal and via the General Terms and Conditions of Purchase Orders. The Group's own Supplier Code of Conduct (SCoC) has also been in force since 2020. This formulates VERBUND's requirements for its contractors with respect to sustainability and compliance and, along with the General Terms and Conditions, is a binding part of all of the Group's orders in the procurement process. The SCoC was revised in 2024 due to the increasingly stringent regulatory framework regarding supply chain responsibilities enshrined in law in the CSRD, in the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*, LkSG), and, in the future, in the European Corporate Sustainability Due Diligence Directive (CSDDD). The VERBUND SCoC is divided into the topic areas environmental,

social and governance and is based on generally recognised international standards. It addresses topics from European Sustainability Reporting standards (ESRS), and takes into account the requirements of business partners and suppliers.

In tender processes, VERBUND suppliers are requested to provide information on awarded ESG ratings along with ESG activities and measures. In addition, they are asked to obtain an ESG rating from an external audit agency, if not already available. VERBUND also actively uses rating platforms to obtain more detailed ESG information on suppliers.

Several requests from business partners regarding the acceptance of their codes of conduct were submitted to VERBUND during the reporting period. The Compliance department reviewed the relevant requirements in each case.

Sustainability risks in the supply chain are identified and assessed through regular hotspot analyses. These analyses also consider information from recognised external sources, such as the Business and Human Rights Resource Center. Risk mitigation measures and processes were derived from the hotspot analysis and integrated into the regulatory system and into contracts with business partners. This hotspot analysis was updated in quarter 2/2024 to reflect the revised framework and outlook.

The Group-wide whistleblower system plays a key role in ensuring that due diligence requirements are met. Anonymous reports can also be easily and securely submitted over the VERBUND Integrityline by third parties, for example by employees of business partners. (See Material topic – whistleblower protection.)

Organisational allocation of procurement activity

Group procurement is responsible for central management and execution of the tender award process and for placing orders with suppliers. Minor purchases – in terms of monetary amount – may be ordered directly from decentralised offices, such as at power plant sites, whereby orders are generally placed in the online catalogue platform.

In light of the applicable unbundling provisions, Gas Connect Austria GmbH and Austrian Power Grid AG have implemented their own procurement management and internal policies on procurement and supplier management based on VERBUND policies.

The processes for procurement at Gas Connect Austria GmbH differ from those of the rest of the Group, which is why they are covered in greater detail below.

In its procurement processes, Gas Connect Austria GmbH adheres to an internal purchasing policy, guidelines on safety regulations, general order conditions, and a code of conduct, and awards contracts in accordance with the best bidder principle in line with the rest of the Group. At Gas Connect Austria GmbH, supplier performance is evaluated on the basis of an annual ABC analysis under the three pillars of technical, commercial and HSEQ using standardised questionnaires. In addition, suppliers may be required to undergo a comprehensive on-site supplier assessment over the course of one to two days. In the case of new suppliers – with the intention of establishing a longer business relationship – as well as major projects and framework agreements, a supplier assessment must be conducted prior to or shortly after the conclusion of an agreement. Gas Connect Austria GmbH also partnered with an external consultant to develop an appropriate format that has been in use for more than 15 years. It covers performance management, finance, management and organisation, external environment, compliance and health safety environment quality (HSEQ). NIS requirements and sustainability are integrated into the supplier assessment. Findings from the assessment are summarised in a report and form part of the supplier evaluation process.

Procurement processes

In addition to face-to-face contact with VERBUND employees in Purchasing, the electronic supplier portal on the VERBUND website contributes to the efficient processing of tenders and the awarding of contracts while taking sustainability matters into account. VERBUND takes part in the local and regional economy in the areas in which it maintains sites. The plant sites are combined into power plant groups responsible for on-site decision making, including decisions with far-reaching consequences. All tenders are processed in accordance with strict award criteria. Although no explicit provisions have been made for giving preferential treatment to local suppliers, experience shows that when major investments are made, some 30–70% of the added value comes from the nearby vicinity.

When placing orders for goods and awarding contracts for services, VERBUND endeavours to ensure that its suppliers and business partners adhere to VERBUND's objectives relating to the environment and society. VERBUND has expressed its commitment to sustainable management in its mission statement. The VERBUND Code of Conduct and Supplier Code of Conduct (SCoC) stipulate that the Group's suppliers and business partners must likewise observe the Group's quality standards and sustainability principles. Due to its position as an awardee of contracts, VERBUND is subject in defined areas to the provisions of the Austrian Federal Procurement Act (*Bundesvergabegesetz*, BVergG), which stipulates strict equal treatment of bidders (fairness) and transparency in tender procedures. The tenders received are preferably assessed in accordance with the best bidder principle, meaning that not only the price but also the quality and technical, legal and commercial aspects are considered along with sustainability criteria.

Selecting the best bidder entails taking a comprehensive view of costs over the entire product lifecycle (e.g. purchase price, cost effectiveness, ancillary and follow-up costs, training costs, maintenance costs and disposal costs in addition to considering technical, financial and legal aspects). To establish their suitability, suppliers must furnish evidence of both their ability to render the service in question and their authorisation to do so as part of the tendering process. When certain threshold levels are reached, VERBUND additionally performs "integrity checks" of suppliers prior to awarding a contract. The integrity check is carried out to ensure that all statutory requirements are met at both the EU and national levels and to safeguard VERBUND's good reputation. By performing integrity checks, VERBUND is fulfilling its corporate due diligence obligation to ensure that preventive measures are taken against financial crime, corruption and money laundering. Furthermore, to ensure compliance with the requirements of the Austrian Network and Information Systems Security Act (*Netz- und Informationssystemssicherheitsgesetz*, NISG), the suppliers are evaluated for certain projects with respect to their need for protection and a cyber risk rating is obtained.

No specific metrics have been defined for supplier management; effectiveness is ensured through the processes listed above.

Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

VERBUND's objective is to avoid any compliance incidents. Corruption prevention therefore plays a key role in the VERBUND compliance management system. The topic of corruption prevention was therefore once again the subject of extensive internal communication and training measures in financial year 2024. Among the functions-at-risk, 98% completed training on anti-corruption (e-training or in-person course).

When implementing the Anti-corruption Policy, the Chief Compliance Officer ensures strict compliance with the rules on giving and receiving benefits, gifts and invitations in particular. He monitors whether mandatory value limits and authorisations are being observed and whether the documentation

requirements are met. He is supported in this by the officers at the individual Group companies. In the reporting period, the Chief Compliance Officer approved participation in events in around 32 cases; in seven cases approval was denied.

The Group-wide whistleblower system makes it possible to report suspected cases of corruption and bribery. (Please consult “Material topic – whistleblower protection”.)

The Executive Board and Supervisory Board were briefed on corruption prevention in 2024, and the Group policy on corruption prevention was adopted by the Executive Board. The Chief Compliance Officer provided an update report on this issue, including in the Audit Committee. Apart from receiving reports on strategies and measures to combat corruption, the members of the Supervisory Board did not take part in any separate training in 2024. The new member of the Executive Board received training from the Chief Compliance Officer. The Group policy is communicated to all employees in the training programme (in-person and e-learning training) and is available on the intranet to consult at any time.

Disclosure Requirement G1-4 – Confirmed incidents of corruption or bribery

No incidents of corruption or bribery were identified in the reporting period, nor were any claims asserted against the Group or its employees as a result thereof. Accordingly, there were also no convictions and/or fines levied in connection with corruption or bribery offences.

Disclosure Requirement G1-5 – Political influence and lobbying activities

VERBUND’s lobbying activities are strictly based on the principles and guidelines described in the section entitled Material topic – political engagement and serve to support the implementation of the VERBUND strategy. Lobbying efforts are focussed on measures and activities to support the expansion of renewable energies and to position VERBUND as a player in the European hydrogen sector. Packages of measures related to the energy market (market design) as well as other packages of measures relevant to VERBUND’s business activities are also supported. The responsible member of the Executive Board directs and oversees these activities and provides information on this topic throughout the Executive Board and Supervisory Board.

In 2024, VERBUND supported the efforts of the European Union and the Republic of Austria to achieve climate neutrality. In line with this, measures from the Green Deal were closely monitored and supported in both the electricity and hydrogen sectors, as was the European Commission’s indicative proposal to achieve a 90% reduction in greenhouse gas emissions by 2040. VERBUND supports all measures that will accelerate the expansion of renewables and simplify approval processes. In addition, projects aimed at greater market integration along with promoting flexibility and storage in the electricity market are considered material. A massive expansion of the energy infrastructure is urgently required. With a view to ramping up a hydrogen economy, VERBUND supports all measures that promote and facilitate the expansion of green hydrogen production. Another focus is on establishing diversified import corridors for supplying the Central European economic area with green hydrogen. In principle, VERBUND advocates an integrated mindset with regard to energy, climate and regional economic policies, and supports an integrated European internal energy market.

VERBUND is actively involved in consultations on the above topics at EU level and on a national level in Austria and in Germany. With regard to consultations, permission to publish information on contributions is provided by the consulting institutions, if requested. VERBUND participates in stakeholder roundtables, conferences and hearings on the aforementioned topics when circumstances require. Furthermore, VERBUND also prepares position papers on the aforementioned topics as required.

VERBUND actively participates in subject-specific meetings, conferences and events on the aforementioned topics on a regular basis. Lobbying and communication activities at VERBUND include VERBUND platforms such as the Inspire event series (Inspire Energy Talk in Vienna, Inspire Energy Club in Munich and Berlin, Inspire Talk in Brussels). VERBUND also organises EU energy forums to which external presenters are invited to discuss select current topics at a specialist level.

VERBUND organises and is involved in a number of different platforms. Launched by VERBUND and counting companies from across the hydrogen value chain among its members, the Hydrogen Import Alliance Austria pursues the goal of importing green hydrogen into Central Europe (www.hiaa.eu). At EU level, VERBUND is part of the EU Hydropower Alliance, which promotes the interests of hydropower. Regular discussions are held at CEO level and at the working level with environmental organisations to foster an ongoing dialogue.

VERBUND AG and subsidiaries of VERBUND AG are registered in the following transparency registers:

- European Union Transparency Register: VERBUND AG, register ID number 09571422185-81
- The Austrian Lobbying and Advocacy Register: VERBUND AG, register ID number LIVR-00145
- The Lobbying Register of the German Bundestag: VERBUND AG, register ID number R005807

VERBUND does not make any direct or indirect political donations, either financially or in the form of in-kind contributions. None of the members of the Executive Board or the Supervisory Board appointed in the reporting period held a similar position in public administration (including regulatory authorities) in the two years prior to their appointment.

Disclosure Requirement G1-6 – Payment practices

VERBUND is committed to observing fair business practices and acts accordingly in its relationships with its suppliers.

The standard payment terms of VERBUND, which are set out in the General Terms and Conditions, stipulate net 30 payment terms across the board for all supplier categories, including SMEs. In the past financial year, these standard payment terms were applied to 54% of orders placed.

The average time taken by VERBUND to settle an invoice from commencement of the contractual or legal payment period is based on the payment periods agreed with individual suppliers. These periods range from payable immediately upon receipt of the invoice to extended payment terms. VERBUND endeavours to act in a cost-effective manner at all times. Where possible, VERBUND seeks to pay invoices within discount periods to reduce the invoice amount. Otherwise, invoices are paid when due. The average payment period during which VERBUND issues payments after the date on which an invoice was issued is 16.17 days. The calculation of the average payment term is based on all invoices received and paid in 2024 relating to trade payables of major Group companies that are incorporated into the VERBUND payment system (ERP system). Due to unbundling, Austrian Power Grid AG and Gas Connect Austria GmbH are not included among these companies.

As of 31 December 2024, there were no pending legal proceedings concerning late payment claims. At VERBUND, separate payment practices are not employed for small and medium-sized enterprises.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 31 December 2024 and authorisation for issue on 19 February 2025.

Vienna, 19 February 2025

The Executive Board



Michael Strugl
Chairman of the Executive Board
of VERBUND AG



Peter F. Kollmann
CFO, Vice Chairman of the
Executive Board of VERBUND AG



Achim Kaspar
Member of the Executive Board
of VERBUND AG



Susanna Zapreva-Hennerbichler
Member of the Executive Board
of VERBUND AG

Independent auditor's assurance

Independent auditor's limited assurance report on the consolidated non-financial statement for 2024¹

We have performed a limited assurance engagement on the consolidated non-financial statement included in the group non-financial statement section of the group management report of VERBUND AG for the fiscal year ended 31 December 2024.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement included in the group non-financial statement section of the group management report is not prepared, in all material respects, in accordance with the legal requirements of Sec. 267a UGB ["Unternehmensgesetzbuch": Austrian Company Code], including

- Compliance with the legal reporting requirements pursuant to Art. 8 of Regulation (EU) 2020/852 ("EU Taxonomy Regulation") as well as
- Compliance with the standards applicable to consolidated non-financial statements (European Sustainability Reporting Standards, "ESRS"),
- The consistency of the process to identify information required to be reported under ESRS ("materiality assessment process") with the Company's description in the disclosure IRO-1 in accordance with ESRS 2.

Basis for conclusion

We conducted our limited assurance engagement in accordance with the generally accepted standards for other assurance engagements as applied in Austria and supplementary opinions as well as with International Standard on Assurance Engagements (ISAE) 3000 (Revised), which is applicable to such engagements. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under these requirements and standards are further described in the "Responsibilities of the auditor of the consolidated non-financial statement" section of our assurance report.

¹ Attention: This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.

We are independent of the Group VERBUND AG in accordance with the requirements of Austrian commercial and professional law, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm operates a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we obtained by the date of our assurance report is sufficient and appropriate to provide a basis for our conclusion on this date.

Other information

Management is responsible for the other information. The other information comprises all the information included in the consolidated annual financial statements and in the group management report and Integrated Report 2024, but does not include the consolidated non-financial statement and our assurance report thereon.

Our conclusion on the consolidated non-financial statement does not cover this other information and we do not express any form of assurance conclusion thereon. In connection with our assurance engagement on the consolidated non-financial statement, our responsibility is to read this other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated non-financial statement or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management, the supervisory board and audit committee

Management is responsible for designing and implementing a materiality assessment process and describing this process in the disclosure IRO-1 in accordance with ESRS 2. These responsibilities include:

- Obtaining an understanding of the environment in which VERBUND AG's activities and business relationships take place and obtaining an understanding of the affected stakeholders;
- Identifying actual and potential (both negative and positive) impacts related to sustainability matters as well as risks and opportunities that affect or could reasonably be expected to affect VERBUND AG's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term;
- Assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate estimates and thresholds; and
- Making assumptions and estimates that are appropriate in the circumstances.

Management is also responsible for the preparation of consolidated non-financial statement that includes all information identified by the process in accordance with the applicable requirements and standards, including:

- Compliance with the requirements of Sec. 267a UGB and
- Inclusion of disclosures in the consolidated non-financial statement in accordance with the EU Taxonomy Regulation as well as
- Compliance with ESRS.

These responsibilities also include:

- Designing, implementing and maintaining such internal control as management determines is relevant to enable the preparation of a consolidated non-financial statement that is free from material misstatement, whether due to fraud or error; and
- Selecting and applying appropriate methods for a consolidated non-financial statement well as making assumptions and estimates about certain sustainability disclosures that are appropriate in the circumstances.

The supervisory board/audit committee is responsible for overseeing the process to assess materiality and prepare the consolidated non-financial statement..

Inherent limitations in preparing the consolidated non-financial statement

When reporting on forward-looking information, VERBUND AG is required to prepare such forward-looking information on the basis of disclosed assumptions about events that could occur in the future and possible future actions by the Company. The actual outcome is likely to differ, as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Undefined legal terms may be interpreted differently, also with regard to the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibilities of the auditor of the consolidated non-financial statement

Our objectives are to plan and perform an assurance engagement to obtain limited assurance about whether the consolidated non-financial statement in accordance with the requirements of Sec. 267a UGB, the reporting in accordance with the EU Taxonomy Regulation and the reporting in accordance with the requirements of ESRS, including the materiality assessment process, is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated non-financial statement.

We exercise professional judgment and maintain professional scepticism throughout the engagement.

Our responsibility for the assurance engagement on the consolidated non-financial statement with regard to the materiality assessment process encompasses:

- Performing risk-based procedures, including obtaining an understanding of internal control relevant to the engagement, to identify risks that cause the process to not comply with the applicable requirements of ESRS, but not for the purpose of providing a conclusion on the effectiveness of that process, and
- Designing and performing procedures to assess whether the process is consistent with the Company's description in the disclosure IRO-1 in accordance with ESRS 2.

Our other responsibilities in relation to the reasonable assurance engagement on the consolidated non-financial statement include

- Performing risk-based procedures, including obtaining an understanding of internal control relevant to the engagement, to identify representations that are more likely to be materially misstated, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control; and
- Designing and performing procedures responsive to disclosures in the consolidated non-financial statement where material misstatements are more likely. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated non-financial statement.

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures in the consolidated non-financial statement that could be materially misstated, whether due to fraud or error.

In conducting our limited assurance engagement in relation to the materiality assessment process,

- We obtain an understanding of the process by
 - Making inquiries to understand the sources of information used by management (e.g. stakeholder engagement, business plans and strategy documents); and
 - Reviewing the Company's internal process documentation.
- We assess whether the evidence obtained from our procedures on the processes implemented by the Company is consistent with the description in the disclosure IRO-1 in accordance with ESRS 2.
- We assess whether all information obtained through the process to determine the group non-financial statement has been included in the consolidated non-financial statement.

In conducting our limited assurance engagement on the consolidated non-financial statement,

- We assess whether the structure and presentation of the consolidated non-financial statement is in accordance with ESRS.
- We make inquiries of relevant personnel and perform analytical procedures regarding selected disclosures in the consolidated non-financial statement.
- We perform procedures on a test basis on selected disclosures in the consolidated non-financial statement.
- We reconcile selected disclosures in the consolidated non-financial with the corresponding disclosures in the consolidated financial statements and the other sections of the group management report.
- We obtain evidence about the methods presented to develop estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and to prepare the corresponding disclosures in the consolidated non-financial statement.
- Conducting a site visit to obtain evidence on key performance indicators. In addition, we conduct random data checks at site level with regard to completeness, reliability, accuracy and timeliness.
- The coordination and monitoring of the work of the component inspectors of Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH by means of work instructions.
- We obtain evidence on the methods presented to develop estimates and forward-looking information.
- We assess whether the requirements for the disclosures incorporated by reference in the group non-financial statement (references to disclosures in accordance with ESRS 2 GOV-1 and ESRS 2 GOV-2 in the consolidated Corporate Governance Report of VERBUND AG) fulfil the conditions of ESRS 1.
- We assess whether the requirements of Section 267a UGB have been adequately addressed.
- Issuance of a CDP Verification Letter that meets the requirements of the CDP Climate Change 2025 Scoring Methodology.

Delimitation of the scope of services:

- Prior-year figures were not in scope of our assurance procedures unless this was necessary for plausibility checks.
- Figures taken from external studies were not in scope of our assurance procedures. Only the correct inclusion of the relevant information and data in the consolidated financial statements was checked.
- The financial performance indicators and statements audited as part of the audit of the annual or consolidated financial statements, as well as information from the corporate governance report and risk reporting, were not subjected to any further assurance by us.

Limitation of liability and publication

The limited assurance engagement on the consolidated non-financial statement is a voluntary assurance engagement.

We issue this assurance report on the basis of the engagement agreement signed with the client, which is governed, also in relation to third parties, by the attached General Conditions of Contract for the Public Accounting Professions [“Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe”: AAB 2018].

With regard to our responsibility and liability arising from the engagement, Item 7 of the AAB 2018 applies. We shall only be liable in cases of wilful intent and gross negligence. In cases of gross negligence, our maximum liability for damages shall be tenfold the minimum insurance sum of the professional liability insurance according to Sec. 11 WTBG [“Wirtschaftstreuhandberufsgesetz”: Austrian Public Accounting Professions Act] 2017, i.e. a total of EUR 726,730. The limitation period shall be determined in accordance with Item 7 (4) of the AAB 2018.

Our report on the assurance engagement may only be distributed to third parties in complete and unabridged form together with the consolidated non-financial reporting included in the non-financial reporting section of the group management report. Since our report is prepared solely on behalf of and in the interest of the company, it does not serve as a basis for any potential reliance by third parties on its content. Therefore, claims by third parties cannot be derived from it.

Vienna, 19 February 2025

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Rosemarie König
Wirtschaftsprüferin

ppa. Susanna Gross, MA
Wirtschaftsprüferin