

Integrated Reporting at E.ON

20th March 2024

e.on Deloitte.



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1. Overview:
Integrated Reporting =
Integrated Thinking +
Integrated Report

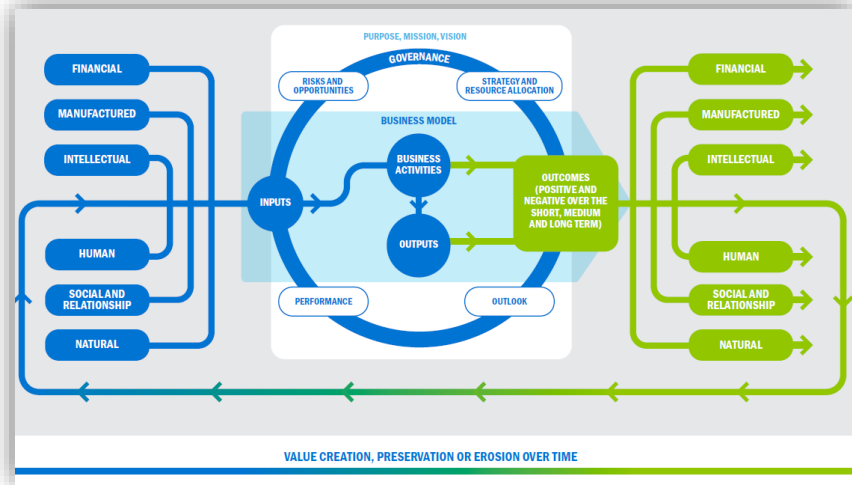
Value created, preserved or eroded for E.ON and its investors is inextricably linked to stakeholders, society and the environment



Integrated Reporting is ...

- more than a **combination of information in one report**: wholistic communication, enhancing accountability, stewardship and trust
- focusing on the **most relevant information** and providing investors and users of report with more **holistic view**
- **future orientated**: short, medium and long term
- Enhancement of the understanding of value-driving factors and interrelationships as well as stewardship in using them in a value-creating way over a long time horizon (“**integrated thinking**”)
- demonstrating **robust integrated thinking** of the organization, and **not a yearly one-off-event** aimed at disclosing information externally
- improving **internal decision-making** through building a deeper understanding of resources and relationships that are critical to long-term success

Recommendations of <IR> Framework fit GAS 20 requirements and support the development of an Integrated Annual Report



Storyline for an Integrated Annual Report

- **What does the organization do** and what are the **circumstances** under which it operates?
- How does the organization's **governance** structure support its ability to create value in the short, medium and long term?
- What is the organization's **business model**?
- What are the specific **risks and opportunities** that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?
- **Where does the organization want to go** and how does it intend to get there?
- To what extent has the organization **achieved** its **strategic objectives** for the period and what are its **outcomes** in terms of effects on the capitals?
- What **challenges and uncertainties** is the organization likely to encounter in pursuing its strategy, and what are the potential **implications** for its business model and future performance?
- How does the organization **determine what matters** to include in the Integrated Annual Report and how are such matters quantified or evaluated?

Sustainability information can be published in different ways – revised CSRD requires combined and/or integrated reporting



Separate Non-Financial Report

Publication of **Sustainability Report / separate Non-Financial Report outside** the Management Report.



Combined Report

Publication of the Sustainability Report / Non-Financial Report in a **separate section within the Management Report** or in the **Annual Report's image section**.



Integrated and combined Reporting

Sustainability information / Non-Financial Statement are **partially integrated** in various places **and/ or published in a separate section** within the **Management Report**.



Integrated Report

Sustainability information / Non-Financial Statement are **(fully) integrated** in various places within the **Management Report**.



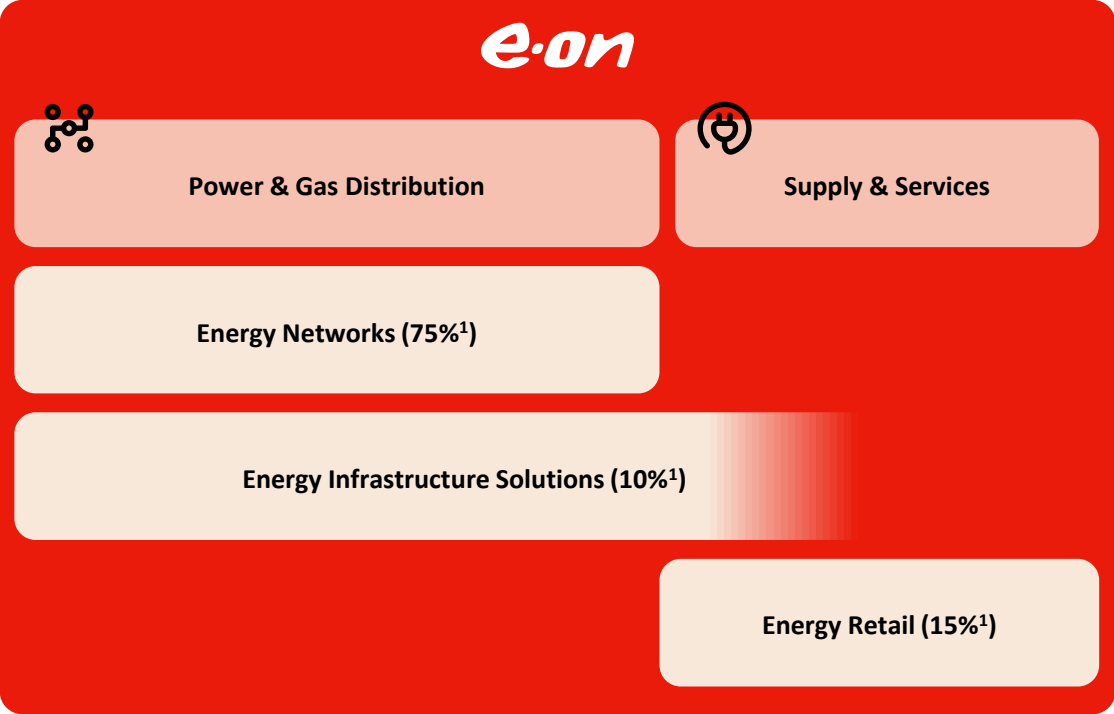
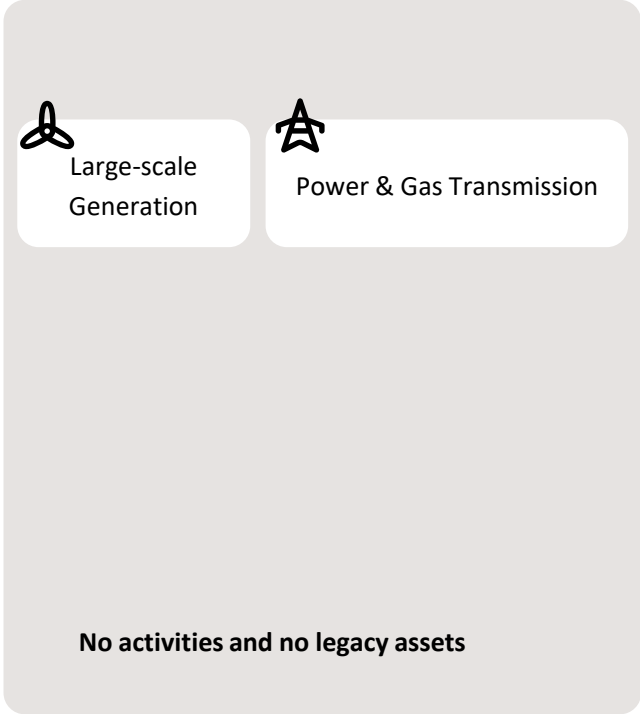
Integrated Reporting

Integrated Reporting = Integrated Thinking + Integrated Report.



2. E.ONs Motivation for <IR>

We are uniquely positioned across the utility value chain focusing on electricity distribution and clean energy infrastructure



1. Illustrative average EBITDA share of total Group EBITDA over 2024-2028 plan

We are the playmaker of the green energy transition in Europe



Energy Networks

We operate the largest energy distribution grid in Europe being the backbone of the green energy transition and the most critical infrastructure for society

Top-3 markets

Regulated asset base¹

- Germany: € 25.6bn
- Sweden: € 6.4bn
- Czech Republic: € 2.6bn



Energy Infrastructure Solutions

Industries and cities face major energy supply challenges on their way to climate neutrality. We provide infrastructure solutions to support their decarbonization

Top-3 markets

Adj. EBITDA²

- Germany: € 0.15bn
- UK: € 0.16bn
- Sweden: € 0.15bn



Energy Retail

We are helping millions of private households and enterprises on their individual green pathway to a net-zero future, providing energy to 47m customers²

Top-3 markets³

Customers/electricity market share²

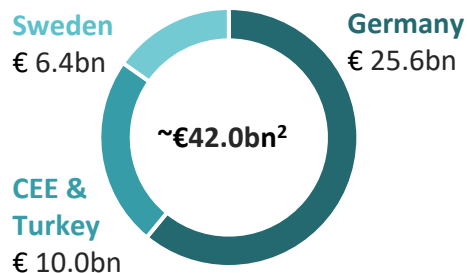
- Germany: 14m (25%)
- UK: 9m (18%)
- Netherlands: 4m (24%)



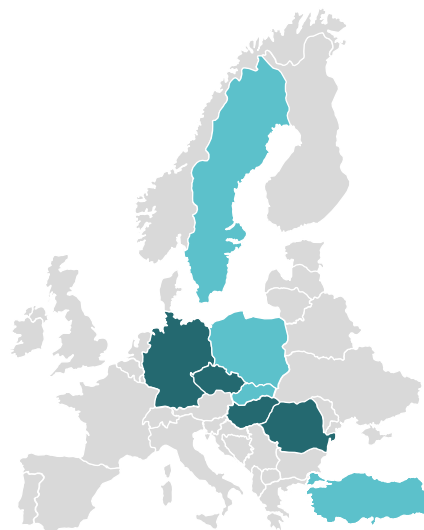
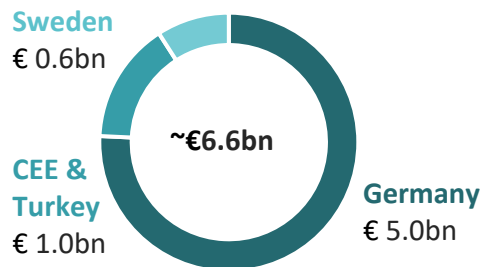
1. Total regulated asset base (power and gas) as per 31-Dec-2023 2. As per 31-Dec-2023 3. Excluding equity participations Turkey & Slovakia

Energy Networks — Overview

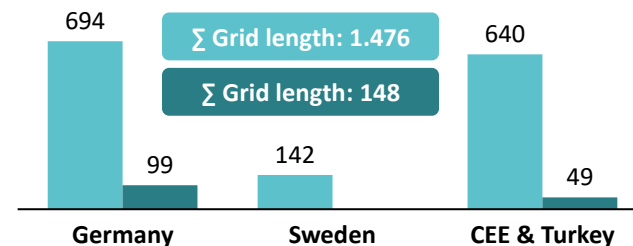
Regulated Asset Base 2023^{1,2}



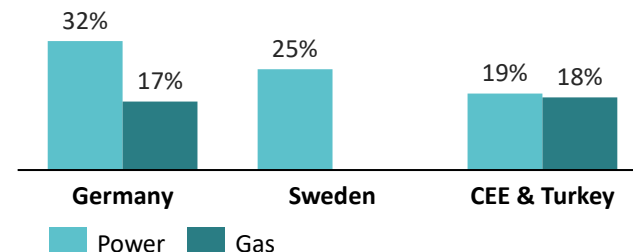
EBITDA⁴ 2023



Grid length ('000 km)³

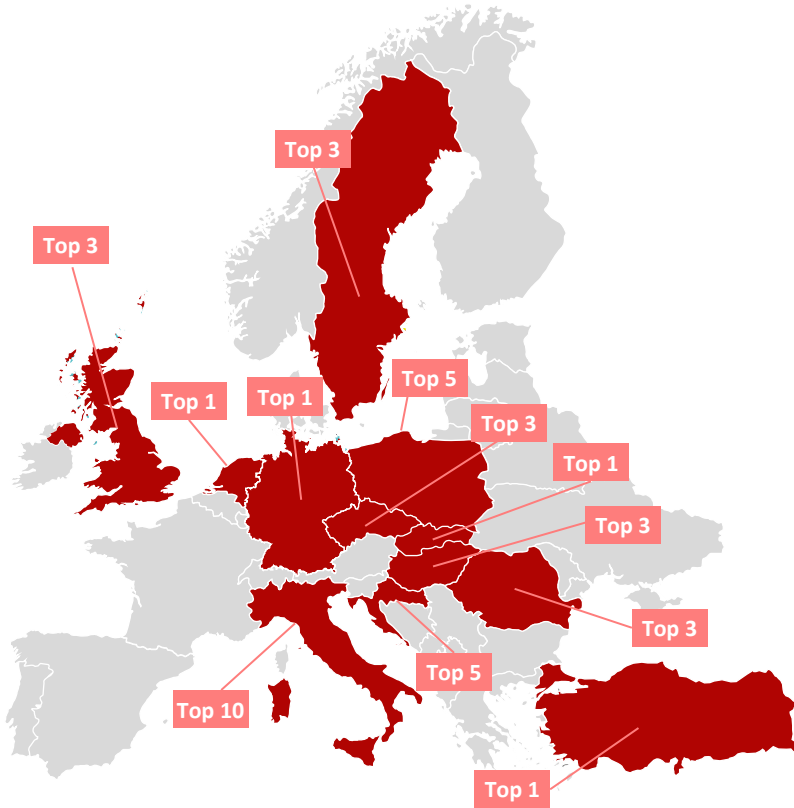


Market share (%)⁵

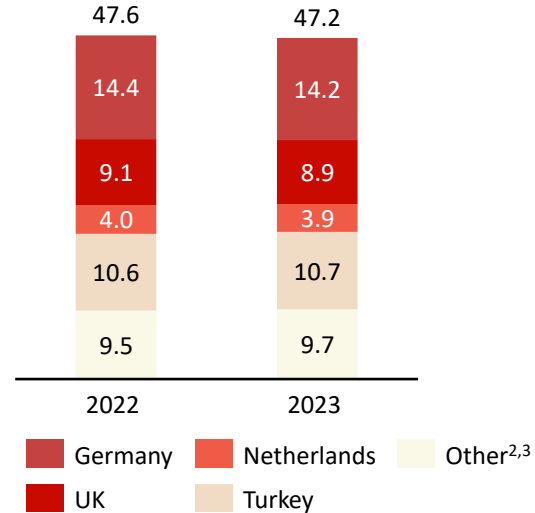


1. In general, RABs from different regulatory regimes are not directly comparable due to significant methodical differences. 2. Thereof ~€2.8bn from at equity participations Slovakia (ZSE) and Turkey (Enerjisa Enerji) included at 100%. 3. Differences may occur due to rounding. 4. Adjusted for non-operating effects, Turkey (Enerjisa Enerji) and Slovakia (ZSE) included as an at equity participation (i.e. with net income result). 5. Based on km grid length.

E.ON's market position in Energy Retail



Customer accounts^{1,2,4}
million



1. Including at-equity participations. 2. Customer base adjusted in 2021 due to USP divestment (-2.4m power). 3. Other includes Sweden, Italy, Romania, Hungary, Czech Republic, Poland, Slovakia, Croatia. 4. Differences may occur due to rounding.

E.ON Energy Infrastructure provides solutions to customers across 15 European countries

Designing, building & operating energy infrastructure



Low carbon **heating and cooling networks** in urban areas



On-site infrastructure for mid- to large-scale industrial customers supplying **heat, cool, steam and electricity** using digital technology



Solutions designed as **modular building blocks** to tailor them to individual customer needs



Portfolio of infrastructure assets



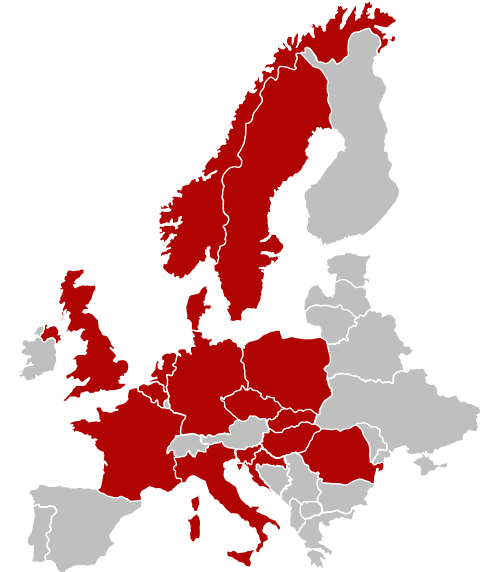
~6,000
infrastructure assets



~5,000 km
district heating & cooling grids



~30 TWh
supplied to customers¹



1. Heat, power, steam, and cool

Sustainability: Ambitious targets form the basis for all our businesses

Ambitious ESG targets and commitments



Scope 1+2

Scope 3

2030¹ -50%² to -75%²

-50%

2040 -100%

2050

-100%

- Reduce the frequency of serious accidents and death <0.07 by 2030³
- ≥32% women in management positions by 2031⁴

Full focus on decarbonization



- >15% of all renewable assets in Europe connected to E.ON grid, thereof >1 million renewable assets connected in Germany⁵
- Global recognition for innovative E.ON solutions: ectogrid™⁶ awarded at COP28
- Future Energy Home: ~62k home heating and energy solutions and ~47k new residential solar and storage solutions installed in 2023

Governance and sustainable finance



- New remuneration system aligned with ESG-targets
- ~98% EU-taxonomy aligned CAPEX (2021-2023)⁷
- Future Energy Ventures new investment fund (with €250m target size)
- Green bond framework according to EU taxonomy, syndicated credit line with ESG reference

Lead in transparency reflected in good ratings



Listed in prestigious ratings:

- CDP A-List renewed,
- Low-risk profile according to Sustainalytics,
- AA Rating by MSCI
- ISS ESG B-/Prime Status



1. Relative to 2019 figures 2. -50% refers to E.ON's SBTi validated 2030 target in line with a 1.5° pathway, -75% refers to E.ON's additional corporate ambition 3. Serious incidents and fatalities (SIF) for employees: Safety incidents per 1,000,000 working hours 4. Equivalent to the share of women in our workforce 5. In Germany 6. E.ON ectogrid™ is a hydraulic grid with low temperatures where heat pumps and cooling machines in every building adjust the temperature according to need. In this process, each building sends excess heating or cooling to other buildings, depending on their needs. Through sharing, balancing, and storing energy, E.ON ectogrid™ efficiently uses all available energy flows before adding new energy and thus helps to reduce energy consumption in cities and communities up to 80 % and reach zero emission levels. 7. Of taxonomy-eligible investments

E.ON's commitments to UN Sustainable Development Goals (SDGs)

Impact of core business

Stable, reliable and **smart networks** enable the energy transition, while **innovative customer solutions** help our customers to reduce their emissions. And with our climate targets E.ON is committed to become **carbon-neutral until 2050**.



Additional contributions



Help to combat global warming



Protect health, safety and environment

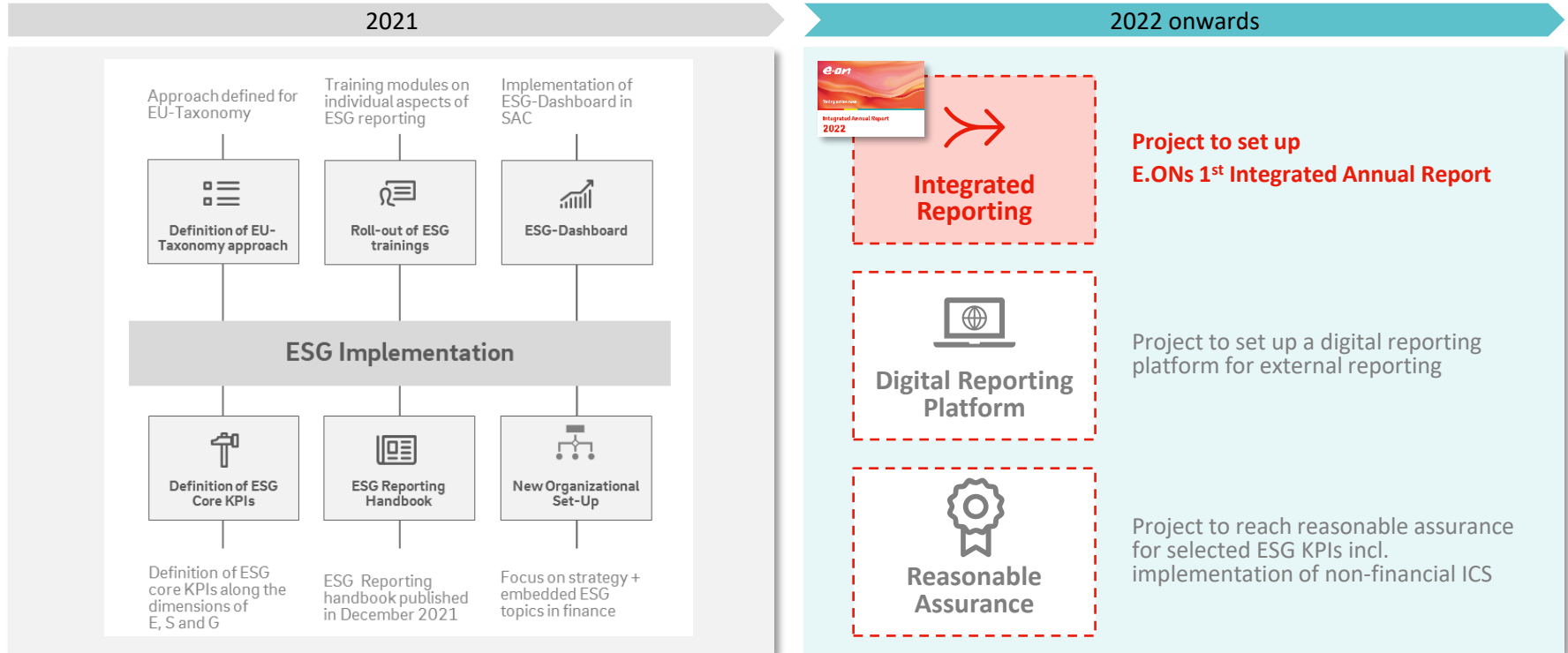


Eliminate exploitative working conditions



Create an inclusive and diverse workplace

ESG Implementation project in 2021 as foundation for integrated reporting



ESG – Why does it matter for E.ON?



Sustainability as anchor for our strategy

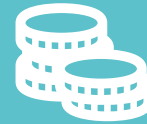
E.ON sustainability narrative:

- Working towards a net zero world
- Preserving healthy ecosystems
- Empower people for the energy transition
- Fostering a sustainable culture both in and outside our organization



Customers

... demand for stronger action, as public awareness of sustainability increased (e. g. through *Fridays For Future*)



Investors

... increasingly choose investments based on ESG ratings (climate risks are becoming business risks)



Legal obligations

... emerged and demand for more disclosures (e. g. EU-Taxonomy defining criteria for sustainable economic activities and the CSRD / ESRS defining European sustainability reporting standards)



3. Development of E.ONs Integrated Annual Report

Multitude of factors paved the way to E.ONs Integrated Annual Report

Where we come from?

Information spread in multiple group reporting products (Annual Report; Sustainability Report; Compensation Report; etc.)

E.ON has a sustainable business strategy – our business is inherently sustainable: this should be displayed in an Integrated Annual Report

Capital markets and other relevant stakeholders increased interest on sustainability performance in correlation to financial goals / risks

Some peers already prepare Integrated Annual Reports













What do we wanted to achieve in 2022?

Fully Integrated Annual Report FY 2022

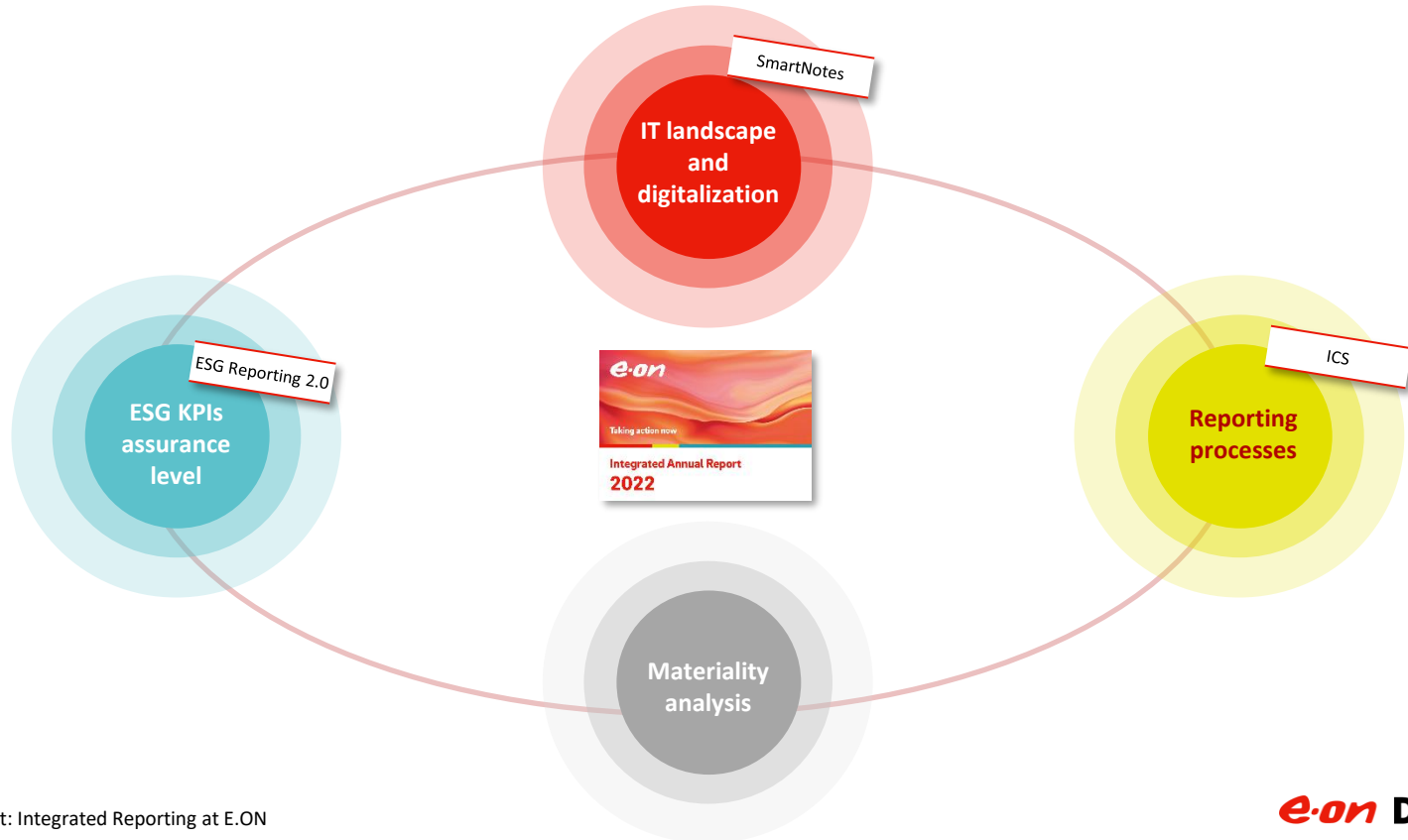
Prepare ONE Integrated Annual Report:

- Full compliance with financial & Non-Financial Reporting requirements (IFRS, HGB, AktG etc.)
- “with reference to” GRI* reporting standards
- In line with audiences’ expectations

Integrated Reporting was not common practice among utilities in 2021

Energy utilities	ESG-Responsibility of the board of directors	ESG-Committee in the supervisory board	ESG-Component Board of directors remuneration	Place of the NFS	Assurance of the NFS	Reporting Standards	
						„In accordance“	„With reference“
	✓	✓	✓	Combined	Limited assurance	GRI	TCFD, SASB, SDGs, UNGC
	✓			Integrated	Reasonable assurance	GRI	TCFD, COP, SDGs, UNGC, <IR>
	✓	✓	✓	Separate	Limited assurance	GRI	TCFD, SASB, SDGs, UNGC
	✓	✓	✓	Integrated	Limited assurance	GRI	TCFD, SDGs
	✓			Combined	Limited assurance	GRI	TCFD, SDGs, UNGC
	✓	✓	✓	Separate	Limited assurance	GRI and SASB	TCFD, SDGs
	✓		✓	Combined	Limited assurance	GRI	TCFD, SDGs
	✓		✓	Separate	Limited assurance	GRI	SDGs
	✓	✓	✓	Integrated	Limited assurance+ partly Reasonable assurance	GRI	TCFD, SDGs
	✓	✓		Combined	Limited assurance+ partly Reasonable assurance	GRI	TCFD, SASB, SDGs

Collaboration with other projects was essential to deliver E.ONs 1st Integrated Annual Report for FY 2022



Integrated Annual Report underpins E.ONs sustainability ambitions

Ambition



- Publish Integrated Annual Report for FY 2022
- Lean and robust governance, reporting structures and capabilities
- Holistic online format

Challenges



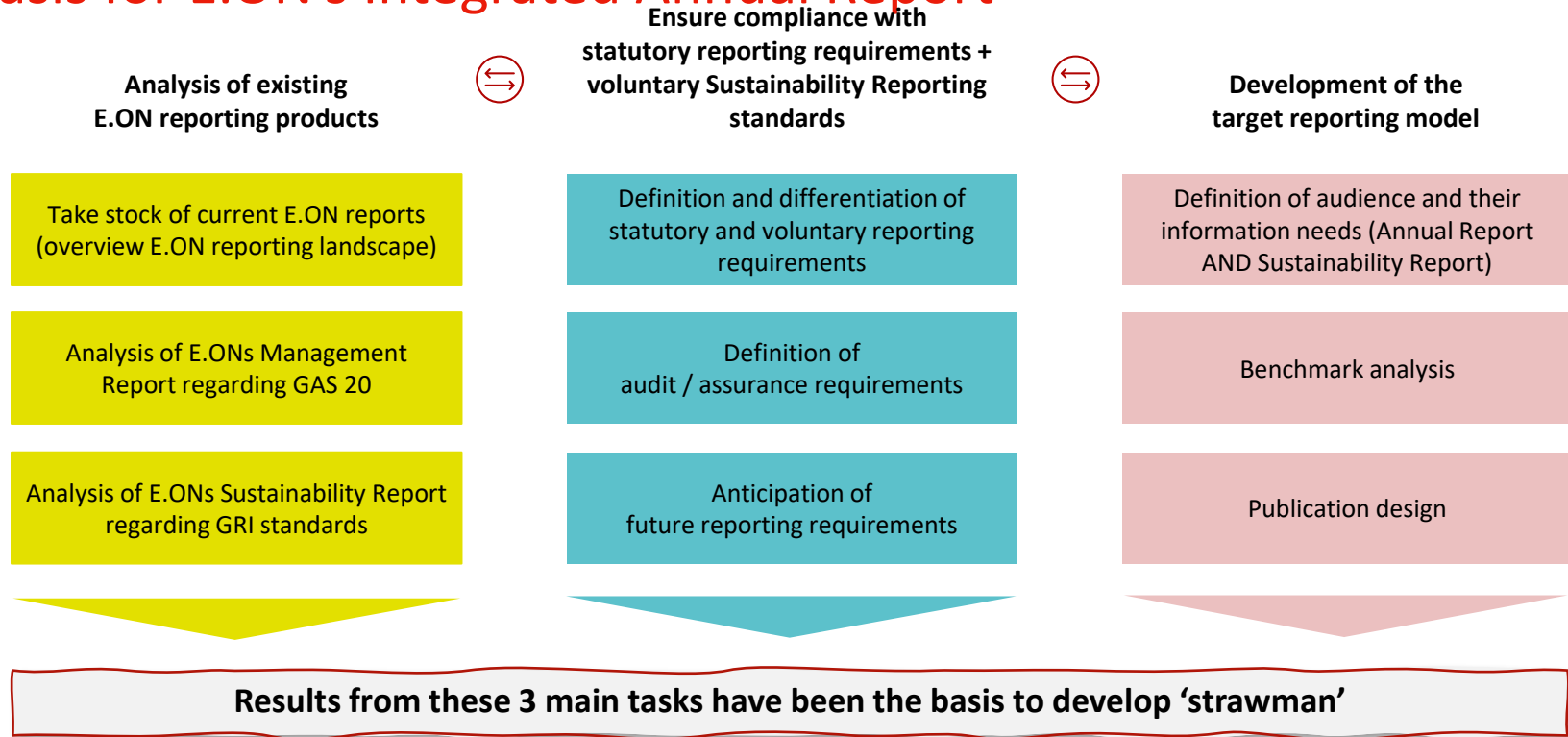
- Brownfield approach
- Individual reporting / publication requirements of audiences and regulators
- pdf as leading format, online report lagging

Achievements

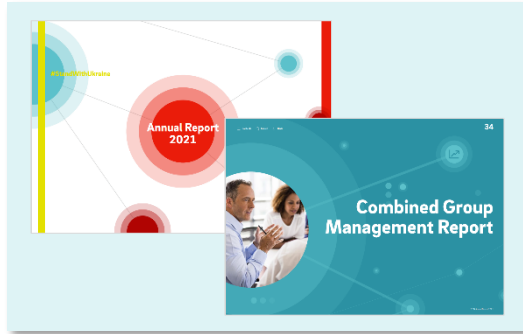


- ✓ Project delivery without delegated FTEs, on time and under budget
- ✓ External requirements successfully addressed
- ✓ Pragmatic assurance approach ensured
- ✓ Reporting teams aligned & new processes established
- ✓ New features: Octopus, Sustainable Finance chapter, ESG-Structure
- ✓ Identification of future improvement potential

Target reporting model was developed in concept phase as a basis for E.ON's Integrated Annual Report



Analysis of existing E.ON reporting products



Analysis

of E.ONs Management Report & E.ONs Sustainability Report regarding:

- Storyline
- Legal requirements
- Voluntary requirements
- Room for improvements









Strawman

for Integrated Report with main changes and recommendations:

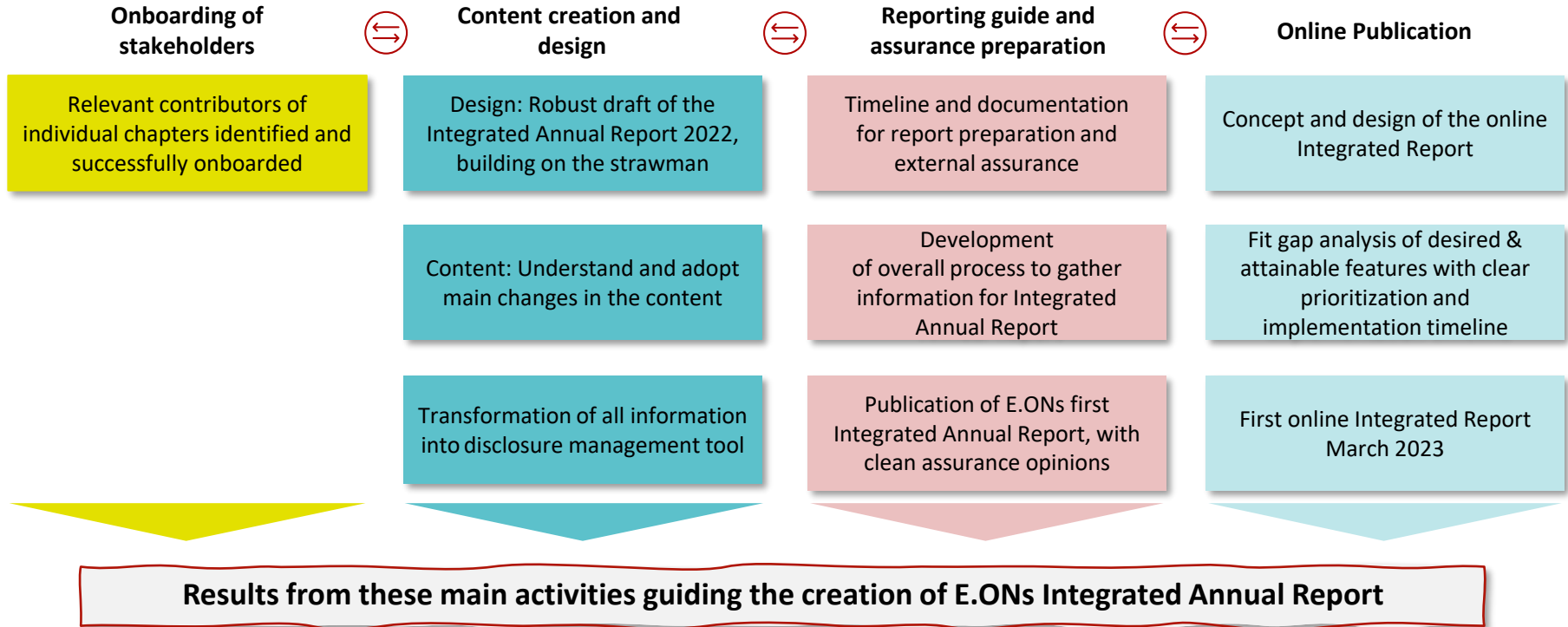


- Storyline
- Assurance level
- Stakeholder expectations
- Benchmarks
- Responsibilities
- IT-System

Peer analysis as a first indication for the realization of different assurance levels, reporting standards and naming of the report

Companies	Integrated Report since	Naming of the Report	Further Reports	Further voluntary, unaudited Information	Assurance of the NFS		Reporting Standards	
					Limited Assurance	Reasonable Assurance	„In Accordance “	„with reference“
 EnBW	2014	Integrated Annual Report	Integrated Annual Report – Extended Version	Link to website	-	Integrated Annual Report	GRI	SASB, TCFD, SDG, UNGC, <IR>
 enel	2020	Integrated Annual Report	Sustainability Report (NFS)	Link to website	-	Non-financial declaration	GRI	SASB, TCFD, SDG, UNGC
 BASF <small>We create chemistry</small>	2007	BASF Report	-	Marked within Report, Link to website	Sustainability information	Most important KPIs (CO2 emissions)	GRI	SASB, TCFD, SDG, UNGC, <IR>
 SAP	2012	Integrated Report	-	Marked within Report, Link to website	Sustainability information	Selected KPIs	GRI	SASB, TCFD, SDGs, UNGC, <IR>
 BAYER	2013	Annual Report	Sustainability Report	Link to website	Scope 3, Taxonomy, Non-financial Group Targets 2030, Sustainability Report, TCFD Report	Annual Report	GRI	SASB, TCFD, SDGs, UNGC, OECD, ISO 26000
 BMW GROUP	2020	BMW Group Report	-	Marked within Report, Link to website	Sustainability information	-	GRI	SASB, TCFD, SDGs, UNGC

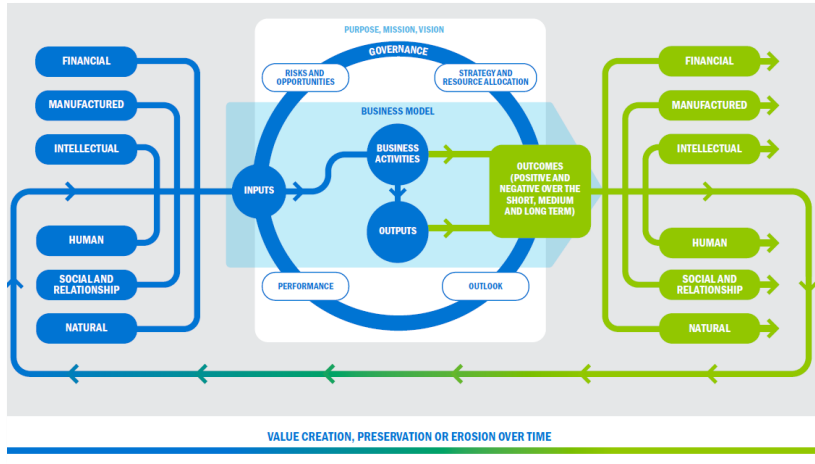
Deliverables from implementation phase lead to the publication of E.ONs 1st Integrated Annual Report



E.ONs „octopus“ provides high-level overview of business model and allows conclusions on its future viability

<IR> Framework

Realization E.ON FY 2022 & 2023



How We Create Value

The following overview uses examples and relevant data to show how we create value for our stakeholders. The three key elements of E.ON's strategy—sustainability, digitalization, and growth—are the centerpiece of our business model and deeply embedded in the way we think, work, and impact people's lives. This overview is guided by the International Integrated Reporting Council's (IIRC) framework.

Inputs

Financials		€42bn
Total investments 2024-2028		
Credit Rating	Strong BBB/Baa	
Share of Group funding via green bonds	>50%	
Operations		
Connected renewables capacity	98.6 GW	
Residential customer solutions installed ¹	124,000	
Energy sales customers	-47m	
Energy Infrastructure Assets	-6,000	
Digitalization		
Portion of applications migrated from our data centers to the cloud	100%	
Portion of customers served via new/migrated digital sales platforms	-40%	
People		
Number of employees ²	72,242	
Training hours per employee per year	22	
Nationalities	115	

Outputs

Financials		
Return on capital employed	-11%	
Earnings per share year on year growth ³	-12%	
Dividend per share	€0.53	
Operations		
Regulated asset base growth	-10%⁴	
SADP ⁵ Germany	21.3 minutes	
Share of green power sales	54%	
Generated energy: power, heat, cooling & steam	30.0 TWh	
Digitalization		
Smart Energy Meter installations	13.8m	
Smart secondary substations	>15,000	
People		
Share of female executives	24%	
Average length of service	13 years	
Corporate volunteering hours	22,129	

Note: Data presented for full-year 2023 or as of December 31, 2023.
¹Solar systems, batteries, efficient heating such as heat pumps, well-insulated charging points.
²Number of employees does not include apprentices, working students, or interns.
³This figure reports full time equivalents (FTEs), not persons.
⁴Return on capital employed is calculated as earnings before interest and taxes (EBIT) divided by capital employed.
⁵Smart Advanced Distribution Platform (SADP) is a metric used to measure the efficiency of the distribution network. It is calculated as the average duration of a fault (in minutes) multiplied by the number of faults (in thousands) per year per 100,000 customers.

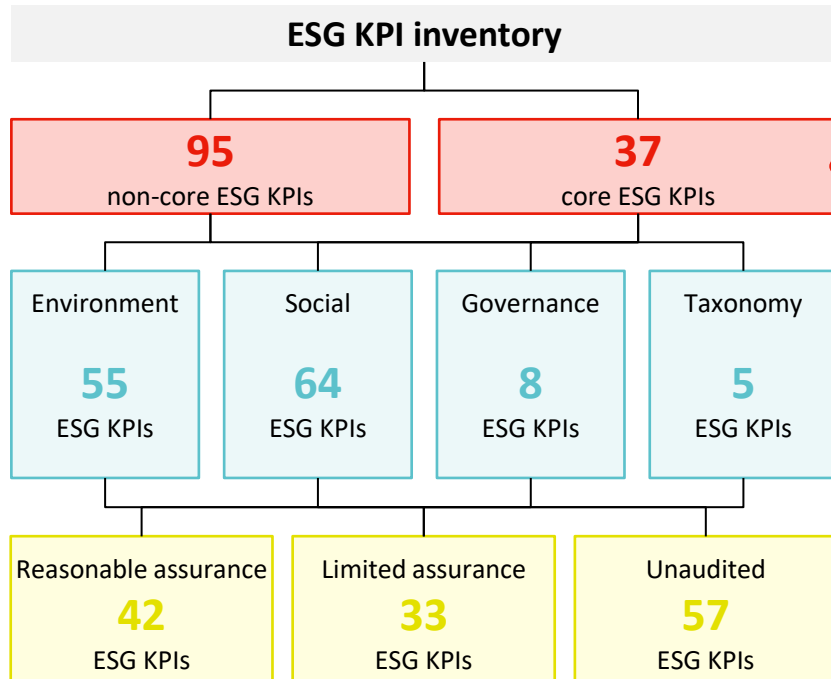


4. Results

Non-Financial and Sustainability Report fully integrated, further reports still stand-alone due to regulatory / stakeholder requirements



The inventory of E.ON's ESG KPIs consists of 132 KPIs in total divided into core/non-core, ESG dimensions and assurance levels



Environmental	Social	Governance
CO ₂ e emissions (scope 1)	Share of female executives	Share of independent SB members
CO ₂ e emissions (scope 2)	SIF	Share of female SB Members
CO ₂ e emissions (scope 3)	LTIF	
CO ₂ emissions avoided with clients	SAIDI (external)	
Share of green power sales	Net promoter score	
Share of connected RES capacity	Average training hours per employee	
Smart energy meter installations	Community investment	
eMobility charging points	Corporate volunteering	
Share of ecological corridor management		
EU-Taxonomy		Green Bond Reporting
Aligned CapEx		EU-Taxonomy-aligned assets
Aligned OpEx		Share of <100g CO ₂ /kWh new grid connections
Aligned Revenues		Total renewables capacity installed (assets)
		Green Bond Impact KPI overview


Note:

Core ESG KPIs are selected based on a defined set of criteria:

- LTI relevance or
- Steering relevance or
- Investor relevance or
- Public relevance but at least
- audited with limited assurance

The long-term ambition for all core ESG KPIs is to reach reasonable assurance.

Overview of core ESG KPIs




Environmental

- CO₂e emissions (scope 1)
- CO₂e emissions (scope 2)
- CO₂e emissions (scope 3)
- CO₂ emissions avoided with clients
- Share of green power sales
- Share of connected RES capacity
- Smart energy meter installations
- eMobility charging points
- Share of ecological corridor management


EU-Taxonomy

- Aligned CapEx
- Aligned OpEx
- Aligned Revenues



Social

- Share of female executives
- SIF
- LTIF
- SAIDI (external)
- Net promoter score
- Average training hours per employee
- Community investment
- Corporate volunteering



Governance

- Share of independent SB members
- Share of female SB Members

Green Bond Reporting

- EU-Taxonomy-aligned assets
- Share of <100g CO₂/kWh new grid connections
- Total renewables capacity installed (assets)
- Green Bond Impact KPI overview

Important: ESG reporting is only applicable for E.ON entities with consolidation **status 1** (affiliated company consolidated) or **status 8** (affiliated company pre-consolidated)

Full integration of sustainability information required revision of existing chapters and addition of new chapters

Annual Report FY 2021

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Successful onboarding of stakeholders and integration of financial and sustainable reporting teams and processes

6

Workshops conducted

Chapter-specific workshops to establish an early level of **integration between Financial and Sustainability Reporting**

>40

Stakeholders participated

Onboarding of stakeholder for the topic of Integrated Reporting
Collaboration between Sustainability and Finance.

5

New chapters

- *About this report*
- *Climate protection and environment*
- *Governance Report*
- *Sustainable Finance and Investments*
- *GRI/NFS Index*

9

Chapters revised

Different level of revision for several chapters within the Integrated Annual Report



Integration in numbers

1

**Integrated,
but still identifiable**

100% ESG content integrated with 5 new chapters and 3 chapters with comprehensive revision as well as relevant ESG indices

2

Brevity

~ 100 pages less than 2021

~ 60 pages less than in 2022

3

KPI integration

~ 100 ESG KPIs integrated

4

Compliance with reporting standards and regulations



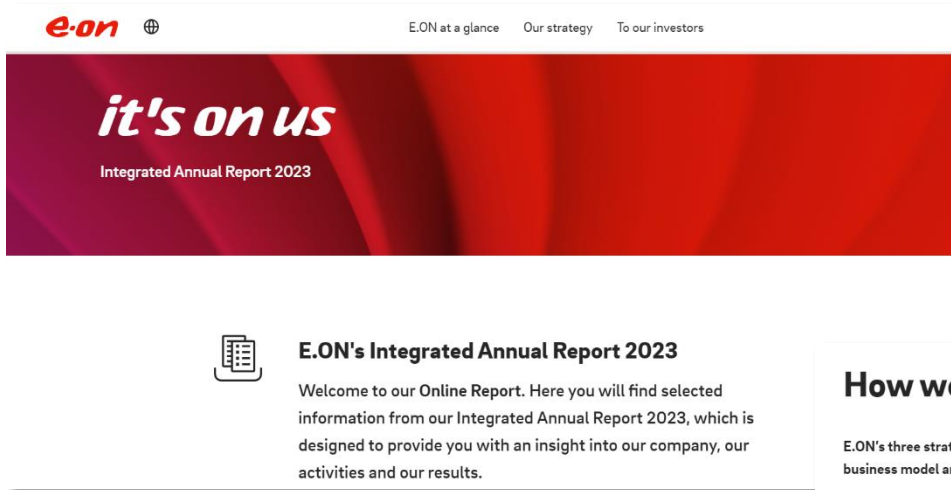
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Advanced governance reporting

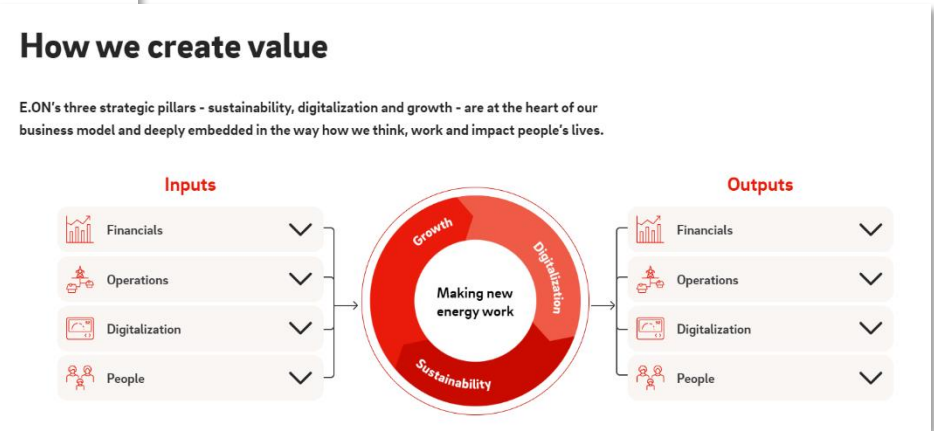
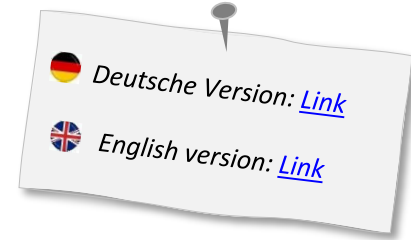


REGIERUNGSKOMMISSION
Deutscher Corporate Governance Kodex

Online report 2023



The screenshot shows the E.ON website header with the logo and navigation links: "E.ON at a glance", "Our strategy", and "To our investors". Below the header is a large red banner with the text "it's on us" and "Integrated Annual Report 2023". Underneath the banner is a section titled "E.ON's Integrated Annual Report 2023" with a document icon and a welcome message: "Welcome to our Online Report. Here you will find selected information from our Integrated Annual Report 2023, which is designed to provide you with an insight into our company, our activities and our results."



To read...

Deloitte. **e-on**

**Projektbericht:
Integrierte Berichterstattung bei E.ON**

 *Deutsche Version: [Link](#)*

 *English version: [Link](#)*

Contact



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