Our energy future is green

e·on

2019
Sustainability Report

The new E.ON

Energy networks

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

Customer solutions

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

[1]Includes our joint venture in Turkey and a company in Slovakia in which we have a 49 per cent stake. Outside Europe, we had renewables operations in North America until late September 2019.
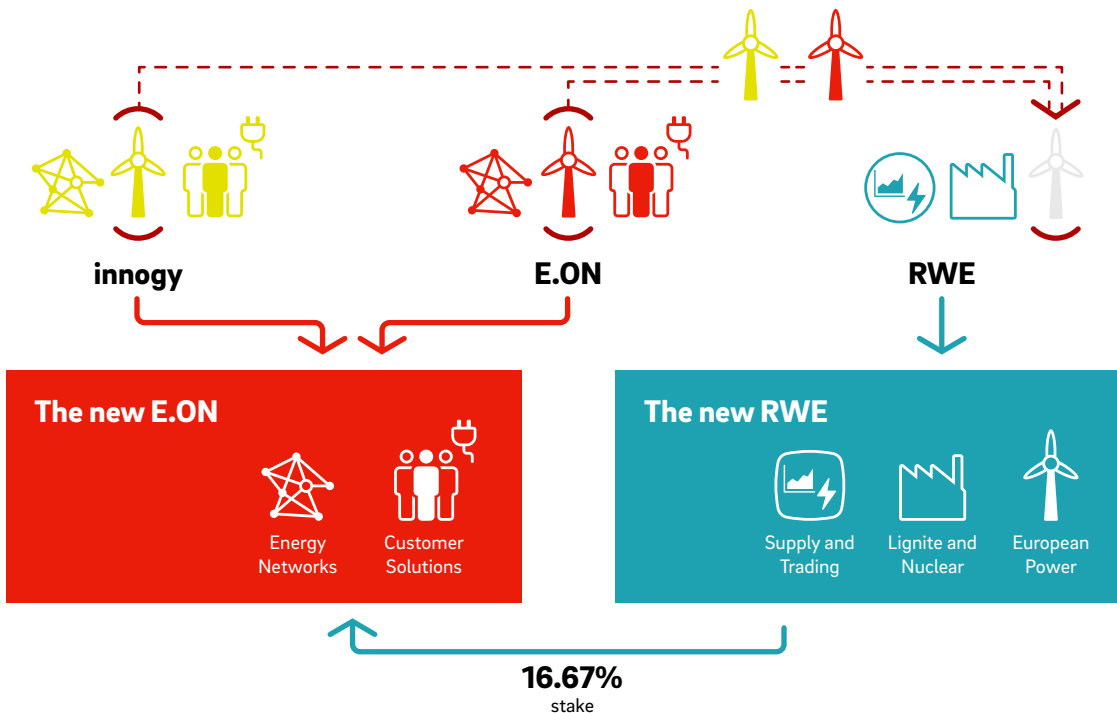
Where we do business[1]

Energy is life. Energy is progress.

The history of progress is far from over. And E.ON has a unique opportunity to help shape it. The energy system of the twentieth century was founded on burning fossil fuels and splitting atoms. E.ON is playing a decisive role in radically transforming this system to make it green and sustainable.

E.ON is an investor-owned energy company based in Essen, Germany. We have two core businesses: energy networks and customer solutions. Our mission is to become customers' partner of choice by providing them with individually tailored solutions for a greener, more distributed, and more digital energy world. And to partner with them to make Europe's energy transition a reality.

Creating two focused European energy companies

innogy   E.ON   RWE

The new E.ON

Energy Networks   Customer Solutions

The new RWE

Supply and Trading   Lignite and Nuclear   European Power

16.67% stake

In March 2018, E.ON and RWE reached an agreement for E.ON to acquire RWE's 76.8-percent stake in innogy. Following antitrust clearance, the acquisition was completed on 18 September 2019. In return, RWE received substantially all of E.ON's renewables business, innogy's renewables business, a 16.67-percent stake in E.ON, and certain other assets. E.ON also acquired innogy stock under a voluntary public takeover offer and on-market. At year-end 2019, E.ON held 90 percent of innogy stock. The integration of innogy into E.ON will take place in a series of steps.

The takeover created a new E.ON: Europe's first major energy company to devote itself entirely to the new energy world. With roughly 79,000 employees and 34.1 million customers, the new E.ON has significantly more expertise and potential than before.[1] Our energy networks and customer solutions businesses are now even stronger, more innovative, and more profitable. In both businesses, our focus is on the best solutions – for our customers and, in partnership with them, for climate protection and a successful energy transition.

The innogy takeover enlarged our core businesses substantially: it increased the system length of our networks business by around 469,000 kilometers and the customer base of our solutions business by 13.7 million customers.

In addition to our core businesses, we also have a nuclear power business in Germany, which is operated by our subsidiary PreussenElektra and is not a strategic business. Its assets will be decommissioned by 2022.

Our 2019 Annual Report provides more detailed information about E.ON's strategy and its earnings, financial, and asset situation.
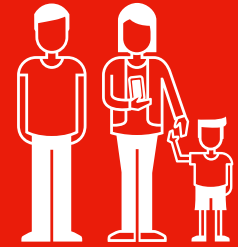
34 million[1]
Number of power and gas customers

[1]May include some double-counting.

1.28 million km
Total length of our networks[2]

[2]Includes a network operator in Slovakia in which we have 49 per cent stake.

Promoting "stubborn optimism" in Sweden

The summer of 2018 was one of the warmest on record. While people around the world turned up the air-conditioning and went on with their lives, Greta Thunberg began her climate strike outside Sweden's parliament. Her words and actions inspired a global protest movement. And sparked a global debate.

People in Sweden have always been environmentally aware. Yet, despite greater public interest in climate and sustainability issues since mid-2018, surveys indicated that Swedes lacked basic knowledge about them. For instance, only 40 per cent have heard of the UN Sustainable Development Goals, and only 8 per cent knew that one of these goals is climate action. This knowledge gap could not only hamper the country's ability to achieve its ambitious climate objectives, which include being carbon-neutral by 2045. It could also potentially be an impediment to E.ON's long-term success in Sweden as an energy supplier that emphasises sustainability.

each devoted to a crucial issue: common goals, technology and innovation, national interests, and the circular economy. The idea behind the campaign was to inform people about the benefits of the transition to a low-carbon future. And to convey a sense of optimism about the possibilities of tomorrow's energy world as well as the seriousness of the challenges ahead. The speakers included Marc Hoffmann (CEO of E.ON Sweden), Christiana Figueres (former Executive Secretary of the UNFCCC), and other renowned experts. A post-campaign survey showed that more than 20 per cent of Swedes remember the series.

" The principal key to success is the attitude that you bring to the challenge. Optimism is the intentional choice to approach a task that has not been completed yet, with the conviction that we have everything that it takes. That's stubborn optimism. "

Christiana Figueres
former Executive Secretary of the UNFCCC

Moreover, the response was positive and encouraging. Many viewers told us that the series made them more hopeful about the possibility of tackling climate change. It also led to a measurable increase in viewers' knowledge about sustainability. That's good. Because Sweden, like the rest of the world, has a lot of work ahead to do its part to limit the rise in global temperatures. We're happy that our video series gave many people in Sweden more knowledge – and perhaps a bit more optimism – about the path to carbon neutrality.

" E.ON as a company has a greater responsibility than just supplying energy. We also have a responsibility to disseminate knowledge and contribute to solutions. The forecasts show that energy demand in Sweden will increase. At the same time, greenhouse gas emissions must be reduced and fossil fuels phased out in order for us to reach the goals in the Paris Agreement, Sweden's climate target, and, not least, our own targets. "

Marc Hoffmann
CEO of E.ON Sweden

To help to close the knowledge gap on sustainability and climate issues, in March 2019 E.ON Sweden launched the Climate Optimism Project, a series of four roughly five-minute web videos,

Energy networks:
smart, reliable, efficient

We want to bring energy into the digital age. Our mission is to make the energy transition a reality. And sustainable energy available to everyone. Energy networks – power lines, transformer stations, smart meters, and the data links that enable them to talk to each other – will become the internet of energy. An interconnected, digitized energy system will create new prospects and new opportunities for people, companies, and communities.

However, this process will also continue to make the energy system more fragmented and more complex. As rooftop solar panels and wind farms proliferate, so too does the number of feed-in points and the proportion of intermittent output in the energy mix. Grids are where the energy transition is happening. And also where it presents the most challenges.

At E.ON, we're committed to meeting these challenges and enabling the transition to a low-carbon future. Our grids connect consumers with a steadily growing number of renewable sources and enable them to use this sustainable energy to power more and more aspects of their lives: to cook their meals, heat their homes, power their devices, and charge their electric vehicles.

Bringing renewable energy to consumers reliably and affordably requires continuous innovation and the use of smart technologies. Like a turbocharger boosts an engine's horsepower, smart technologies enable us to boost our existing grid's capacity. And control it with much greater precision. This means that we can transport more renewable power without always having to put up more lines. Which reduces our costs as well as our impact on the environment, landscape, and communities.

Tomorrow's networks

Tomorrow's power networks will be smart: they'll continually process megabytes in order to manage megawatts. This will enable them to control power generation, consumption, and storage in real time.
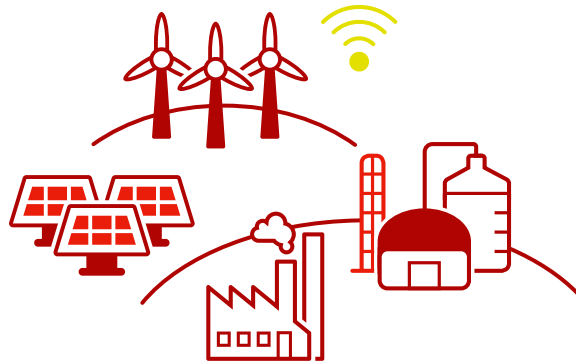
Energy sources
In the transition to a low-carbon future, power sources are becoming more numerous, smaller, and more dependent on the weather. Advanced technology helps us to predict fluctuations in renewables output as well as consumers' energy demand. This will enable us to continue to ensure a high degree of reliability despite increasing volatility.
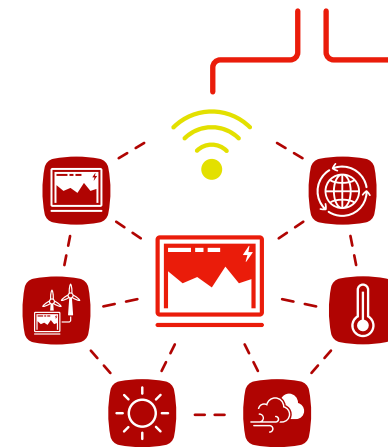
Transmission system
Wind and solar farms are often located hundreds of kilometres from the big cities and industrial centres that they supply. Smart grid technology will help to bridge this gap. But grid expansion will also be necessary for Europe to harness more of its clean, renewable resource.
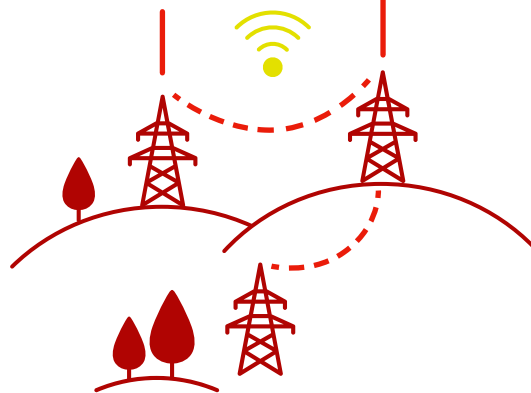
Distribution system
The distribution grid is where the energy transition is happening. To manage more complex energy flows, we're continually making our distribution grids smarter, more agile, and more robust. This enables them to draw green power from a steadily increasing number of feed-in points and to deliver it to consumers reliably and affordably.

Energy storage
Increasing storage capacity will enable the energy system to harness much more clean energy. An important source of this capacity will be electric vehicles (EVs). Millions of EVs on the road by day means millions of EVs connected to chargers at night, soaking up renewable energy.

Prosumers
More and more energy consumers are also becoming energy producers: prosumers. And the energy they produce is typically low- or zero-carbon. Our role is to provide people with the technologies that enable them to be more energy-autonomous and more sustainable. And one day: carbon-neutral.
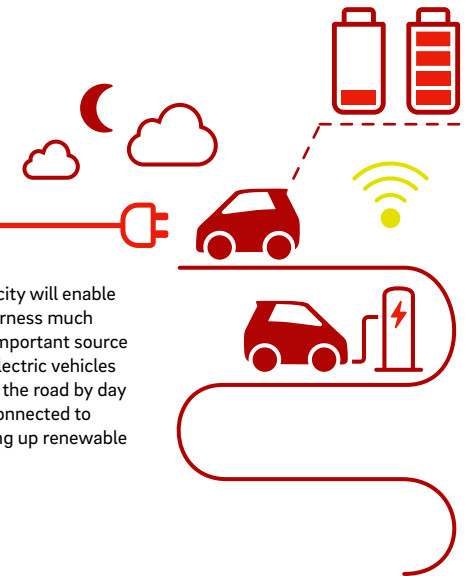
Energy management system
Our energy management systems are the brain of the energy transition. They can monitor complex energy flows in real time, analyse weather data, and factor in continually evolving supply and demand forecasts. And, thanks to artificial intelligence, they learn more and more each day.

Customer solutions:
green energy autonomy

With the takeover of innogy in September 2019, we now provide energy solutions to a total of roughly 39.5 million customers across Europe. Significantly more than at any time in our company's history. This creates an enormous platform for marketing our continually expanding portfolio of cutting-edge solutions for energy efficiency, smart homes, distributed generation and storage, and eMobility. And for partnering with our customers of all types – households, businesses, and cities – to shape Europe's transition to a low-carbon future.

Our mission is to improve people's lives while making the energy system significantly more sustainable, digital, and flexible. We intend to achieve this by bringing visionary ideas to life and putting customers at the centre of everything we do. That doesn't just mean providing them with individually tailored energy solutions. It also means truly understanding their needs and establishing a long-term relationship with them.

Our solutions will enable people to produce their own energy, store it, and use it anywhere or share it with their friends and neighbours. This will facilitate the development of new applications that simplify and enrich people's lives. We'll help individuals, companies, and entire societies to achieve more: by offering them energy solutions that are as flexible and agile as the lives they lead.

And we're committed to making these solutions continually smarter and cleaner. This will help our customers to live more comfortably and sustainably. And help tomorrow's Europe to conserve resources and, eventually, become carbon-neutral.

Sustainable solutions

Our smart solutions enable people to use energy more efficiently and emit less carbon. Together with our customers, we can create a greener and more sustainable energy world. We've already set a specific target: by 2030 we intend to halve the carbon emissions of the power we sell to customers relative to a 2016 baseline.

Lower-carbon households
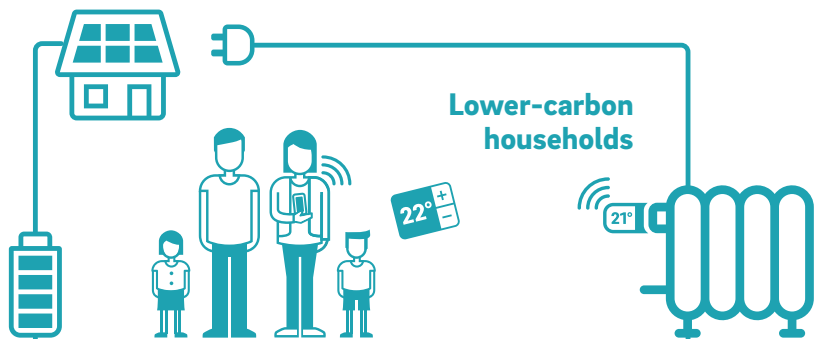
tado°
Smart thermostats like tado° enable a typical family of four to emit 600 kg less CO_2e annually. That's roughly equal to the carbon emissions of toasting 100,000 bagels. Smart meters, which make electricity usage and costs transparent, also promote energy saving. We've installed 4.4 million smart meters across Europe.

Solar panels and battery storage
Rooftop solar panels and a battery storage system enable a household to meet up to 70 per cent of its electricity needs with its own green power. And to reduce its annual carbon emissions by about 1.5 metric tonnes, roughly the emissions caused by 4,500 loads of laundry in an energy-smart washing machine.[1]

Green power
Switching to green power reduces the average household's annual carbon emissions by about 1 metric tonne, as much as is captured by 80 trees.[2] E.ON offers certified fully renewable electricity products in all the countries where it operates and provides 100 per cent green electricity to all 3.3 million of its residential customers in Britain.

More energy-efficient companies

Cogeneration for commercial customers
A gas-fired turbine produces both electricity and heat. When the heat is captured and used for spacing heating or industrial processes, no additional fuel has to be consumed to produce it. This process, called cogeneration, conserves lots of energy. In 2018, for example, the cogeneration units we installed for commercial customers in Germany displaced nearly 0.7 million metric tonnes of carbon. The reduction is roughly equivalent to the emissions resulting from heating the workspaces of 2.7 million employees.[3]

Innovative energy solutions
The innovative solution we designed for Binero Group, which operates IT infrastructure, pipes the heat from one of the company's computer centres north of Stockholm into our district heating network. This heat, which otherwise would've gone to waste, meets around two thirds of the heating needs of Vallentuna, a nearby community of about 30,000 residents.

eMobility
Converting a fleet of 200 company cars from petrol to electric reduces its annual carbon emissions by 500 metric tonnes. If the electricity to charge them comes from 100 per cent renewable sources, the figure more than triples to 1,800 metric tonnes, which is roughly the total carbon footprint of 160 people in Germany.[4]

Greener, smarter cities

Werksviertel in Munich
Our innovative energy plan is helping Werksviertel, a former industrial district near Munich's East train station, to be transformed into a sustainable commercial and residential area. The plan includes a groundwater geothermal plant, two gas-fired cogeneration units, solar panels, heat pumps, a microgrid, and charging points for electric vehicles. It will enable Werksviertel's carbon emissions to be 40 per cent lower than a similarly sized urban area.[5]
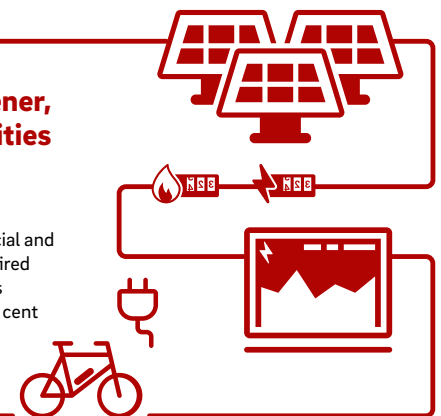
[1]Final energy consumption of households (source: Statista). [2]Final captured carbon emissions by trees (source: IPCC Report, 2019). [3]Own estimate based on carbon footprint (source: UBA). [4]E.ON and HBEFA 4.1, 2018. [5]Estimates as of year-end 2019 based on thermal efficiency relative to a coal-fired power plant.

18
Enabling the energy transition

38
Protecting people and the environment

62
Working together to create value

80
Ensuring good corporate governance

Contents

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

Dear Reader,

Dr. Johannes Teyssen
Chairman of the Management Board and CEO

In January the new E.ON entered a new decade. The first decade after our exit from large-scale power generation and energy trading. And the first decade of our journey after the innogy takeover. We're now one company with one objective: to partner with our customers for a better future.

innogy takeover: stronger together
Our takeover of innogy, which took effect in late September 2019, dramatically enhances our ability to work with our customers to shape the new energy world. By combining our strengths, we've created a company whose smart grids are bringing more and more green power to people, companies, and communities. A company that develops innovative, sustainable solutions for more than 34 million customers in 15 countries. That will provide well over 79,000 employees with future-oriented jobs. And that offers investors attractive value and growth prospects.

In the 18 months prior to the takeover, we worked closely with innogy – and with employee representatives – to design a fair and comprehensive integration plan. As soon as the takeover became official, we began implementing it. We'll initially manage innogy as an E.ON Group subsidiary and then gradually adjust its corporate governance over the integration phase.

Climate protection: a watershed year?
Welcoming innogy to E.ON was our company's highlight of 2019. From a global perspective, it was a Swedish teenager, Greta Thunberg, defying all odds to rally millions of people worldwide to the banner of climate protection. We hope 2019 marks a necessary turning point in society's commitment to tackling this urgent issue.

Europe, for example, has significantly decarbonised its energy industry but still made no progress in other sectors like transport and heating. A good way to begin making progress would be to remove all the taxes and levies – like Germany's special levy on renewable energy – from green electricity, which would encourage other sectors to convert to it. Cheaper green electricity would also benefit households everywhere, especially those on low incomes.

We also believe it's important that the energy transition's progress is monitored accurately and transparently. That's why in 2019 we became an official supporter of the Task Force on Climate-related Financial Disclosures, which is developing consistent, comparable, and accurate climate-related financial risk disclosures. Going forward, we'll continually expand our climate reporting.

Abundant low-carbon energy tomorrow will require substantial investments today. To raise some of the necessary funding, in August 2019 we issued two €750 million fixed-interest securities called Green Bonds. Their proceeds will be used to fund sustainable-infrastructure and energy-efficiency projects. The bonds had coupons of just 0 percent and 0.35 per cent per year, respectively. In January 2020 we issued a €1 billion Green Bond maturing in September 2027 with coupon of 0.375 per cent. Our success with these bond issues underscores the financial market's eagerness to invest in sustainability and its trust in the new E.ON.

Our core businesses: customer solutions and energy networks
People are increasingly making us their partner of choice because we offer cutting-edge solutions for making their lives more sustainable, more comfortable, and often more affordable. One example is E.ON Home, an energy-management app we launched in 2019. It enables users to control all their energy devices (such as rooftop solar panels, electric-vehicle charging point, and for heating system) from a single digital display. E.ON Home helps customers to use their own solar energy intelligently and save money.

We also continued to help companies and entire cities become more sustainable. In December 2019 BMW chose us to install and operate more than 4,100 electric-vehicle charging points in the parking lots of its facilities and offices in Germany. Both E.ON and innogy contributed to the solution, which is a great example of what we can achieve together.

The distribution grid is where the energy transformation is happening. And smart substations are one of its key components. They provide real-time data about their network segment to our regional control centres, enabling us to deftly manage the complex power flows of an increasingly decentralised energy system. We installed 1,400 more of them in 2019. We also increased our use of innovative digital solutions to monitor our networks, conduct predictive maintenance, and avoid line congestion so that more green power can be fed into our system.

Our people: the architects and artificers of the energy transition
Behind all these achievements – from the innogy takeover and Green Bonds to E.ON Home and smart substations – are our people. Each day, their ingenuity, passion, and dedication are making the energy transition a reality. The welcome arrival of innogy's employees tangibly expands our skill set, deepens our experience, and enriches our corporate culture. We're excited they're now part of E.ON. Our efforts to quickly becoming one team will be facilitated by both companies' mutually trustful relationship with employee representatives.

In 2019 we took further important steps to make our workforce more diverse and to keep it safe and healthy. To name just two examples, we inaugurated the CEO Awards for Diversity and Inclusion, which honour individuals and initiatives across E.ON that are making a real difference in these areas, and launched the ZERO Major Harm programme, which aims to eliminate workplace fatalities and severe injuries. Despite improving our overall safety performance, in 2019 we regrettably had two fatal accidents at E.ON and one at innogy. Every fatal workplace accident is one too many. That's why we work continually to improve further and hope that our new programme will soon enable us to do just what its name says: finish a year with zero major harm.

We firmly believe that the decade ahead will show that the new E.ON will be an even greater company than before. This report is the introductory chapter of the exciting story we intend to write. We hope you find it informative and invite you to tell us what you think about it and our sustainability performance. We look forward to hearing from you.

Best wishes,

Dr. Johannes Teyssen

Paving the way to tomorrow's energy world

The energy world is steadily becoming more distributed, digital, and decarbonised. And that means: more sustainable. Our core businesses – energy networks and customer solutions – are helping make it happen. Our grids are getting smarter all the time, which enables them to integrate more renewable energy while remaining reliable. We've worked for years to continually increase the proportion of underground cabling in our networks. This makes them even less exposed to extreme weather and further enhances supply security. Our innovative solutions help customers of all sizes – from families and small businesses to large manufacturers and entire cities – to use energy more efficiently, produce their own renewable energy, and thus reduce their carbon footprint.

The most important players in tomorrow's energy world are customers. They want sustainable homes, businesses, cars, and cities. They want efficient, affordable solutions that make them more autonomous. As a result, tomorrow's energy world will become increasingly electric, green, distributed, and partnership-based. The new E.ON is built for this world. We were Europe's first big energy company to dedicate our entire business to supporting the energy transition. As part of a far-reaching asset swap, we transferred substantially all of our renewables business to RWE. In return, we received

assets that dramatically enlarged our remaining two core businesses and thus will enable us to play an even bigger role in meeting customers' expectations and making the energy world smarter, cleaner, and more sustainable. E.ON took over innogy in September 2019. Our focus on smart energy networks and customer solutions ideally positions us to work with our customers and business partners to propel the transformation of Europe's energy system. For more information, see → The new E.ON.

UN Sustainable Development Goals and our sustainability strategy

The United Nations' Sustainable Development Goals (SDGs) of its 2030 Agenda for Sustainable Development provide a blueprint for a better and more sustainable future. Adopted in 2015, the 17 SDGs and 169 subgoals address a wide range of global challenges. We recognise the SDGs' importance and fully support them. Our Management Board underscored this support by issuing a self-commitment to the SDGs in June 2018. In 2019 we aligned our strategy more closely with the SDGs. This enables us to demonstrate how we help achieve them. Our sustainability strategy provides a common framework for the sustainability activities across our company.

Impact of our core business

Our core business has the biggest impact on the following SDGs:

Our ambition is to help create a sustainable energy future by:
- keeping our networks extremely stable and reliable while making them increasingly smart so that they can enable the energy transition
- developing and delivering innovative solutions that help achieve the SDGs and allow our customers to reduce their emissions.

Other contribution

We not only want to do sustainable business but also to operate our business sustainably. By doing so we contribute to the following SDGs:

Topics	SDG challenges	Our ambitions and goals
We help combat global warming by reducing our carbon emissions and making E.ON carbon-neutral by 2050.		• Carbon-neutral buildings by 2030 • Electrified company vehicle fleet by 2030 • 30% reduction in our own carbon emissions by 2030 (relative to 2016) • 50% reduction in our customers' carbon emissions (carbon emissions per kWh of power sold) by 2030 (relative to 2016)
We proactively support countries, governmental agencies, and international organisations in eliminating exploitative work practices along our supply chain.		• No human rights violations in our direct sphere of influence • 100% of employees aware of our Code of Conduct • Adequate mitigation measures in place for all human rights risks
We provide a workplace in which our employees can thrive and develop their talents and capabilities. We strive to reduce inequality and foster diversity and inclusion.		• 32% female executives by 2026 (equal to the percentage of female employees) • E.ON Management Board 20% female by 2022
We protect the environment as well as the health and safety of our customers and colleagues.		• Zero fatalities or major injuries • Zero major environmental incidents

Sustainability governance

The E.ON Management Board defines our sustainability strategy and has overall responsibility for our sustainability performance. In this, as in other matters, it is supported and advised by the Supervisory Board. We've designated a Chief Sustainability Officer (CSO), who oversees the sustainability activities across our company and informs the Management Board about important sustainability initiatives, developments, and key performance indicators on a quarterly basis and, in the case of extraordinary events, on an ad hoc basis. Leonhard Birnbaum, a member of the E.ON Management Board, was our CSO from late 2017 to late 2019. E.ON CEO Johannes Teyssen became our CSO in December 2019.

The CSO also chairs our Sustainability Council. Established in 2013, the council consists of six senior managers from our corporate headquarters, business units, and support functions with expertise in sustainability issues. The council serves as a forum for sharing information, discussing progress toward our sustainability targets, and identifying emerging challenges. It provides advice on corporate policies relating to sustainability and periodically assesses whether our sustainability strategy is consistent with our vision, corporate strategy, and brand identity. The council also engages with outside stakeholders and helps us forge partnerships. It reports to the Management Board twice a year and in 2019 met three times. Among the key issues it discussed in 2019 were the Task Force on Climate-related Financial Disclosures (TCFD), human rights, and non-financial risk assessment.

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

Going forward, the E.ON Supervisory Board intends to place greater emphasis on ESG issues, which are becoming increasingly relevant to investors and other stakeholders. For this reason, the Supervisory Board's Investment and Innovation Committee was renamed the Innovation and Sustainability Committee, which had its first meeting in December 2019. It will advise the Supervisory Board and the Management Board on ESG issues.
[→ GRI 102-18]

Decentralised implementation

Each business unit's management team is responsible for taking action to enhance sustainability and meet the sustainability targets it set for its unit. This decentralised approach enables the units to contribute to our group-wide targets for issues like climate protection and corporate governance, while also tailoring their actions to their own specific needs. Each unit has sustainability staff who raise awareness, coordinate projects and initiatives, and monitor progress toward targets. They share information at regular intervals with our Sustainability Council and the Sustainability team at corporate headquarters.

Sustainability incentives for executives

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

What we report on

The →<u>Global Reporting Initiative (GRI)</u> proposes that organisations should report on the topics that have significant economic, environmental, and social impacts and that substantively influence their stakeholders' assessments and decisions. We identified these topics by means of a materiality analysis, which we have conducted annually since 2006. This report focuses primarily on the sustainability topics that our materiality analysis indicated are of very high relevance. To meet the diverse expectations of our stakeholders and the requirements of sustainability rankings and ratings, this report also presents information about a number of other sustainability topics.

Below is a description of the materiality analysis we conducted in 2018. Our materiality analysis in 2019 took the form of a thorough review. Its purpose was to determine whether there had been important changes in the UN Sustainable Development Goals (SDGs), our strategy, or our policy and regulatory environment. In addition, we compared innogy's main topics with ours. The review showed that there have been no significant changes and that the innogy takeover does not appear to necessitate a change in topics. Our main topics from 2018 therefore remain unchanged. We plan to revise our materiality analysis for 2020 to align our material topics even more closely with our new organisational structure.

Steps of our impact-based 2018 materiality analysis [→ <u>GRI 102-46</u> ☑]

1	**2**	**3**	**4**
Identify relevant sustainability topics (SDG mapping)	Conduct an outside-in analysis to determine the expectations that external stakeholders have	Conduct an inside-out analysis to determine our impact on sustainable development	Review analysis results with E.ON and outside experts
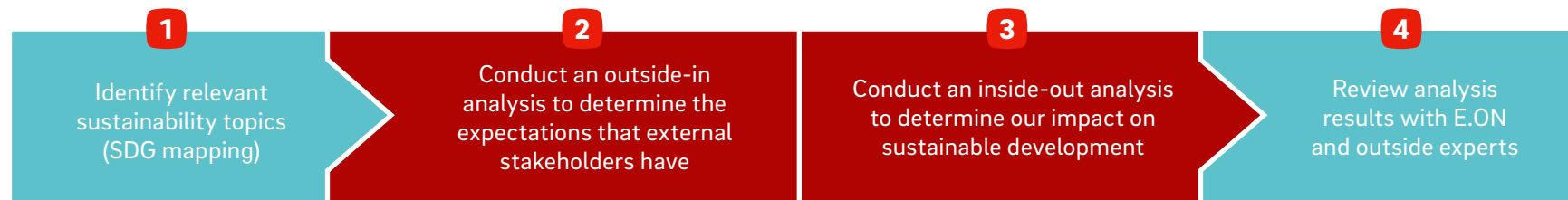
1) Identifying our sustainability topics
The first step of our materiality analysis for 2018 was to take the sustainability topics that we had identified as material in 2017 and map them against the SDGs. The purpose of this was to decide whether it made sense to combine similar topics and whether we needed to add topics for 2018.

2) Outside-in analysis
We then analysed the expectations of our stakeholders (policymakers, customers, employees, NGOs, competitors, and financial markets) regarding our sustainability topics. We did this using existing sources, such as laws, regulations, NGO reports, and customer surveys.

3) Inside-out analysis
Next, we analysed our impact on sustainable development with regard to each topic. We did this by assessing our impact at the various links of our value chain and at our locations. We also assessed the impact of the energy industry as a whole.

4) Reviewing the results
Finally, we held workshops with representatives of our various departments at our corporate headquarters to discuss the results. We also conducted interviews with outside experts to learn their thoughts on the results and on sustainable development generally.

Our material topics

We charted the final results on a materiality matrix, which is shown below. The horizontal axis indicates the topics' relevance to outside stakeholders (outside-in), the vertical axis our impact on the topics (inside-out). We classify as material those topics that are at least highly relevant for stakeholders and that we have at least a high ability to influence. We thus identified eight topics as material. In addition, we consider customer orientation to be material for E.ON because we use this topic for internal control purposes. A circle's size in the matrix reflects the degree to which the corresponding topic matches an SDG.

The chapters of this report describe how we manage our material topics and the progress we've made. Some chapters address more than one topic. For example, data protection, information security, and product safety are combined in the chapter entitled "Data protection and product safety." The topic "sustainable customer solutions" is subdivided by customer segment and described in the following chapters: "Lower-carbon households," "More energy-efficient companies," and "Greener, smarter cities." We also determined which →GRI standards our material topics correspond to. For example, data protection corresponds to GRI 418: *Customer Privacy.* On the first page of each chapter we indicate the relevant GRI standard or standards. The description of our management approach is guided by *GRI 103: Management Approach.*

Materiality matrix [→ GRI 102-47 ☑]
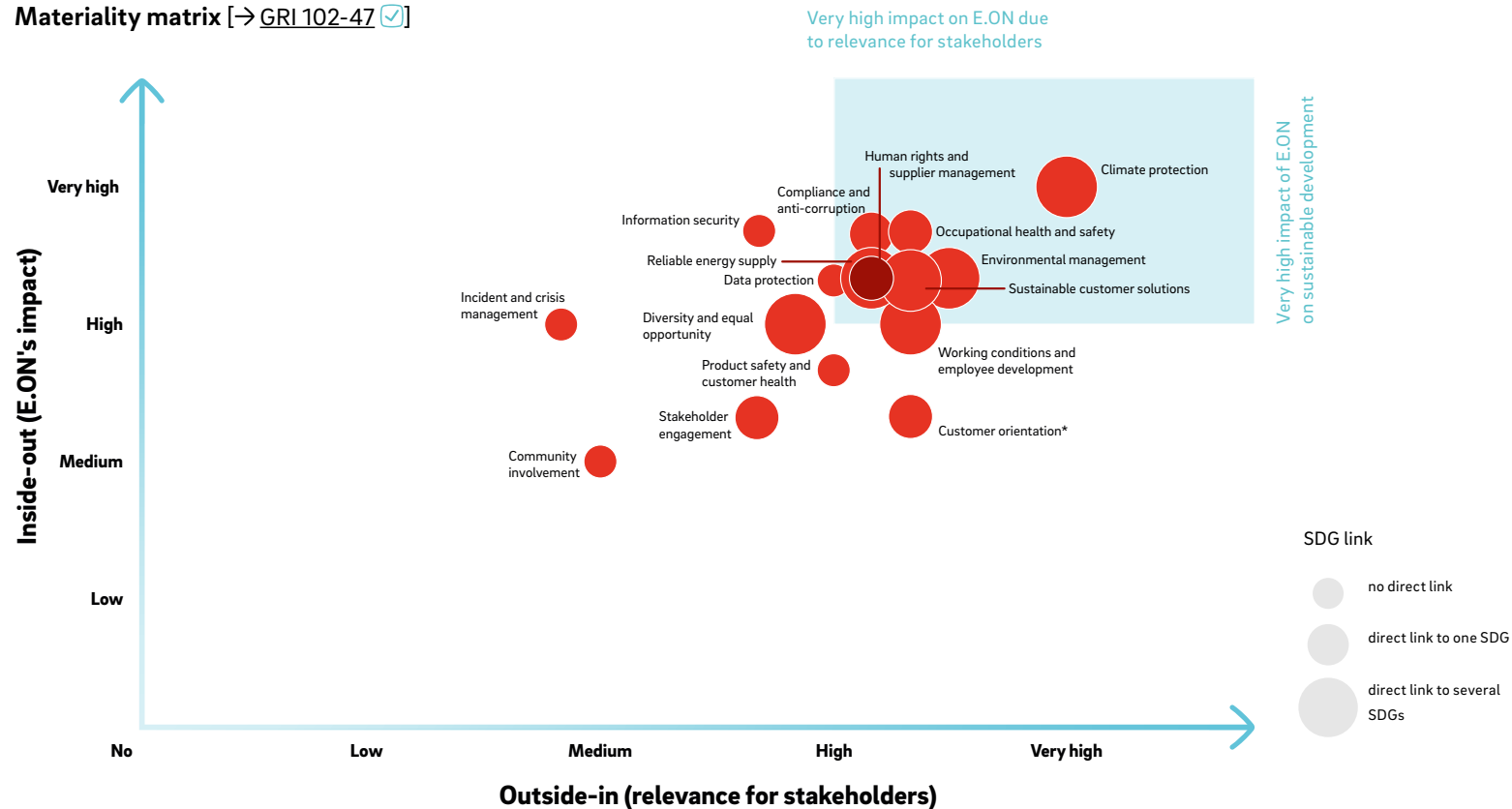
*Customer orientation is highly important for internal control purposes and is thus material for E.ON. We therefore include it among our material topics.

Enabling the energy transition

The energy transition

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

Reliable and smart grids

Reliable networks are the backbone of the new energy world. We provide a reliable electricity supply and efficiently integrate low-carbon renewable energy sources into our distribution grids. Our deployment of conventional and advanced network technology is wisely balanced. This enables us to keep network expansion to a minimum, which reduces our impact on the environment and communities.

Lower-carbon households

Using energy more efficiently and emitting less carbon have enormous climate-protection potential. Providing our customers with new opportunities and smart-home technologies enables them to make their energy consumption more sustainable.

More energy-efficient companies

By partnering with climate-friendly businesses and offering individually tailored solutions we're actively shaping Europe's energy transition. Commercial customers want smart solutions that enable them to use energy more efficiently, save money, and emit less carbon.

Greener, smarter cities

Greener, cleaner, and smarter cities and communities are essential for a more sustainable way of life. We design integrated solutions for individual buildings, city districts, and entire cities.

2019 Highlights

IELECTRIX is a **€10 million EU innovation project** launched in May 2019. It consists of demonstration projects whose purpose is to show how renewables can tangibly benefit consumers.

4,494,153

The number of our **customers receiving certified green electricity products in 2019**. In the United Kingdom we provide 100 per cent green electricity to all of our residential customers.
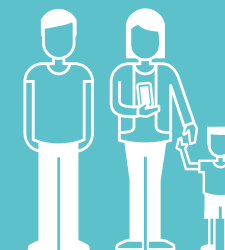
Together with our new partner real, which operates 277 supermarkets across Germany, we're testing **our smart building management system** at a pilot store in Krefeld. Our system enables a supermarket or shopping centre to reduce its energy consumption by up to 35 per cent.

The European Spallation Source for Neutron Research (ESS) in Lund, Sweden, had already chosen ectogrid™, a cutting-edge technology we developed, for the ESS Campus. In 2019 ESS decided to use **ectogrid™ for its campus's office and workshop buildings** as well.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

GRI Sector Disclosure: Access

Building the internet of energy

Today's increasingly digital world consumes more energy and places many more demands on the electricity system. For example, our distribution grids integrate a large and steadily growing number of smaller distributed generation facilities whose output fluctuates continually. They provide a platform on which solar-panel owners can sell their surplus green power. They deliver the power that recharges electric cars, buses, and bicycles, the number of which will grow exponentially in the decades ahead. We're meeting these demands by deploying new technologies to make our energy networks – and thus the cities and communities they serve – more productive and efficient. And to ensure that they remain reliable. In the years ahead, energy networks will become the internet of energy, connecting people and continually creating new possibilities for a more sustainable world. We're taking action today to enable our energy networks to perform this role efficiently, reliably, and cost-effectively. [→ GRI 103-1 ☑]

Our approach

From heat pumps to wind farms, from rooftop solar panels to battery storage systems: the devices of the energy transition are plugged into distribution grids. An important objective of our corporate strategy is to upgrade our grids to meet the challenges of this new energy world so that in future we can continue to ensure a reliable electricity supply for our customers at a reasonable cost. That's why we're making our grids smarter by equipping them with sensors and command-and-control technology and by augmenting them with a digital layer. This will enable us to choreograph energy flows even more deftly and to monitor our grids in real time and with much greater granularity than today. As is described in greater detail below under "Specific actions," smart-grid technology makes it possible for us to avoid or delay some grid expansion.

Going forward, smart grids will serve as the transformative platform for the innovative technologies and business models that are essential to the success of the energy transition: active demand management, virtual power plants, energy storage devices, peer-to-peer energy sales and sharing, to name just a few. Our innovation efforts include developing new approaches for flexible local power systems. For example, we're testing such approaches in three demonstration projects in Sweden and Germany as part of InterFlex, a European research project that began in 2017.
[→ GRI 103-2 ☑]

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

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

A member of the E.ON Management Board oversees our Energy Networks segment. Under his leadership, two departments at our corporate headquarters actively manage Energy Networks' DSOs. This includes strategic development, capital allocation, business controlling, and so forth.

In case of widespread outages, our → crisis management system stipulates responsibilities and processes in accordance with the instructions contained in our Incident and Crisis Management Policy.

Energy-network innovation projects of group-wide importance are coordinated by the Innovation division at corporate headquarters. For example, the Innovation Management team is responsible for developments in the area of local renewable energy systems. In addition, our DSOs conduct innovation projects relevant for their respective service territory.
[→ GRI 103-2 ☑]

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

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

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

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

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

We also take part in research projects at universities and research institutions. The purpose is to develop the technologies, systems, and approaches that will enable us to meet the needs of tomorrow's energy world. Our flagship partnership is with the E.ON Energy Research Center at RWTH Aachen University. Its research has an interdisciplinary approach and focuses mainly on distributed generation, smart grids, and efficient building technologies. [→ GRI 103-2 ☑]

Objectives and performance review
We record all our planned and unplanned outages. We use these data to calculate the system average interruption duration index (SAIDI), which measures the average outage duration per customer per year, and the system average interruption frequency index (SAIFI), which measures the average number of outages per customer per year. Although we don't use these figures for management control purposes, they provide us with information about our service quality. Some countries where we operate have strict legal thresholds for SAIDI. If we don't meet them, we may have to pay fines or compensation. Some of our DSOs therefore set their own SAIDI targets on an annual basis. At regular intervals, the DSOs inform the E.ON Management Board member responsible for network operations about their performance with regard to these targets. The SAIDIs of all DSOs are included in their quarterly performance report to the E.ON Management Board. In addition, once a year we compare our SAIDI in each country with those of our competitors. [→ GRI 103-2/3 ☑]

In 2019 our SAIDI was comparable to the 2018 figure in most countries. A noteworthy change was in Sweden, where, on average, our customers were more affected by power outages than in the previous years owing to a hurricane and severe thunderstorms in the summer. A tangible positive change was in Romania, where we reduced the overall interruption duration by over 100 minutes per customer. This was likely attributable to ongoing investments in automation and improvements in our maintenance crews' work methods. As in previous years, our grids in Germany were our most reliable.

SAIDI power[1] [→ GRI G4-EU29 ✓]

Minutes per year	E.ON 2019			innogy 2019[2]			E.ON 2018		
	Scheduled	Unscheduled	**Total**	Scheduled[3]	Unscheduled	**Total[3]**	Scheduled	Unscheduled	**Total**
Germany[4]	10	20	**29**	7	15	**22**	14	20	**34**
Sweden	28	142	**170**	n/a	n/a	**n/a**	24	120	**144**
Hungary	120	63	**182**	113	53	**166**	132	60	**192**
Czech Republic	152	48	**200**	n/a	n/a	**n/a**	155	49	**203**
Romania	288	185	**473**	n/a	n/a	**n/a**	339	249	**588**
Slovakia[5]	87	96	**183**	n/a	n/a	**n/a**	97	79	**176**

[1]Totals may deviate due to rounding.
[2]Figures for all of 2019; not included in E.ON's figures for 2019; see →Report profile. The table does not include innogy's SAIDI in Poland (scheduled 9, unscheduled 42) for lack of materiality. innogy's network business in Poland is confined to the Warsaw region.
[3]Unaudited figures.
[4]Figures for Germany are for the respective previous year: 2019 for 2018, 2018 for 2017, and so forth.
[5]DSO in which we have a 49 per cent stake.

SAIFI power[1] [→ GRI G4-EU28 ✓]

Interruptions per customer per year	E.ON 2019			innogy 2019[2]			E.ON 2018		
	Scheduled	Unscheduled	**Total**	Scheduled[3]	Unscheduled	**Total[3]**	Scheduled	Unscheduled	**Total**
Germany[4]	0.1	0.4	**0.5**	0.1	0.3	**0.4**	0.1	0.4	**0.5**
Sweden	1.7	1.7	**3.4**	n/a	n/a	**n/a**	0.2	1.5	**1.7**
Hungary	0.4	0.9	**1.3**	0.4	0.8	**1.2**	0.5	0.9	**1.4**
Czech Republic	0.6	0.8	**1.4**	n/a	n/a	**n/a**	0.6	0.8	**1.4**
Romania	0.9	2.2	**3.1**	n/a	n/a	**n/a**	1.1	3.0	**4.0**
Slovakia[5]	0.5	1.5	**2.0**	n/a	n/a	**n/a**	0.5	1.6	**2.1**

[1]Totals may deviate due to rounding.
[2]Figures for all of 2019; not included in E.ON's 2019 figures; see →Report profile. The table does not include innogy's SAIFI in Poland (scheduled 0.01, unscheduled 0.3) for lack of materiality. innogy's network business in Poland is confined to the Warsaw region.
[3]Unaudited figures.
[4]Figures for Germany are for the respective previous year: 2019 for 2018, 2018 for 2017, and so forth.
[5]DSO in which we have a 49 per cent stake.

Progress and measures in 2019

Distribution networks are evolving into smart platforms that manage complex energy and data flows. This will make them the backbone of tomorrow's low-carbon energy system. Last year we continued to take steps to enable our networks to perform this role.

DigiPlaN: simpler planning for renewables developers
In 2019 we launched DigiPlaN for the entire intermediate- and low-voltage grid of E.DIS, one of our DSOs in Germany. DigiPlaN is an innovative digital tool that enables companies developing renewables projects to quickly find out how much transmission capacity is available in a particular grid segment. They simply enter the location, the type of asset (solar or wind), and its capacity. Within seconds DigiPlaN tells them whether their planned asset can be connected to the grid at the desired location. This dramatically simplifies project planning and reduces costs. It will also serve as a platform for future digital innovations.

New technology for our microgrid project in Sweden
We've been testing Sweden's first self-sufficient microgrid since 2017. About one week a month, the roughly 200 residents of Simris, a village near Sweden's southeast coast, are disconnected from the main grid and rely solely on locally produced renewable energy. In 2019 we added a redox flow battery to the microgrid, which significantly increased its storage capacity. On several occasions it enabled Simris to stay disconnected from the main grid all night and not even need its own wind turbine. It also reduced the operating hours of the biofuel-fired back-up generator. In 2019 we also tested a new cloud-based energy management system in Simris. By optimising the charging and discharging of Simris's other battery, a lithium-ion device, it reduces total energy costs. Finally, the Simris project was one of three finalists for the EU Sustainable Energy Award in the "Engagement" category.

IELECTRIX: bringing the benefits of renewables to consumers
IELECTRIX, which stands for Indian and European local energy communities for renewable integration and the energy transition, is a €10 million EU innovation project launched in May 2019 and running through October 2022. It consists of demonstration projects in Germany, Hungary, Austria, and India. Their purpose is to show how renewables can tangibly benefit consumers. E.DIS and E.ON Hungária are among the 15 participants and have been allocated roughly 30 per cent of the project budget. E.DIS's demonstration project involves the use of a mobile battery. The battery will be deployed at segments of E.DIS's system with lots of renewables feed-in. The battery will reduce line congestion – and thus enable us to harness more renewable energy – until line capacity in these segments can be increased. Similarly, E.ON Hungária's demonstration project will test the use of high-capacity mobile storage solutions to reduce line congestion in two segments of its grid.

122 per cent
On particularly sunny and windy days, the amount of renewable power fed into our networks in Germany actually surpasses our end-customers' needs. As a result, the ratio between renewables feed-in and end-customer consumption can sometimes be well above 100 per cent. We export the green surplus to neighbouring grids. Altogether, 38.2 GW of renewables capacity is connected to our networks in Germany.

Switch: more flexible grids in Sweden
Last year we reported about → ENKO, a day-ahead flexibility market that matches forecast surplus output with local sources of flexible demand like the cogeneration units that generate heat for district heating systems. It was created by Schleswig-Holstein Netz, one of our DSOs in Germany, and ARGE Netz, a consortium for marketing renewable energy. Its purpose is to prevent line congestion and make the grid more efficient. In 2019 we launched Switch in Sweden, which is based on ENKO's principles, as part of an EU-funded project called CoordiNET. Switch has created a completely new flexibility market in Sweden. It will enable DSOs to use grid capacity more flexibly, which will foster sustainable economic growth.

The subsidiarity principle for grids: DESIGNETZ

The grid of the future will be divided into local and regional segments. Ideally, each segment will be largely autonomous: it will produce all or most of the low-carbon electricity it needs and manage its own energy flows. Only when there's an imbalance between local supply and local demand will a segment import electricity from, or export electricity to, the next-higher level of the grid. It's the subsidiarity principle applied to the energy system. Since 2017 innogy has been leading a research project called DESIGNETZ to create a blueprint for this system in the German federal states of North Rhine-Westphalia, Rhineland-Palatinate, and Saarland. DESIGNETZ, which is funded in part by the German Federal Ministry of Economic Affairs and Energy, brings together 46 project partners encompassing universities, research institutes, energy companies – including E.ON – , and industrial enterprises. It consists of 30 subprojects focusing on the individual components of tomorrow's energy system, such as smart grids, energy storage, digital controls, and advanced communications technology. In 2019 DESIGNETZ completed the System-Cockpit, which includes a digital blueprint of all local segments of the distribution grid based on actual production and consumption data. Drawing on several grid studies, the data are projected to 2035. This provides a good idea of what the energy system will look like in future. In 2020 the System-Cockpit will be connected to DESIGNETZ's other subprojects, enabling us to learn more about how to make use of flexible production and consumption in a variety of situations. Data and analysis from all subprojects will be used to make proposals for how to change the energy system so that it can meet future needs. DESIGNETZ runs through year-end 2020.

Smarter grids in East-Central Europe

The European Commission granted a total of €91.2 million in co-financing to our DSOs in Slovakia (ZSE) and the Czech Republic (E.ON Distribuce). They're the first DSOs in East-Central Europe to receive EU funding for projects of common interest. The funding will go toward ACON, whose purpose is to integrate the two countries' power grids. It involves expanding and upgrading grids, particularly along the border. The upgrades include the large-scale deployment of cutting-edge smart technology. This will substantially increase our ability to manage energy flows and make it possible for more renewables capacity to be connected to our grids. ACON runs through 2024.

System length at year-end

Thousand kilometres	Power		Gas	
	E.ON 2019	**E.ON 2018**	**E.ON 2019**	**E.ON 2018**
Germany[1]	351	350	52	51
Sweden	138	138	n/a	n/a[2]
Hungary	85	84	18	18
Czech Republic	66	66	5	5
Romania	82	81	23	22
Slovakia[2]	39	38	n/a	n/a
Total	**760**	**757**	**97**	**96**

[1]Figures for Germany are for the respective previous year: 2019 for 2018, 2018 for 2017, and so forth.
[2]We divested our gas networks in Sweden effective the first quarter of 2018.
[3]DSO in which we have 49 per cent stake.

Smart substations

Smart substations are a key element of our smart grids: our strategy foresees that nearly every substation we install or replace in Germany (about 2,000 per year) will be smart. In 2019 we installed 1,400 of them. Smart substations provide real-time data about the status of our networks to our regional control centres. Moreover, they're remote controlled and therefore enable us to optimise more complex power flows in tomorrow's energy system. Our customers benefit from improved supply reliability, less network expansion, and the optimal integration of both renewable generation and new applications such as eMobility and heat pumps.

Predictive maintenance

Predictive maintenance involves using algorithms to predict whether a gird asset will likely fail in the near future. The information enables us to optimise our asset-replacement strategy, minimise the occurrence of asset failures, and reduce replacement costs. Algorithms help us to select assets with the highest risk of failure and components whose failure would have the worst consequences. In 2018 we began using predictive maintenance for Hansewerk and E.DIS's intermediate-voltage cables. The application, which includes visualisation tools that display the extent of possible outages on a map, has already had a positive impact on network operations and replacement costs. In 2019 we completed preliminary predictive-maintenance models for Avacon and Bayernwerk's intermediate-voltage cables and finalised such models for predicting substation failures.

GRI 302: Energy

GRI 305: Emissions

Increasing household comfort and sustainability

Energy is becoming increasingly democratised. More and more consumers also produce their own green energy: prosumers. We play an instrumental role in making it possible for green energy to be generated locally, stored, and used anywhere. Moreover, we provide customers with individually tailored solutions that enable them to use energy more efficiently, save money, and emit less carbon. Digitalisation is accelerating this process. It creates new opportunities – like digital energy management and smart-home technology – to make energy consumption transparent and to use machine learning to optimise it. The mass deployment of these technologies will require smart grids and smart meters. In addition, our customers increasingly want solutions that render transport less dependent on fossil fuels and thus less carbon-intensive. [→ GRI 103-1 ☑]

Our approach

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

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

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

By offering eMobility solutions to all classes of customers, E.ON Drive is making transportation more sustainable. Our main offerings consist of electric-vehicle (EV) charging solutions for homes and businesses as well as public charging infrastructure for cities and municipalities. Our deep experience as an energy-solutions provider ensures that our customers can manage the EV charging process efficiently and that charging infrastructure is optimally integrated into their existing energy system. In addition, we're building an extensive network of ultra-fast charging (UFC) stations along motorways in seven European countries in order to make longer EV journeys viable. Whenever possible, electricity at our charging stations comes from renewable sources. E.ON Drive has three business lines: International Technology Provision, eMobility Solutions, and Charging Network Operations.
[→ GRI 103-2 ☑]

Organisation and responsibilities

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

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

E.ON Solutions designs eMobility solutions, forges partnerships with industry players, and enlarges our E.ON Drive network of UFC stations. Under the E.ON brand, we have eMobility teams in ten countries: the United Kingdom, Germany, Denmark, Sweden, Norway, Italy, the Czech Republic, Hungary, Slovakia, and Romania. Together with innogy, we offer eMobility solutions in 25 countries. Cross-regional and cross-functional teams at corporate headquarters coordinate our sales and solutions activities across Europe and provide technical, commercial, and strategic support.

The Innovation division at corporate headquarters is responsible for exploring emerging opportunity spaces and adjacent markets to grow our energy solutions business. Our areas of interest include advanced eMobility solutions, energy-smart buildings, local renewable energy systems, and next-generation solutions for residential and commercial customers.
[→ GRI 103-2 ☑]

Specific actions

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

We offer a number of apps that enable residential customers to visualise their energy consumption, which is the first step toward identifying ways to reduce it. These include the E.ON SEE app in the United Kingdom and the E.ON app in Sweden. In 2019 we launched the E.ON Home app, which enables users to control all their energy devices (see "Progress and measures in 2019").

E.ON Drive is involved in a variety of eMobility infrastructure projects like FAST-E and EAST-E; the latter is a private-sector initiative to expand Central Europe's EV charging infrastructure. In addition, our roaming agreements give EV drivers in Germany access to more than 6,000 charging points nationwide. We also partner with other companies to provide EV-sharing solutions to business customers and cities. Our solutions make it easy for them to switch to eMobility and enable residents, customers, employees, and guests to embrace low-carbon mobility. Looking further ahead, we're exploring ways to aggregate connected EV batteries into a virtual energy storage system that can be remotely controlled to help stabilise the grid.
[→ GRI 103-2 ☑]

Goals and performance review

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

We aim to provide all customers with a smart meters in our markets covered by the EU directive. However, our DSOs in Germany were unable to begin installing smart meters in 2017 as planned because the German Federal Office for Information Security (BSI) had to certify the manufacturers of gateways (the communication unit in a smart metering system) before installation could begin. By year-end 2019 three manufacturers were certified. Installation will begin as the BSI completed its market analysis and, in late January 2020,

officially announced the start of the rollout. Competitive smart meter service providers were able to begin installing smart meters at the end of 2018 for B2B customers and voluntary B2C customers.

To help establish a Europe-wide network of UFC stations, we continue to install UFC stations at roughly 180 locations in seven countries. We opened the first UFC station, located in Geiselwind, Germany, in 2018 and have since then opened a total of five more in Denmark, Sweden, the Czech Republic, Slovakia, and the UK. In 2019 we also installed al UFC station at our corporate headquarters in Essen and three more on motorways in Germany.

In addition, since 2018 E.ON has been a member of the Climate Group's global EV100 initiative, which aims to make EVs the new normal by 2030. In an effort to lead the way, we're gradually electrifying our own vehicle fleet and car parks – for employees, guests, and customers.
[→ GRI 103-2/3 ☑]

Progress and measures in 2019

Last year we made more progress in existing projects and began new ones, all with the aim of enabling customers to lead better, more comfortable, and more sustainable lives.

E.ON Home

In 2019 we launched E.ON Home, an energy-management app that enables users to visualise and control all their household energy devices. Customers can use it to optimise their energy consumption and storage by setting preferences for solar, storage, heating, lighting, and EV charging. They can also control all their energy devices (such as rooftop solar panels, garage-mounted EV charging point, and heating system) from a single digital dashboard, which uses machine learning to optimise the devices' performance. E.ON Home helps customers to use their own solar energy intelligently, save money, and be greener. It was rolled out in the UK, Italy, Sweden, and Germany.

Green energy sales

GWh	2019	2018
Amount of certified green electricity sold to end-customers	8,770	4,060
Amount of biogas sold to end-customers	9,028	290

In 2019 we significantly increased green energy (green electricity and biogas) sales to our residential customers.
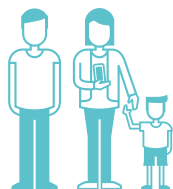
4,494,153
The number of our customers receiving certified green electricity products in 2019. In the United Kingdom we provide 100 per cent green electricity to all of our residential customers.

Berkeley Homes

In 2018 we entered into a partnership with Berkeley Homes, one of the UK's best-known property developers, to pilot and scale up Future Energy Home solution packages. Starting in 2019, Berkeley customers can select E.ON solutions before their home is built. Berkeley customers at Kidbrooke

Village were also the first in the UK to benefit from E.ON Home (described above). The partnership reflects both organisations' commitment to climate protection and their awareness of the need to help consumers to make energy efficiency the norm.

Equipping customers with smart meter

The rollout of smart meters in Germany was delayed due to the certification process of three smart meter gateway manufacturers but will start in 2020 (See "Goals and performance review" under "Our approach"). The installation of second-generation smart meters in Sweden is scheduled to start in 2020 and be completed by the end of 2024.

Installed smart meters by country

Thousand units	2019	2018	2017
Rollout countries			
Sweden	1,040	1,036	1,035
United Kingdom	2,320	1,862	1,002
Pilot countries			
Romania	284	279	252
Slovakia[1]	72	39	33
Hungary	49	35	26
Germany	619[2]	147[2]	30
Czech Republic[3]	0	0.1	0.3
Total	**4,384**	**2,398**	**2,378**

[1]DSO in which we have a 49 per cent stake.
[2]Includes digital meters.
[3]Numbers decline going forward because a government-sponsored pilot project was completed.

Smart Grid Hub

Avacon, an E.ON DSO whose service territory is in north-central Germany, developed and tested a Smart Grid Hub (SGH) connected to about 100 households equipped with smart meters. The SGH fine-tunes the households' production and consumption of energy by remotely controlling a number of devices, such as rooftop solar panels, battery storage systems, and heating units. It then combines this capability with the data it gathers and processes from the grid. The SGH thus enables the uptake of more renewable energy

via smart curtailment and other measures. It can also remotely control home heating and provide customers with detailed energy consumption data. The SGH is both highly scalable and cost-effective. The successful tests showed that, if deployed on a larger scale, it could potentially increase the amount of renewables production capacity that could be connected to the network without adversely affecting network stability or voltage quality. In short: more green electricity without the need for more power lines. The SGH was developed as part of InterFlex, an EU-funded project. Going forward, Avacon will continue to refine the technology and aims to make it available to all E.ON DSOs in Germany.

36,000

The number of our public charging points world-wide. The innogy takeover also made us Europe's largest provider of eMobility services.

eMobility

E.ON and innogy have joined forces. Together, we offer smart hardware, software, and integrated eMobility and energy solutions to residential, business, and municipal customers worldwide. As an eMobility pacesetter, we intend to actively shape this rapidly growing market. In collaboration with partners, E.ON and innogy operate one of Europe's largest EV charging networks. Together, we've installed a total of more than 36,000 charging points at customer premises in 25 countries worldwide.

We continued our eMobility partnerships. We're working with ALD Automotive, Europe's leading vehicle leasing company, to develop and market digitally enhanced mobility, financing, and energy services for corporate customers, municipalities, and residential customers across Europe. We also continue to collaborate with Nissan Europe to develop a sales partnership to supply Nissan customers with sustainable charging solutions when they purchase or lease their EV. Our vehicle-to-grid innovation project in the UK with Nissan, which is testing commercial applications of this technology, reflects our joint vision. Our investment in Vinli, a US-based software company, increases our expertise in digital solutions for eMobility that incorporate Big Data and advanced analytics.

GRI 302:
Energy

GRI 305:
Emissions

Making businesses more energy-efficient

Businesses of all sizes – from the bakery down to the street to the big factory on the edge of town – have enormous climate-protection potential. They can make their equipment and processes smarter and more energy-efficient and produce their own low-carbon energy. The EU and individual member states have passed laws to see that this potential is realised. In 2018, for example, the EU adopted the amended Directive on Energy Efficiency. It requires member states to increase their energy efficiency by 32.5 per cent by 2030 relative to 2007. Our individually tailored solutions help businesses to do their part to make Europe more energy-efficient and less carbon-intensive. [→ **GRI 103-1** ☑]

Our approach

We design integrated solutions for business customers (B2B). These include products and services for embedded power and heat generation as well as energy-efficiency plans that enable customers to use less energy for lighting, heating, air-conditioning, and industrial processes. Our solutions help industrial enterprises, property developers, and vehicle-fleet operators to reduce their energy bills and make their production facilities and properties' more sustainable.

To further expand our portfolio of smart energy solutions, we monitor trends, track technological developments closely, partner with start-ups, and participate in innovative development projects. We also take part in research projects at universities and research institutions.
[→ GRI 103-2 ☑]

Organisation and responsibilities

Our Chief Operating Officer – Commercial, who is a member of the E.ON Management Board, has overall responsibility for the customer-oriented businesses that comprise our Customer Solutions segment. We operate these businesses through a variety of entities. For example, E.ON Business Solutions offers integrated, individually tailored energy-management and embedded-generation solutions to B2B customers in Western and Central Europe, the United Kingdom, and Scandinavia. Its primary role is to assess a customer's needs and design the right solution. Our regional units' B2B sales teams generally handle customer relations.
[→ GRI 103-2 ☑]

Specific actions

When designing embedded generation and energy-efficiency solutions for B2B customers, we strive to forge long-term partnerships so that we can help them to reduce their energy and operating costs over several years. We begin with a comprehensive energy audit and consultation. We then design a plan to make their facilities and processes less energy-intensive and install an embedded cogeneration unit that efficiently and sustainably meets their reduced energy needs.

E.ON :agile, our accelerator and seed investor, scouts and supports innovative and disruptive energy-related ideas. Backed by E.ON's expertise and network, :agile helps European start-ups to test their ideas and turn them into successful business models. The three-month accelerator phase provides funding, training, and individual coaching to early stage start-ups. We aim to forge long-term relationships with them and conduct joint pilot projects after the accelerator phase.
[→ GRI 103-2 ☑]

Goals and performance review

We monitor the improvements achieved by our B2B solutions through a variety of key performance indicators. The results show that in 2019 our solutions for B2B customers again delivered reductions in energy consumption, energy costs, and carbon emissions.
[→ GRI 103-2/3 ☑]

Progress and measures in 2019

In 2019 we entered into new partnerships and moved forward with existing projects. For example, we equipped the highly efficient gas-fired combined-heat-and-power (CHP) plant we installed at a DSM Nutritional Products' facility in Grenzach-Wyhlen in southwest Germany with a new energy-management solution called iQ CHP. The solution processes real-time production data and compares it with spot fuel and electricity prices. It then determines whether the CHP plant will generate electricity solely for production processes or whether it makes business sense to export some of the plant's output to the grid. This provides DSM with additional revenue and supplies nearby production facilities with a low-carbon source of energy.

Smarter supermarkets
In mid-2019 we entered into a partnership with real, which operates 277 supermarkets across Germany, to test our smart building management system at a pilot store in Krefeld. The system controls heating, ventilation, air conditioning, lighting, and cooling and uses machine learning to optimise the power consumption of each device. It also factors in other parameters, such as outside temperature, interior temperature, and the output of on-site energy production equipment like rooftop solar panels. These capabilities enable it to reduce a supermarket or shopping centre's energy consumption by up to 35 per cent. Installation began in July 2019.

673 kt
The reduction in carbon emissions delivered in 2019 by our large-scale cogeneration plants for B2B customers in Germany.

Integrated eMobility solution for company vehicle fleets
In February 2019 we launched E.ON Drive ElectricFleet in Germany. This modular solution provides companies with everything they need to integrate electric vehicles into their fleet: we install charging columns in the company's car park, provide its employees with cards for charging, install wall boxes in employees' home garages, and provide the company with detailed information about fleet analytics, invoicing, and reimbursement. We developed and market ElectricFleet in partnership with ALD Automotive, Europe's leading vehicle leasing company.

Making a major packaging producer less carbon-intensive
In 2019 we extended our long-standing partnership with DS Smith, a leading provider of sustainable packaging solutions, for 20 years. Under the agreement, we'll finance, install, and operate a technologically advanced CHP plant at DS Smith's Kemsley Paper Mill, located about 70 kilometres east of central London. The plant will consist of a 52 MW gas turbine, a 16 MW steam turbine, and waste-heat recovery boilers. It will enable the mill to emit 36,000 metric tonnes less carbon per year – roughly equal to 30,000 medium-sized cars driven 10,000 kilometres – and support DS Smith's objective of reducing its carbon emissions by 30 per cent by 2030. Installation began in March 2019, with commissioning scheduled for mid-2021.

Partnership for sustainable real estate projects
In May 2019 we signed an agreement with FAKT AG, an Essen-based property and infrastructure developer, to work together on sustainable real estate projects in Europe. The first is a 330-hectare multi-use site in Hungary near the Austrian and Slovakian borders. It will encompass a large greenhouse complex for the year-round cultivation of vegetables, Europe's biggest inland fish farm, logistics facilities, and a family-friendly residential area with a kindergarten, primary school, shopping centre, hotel, and conference centre. Our role is to design, install, and operate a smart, sustainable energy infrastructure that enables the site to be carbon-neutral.

GRI 302:
Energy

GRI 305:
Emissions

Helping cities to become more sustainable

Cities and communities across Europe are taking action to become smarter and more sustainable. Innovative solutions can enable them to dramatically reduce their energy consumption, carbon emissions, pollution, and costs. And to become even better places to live. E.ON has over a decade of experience in partnering with cities and providing them with individually tailored solutions that draw on our extensive expertise and experience in energy efficiency, energy recycling, smart grids, and low-carbon energy, heating, and cooling. [→ GRI 103-1 ☑]

Our approach

Our City Energy Solutions (CES) business develops integrated solutions for new property developments, city districts, and entire cities. These solutions integrate offerings such as efficient and climate-friendly heating and cooling, cogeneration of heat and power, solar arrays, broadband infrastructure, eMobility as well as supply and demand management. Our solutions help real estate developers, property managers, housing companies as well as cities and their citizens. They improve their quality of life, make their living spaces more attractive and sustainable, and help to reduce their energy bills.
[→ GRI 103-2 ☑]

Organisation and responsibilities
Our Chief Operating Officer – Commercial, who is a member of the E.ON Management Board, has overall responsibility for the customer-oriented businesses that comprise CES. Our regional units have CES sales teams that develop and market energy and eMobility solutions specifically for cities and communities. These teams tailor their offerings to their customers' individual needs and the particularities of their market. CES is mainly active in Germany, Sweden, and the United Kingdom.
[→ GRI 103-2 ☑]

Specific actions
CES is founded on long-term relationships with customers ranging from real estate developers to city administrations. One example is our extensive partnership with the developer of the Werksviertel, a former industrial district near the East train station in central Munich, which is being transformed into a multi-use urban space with a strong emphasis on sustainable living.
[→ GRI 103-2 ☑]

Objectives and performance review
CES customers usually have specific sustainability targets that a city or district developer wants to achieve and that we pledge our solution will meet. Examples include carbon emission reductions (particularly those caused by buildings), avoided emissions, and the deployment of renewable generation technology in a new development. We monitor progress toward these targets on a regular basis.
[→ GRI 103-2/3 ☑]

Progress and measures in 2019

Last year we again partnered with a number of cities and communities across Europe to help them to become smarter and more sustainable.

ectogrid™: connecting thermal flows to reduce energy needs
We've reported a number of times about ectogrid™, a cutting-edge technology we originally developed in Sweden. By connecting customers with different thermal needs and utilizing waste heating and cooling, ectogrid™ optimises thermal energy flows. The result is a dramatic reduction – typically well over 50 per cent – in the need to generate new energy for heating and cooling. This conserves resources, protects the earth's climate, and makes nearly zero-carbon solutions affordable for our customers.

ectogrid™ in Sweden
We operate the world's first ectogrid™ in the Medicon Village district in Lund, Sweden. Also located in Lund is the European Spallation Source for Neutron Research (ESS), which chose ectogrid™ for the ESS Campus. Using ectogrid™ will enable us to supply heating and cooling to the Campus, the Science Village, and possibly nearby district heating networks in a highly efficient way. In April 2019 ESS decided to use ectogrid™ for its campus's office and workshop buildings as well. We estimate that ectogrid™ will reduce the ESS's energy needs by up to 80 per cent. Construction of the Campus began in 2014 and is expected to be completed in 2023.

ectogrid™ in Germany
In November 2019 we completed a feasibility study of using ectogrid™ in three neighbourhoods in Immendingen, Germany. The study, which was funded by the German Federal Ministry of Economic Affairs and Energy, concluded that ectogrid™ could efficiently and economically optimise Immendigen's use of geothermal energy. The next step is implementing the energy system.

In March 2019 we were nominated in an EU-wide funding call to support our ectogrid™ project at Shamrockpark, a district of Herne in west-central Germany. Our partners for implementing the solution are FAKT AG and Stadtwerke Herne, the local municipal utility. The project will receive funding from the German Federal Ministry of Economic Affairs and Energy to promote projects that help to make the energy transition a reality.

Carbon-neutral energy in Sweden

As we reported last year, we're building an advanced material and energy recycling system in Högbytorp, northwest of Stockholm. The system will consist of a biogas production plant and a biogas-fired cogeneration unit. It will provide people across the region with environmentally friendly, carbon-neutral heating and electricity as well as biogas. In 2019 Högbytorp was selected for funding from the inaugural E.ON Green Bond. The system will likely be fully operational in the first quarter of 2020. In addition, we're building a roughly 25-kilometre pipeline to connect Högbytorp to our district-heating systems in Upplands-Bro and Järfälla.

MEISTER: promoting eMobility in Europe

MEISTER is an EU project to accelerate Europe's transition to electric vehicles (EVs). It involves establishing interoperable charging platforms and providing simple, barrier-free, and cheap access to charging infrastructure in three cities: Malaga, Berlin, and Stockholm. E.ON is one of the project partners. Our role is to design plans for EV sharing, the expansion of charging infrastructure in large residential areas, and the conversion of municipal bus fleets from diesel to electric. In August 2019 we submitted these plans and later provided technical input for the development of MEISTER's smart charging and storage platform. The platform is expected to be in place by the end of February 2020 and then undergo a two-month test phase.

Promoting low-carbon energy autonomy

innogy is conducting a variety of projects to help communities to produce more of their own low-carbon energy. One example is a 360-unit residential development that's under construction in Hattersheim, a small community located just northwest of Frankfurt International Airport. Süwag, an innogy subsidiary, was tasked with designing and installing a climate-friendly energy supply solution that will make the development largely energy-autonomous. Süwag's solution consists of two gas-fired cogeneration units and six rooftop solar arrays. Together, these low-carbon sources will provide more than 75 per cent of the residential development's electricity and 100 per cent of its heat. Residents will begin moving in in mid-2020.

Sharing energy to reduce emissions: SmartQuart

Renewables already provide almost 40 per cent of Germany's electricity. Heating and transport, however, are still based predominantly on fossil fuels. For Germany to achieve its climate targets, the share of renewable energy still needs to increase significantly across all sectors and in all areas of daily life. SmartQuart, created by a consortium led by innogy, aims to demonstrate this. The project will network individual districts of Essen and Bedburg in North Rhine-Westphalia and Kaisersesch in Rhineland-Palatinate internally and with each other. The idea is for the differently structured districts to complement each other sustainably and economically within a collaborative system.

SmartQuart's aim is to render the use of fossil fuels superfluous as energy sources in the project districts by optimising the balance between their energy consumption and their production of renewable energy. In December 2019 the German Federal Ministry for Economic Affairs and Energy selected SmartQuart to be Germany's first real-life laboratory under its new funding programme, "Reallabore der Energiewende." The programme's purpose is to test innovative technologies and to develop new and sustainable solutions for the energy transition on an industrial scale and under real conditions. SmartQuart is scheduled to run five years, from January 2020 through year-end 2024.

Protecting people
and the environment

Protecting what's important

Our company has a responsibility to protect people, the environment, and the earth's climate.

Climate protection

Being an energy company gives us a key role to play in climate protection. Our exclusive focus on energy networks and customer solutions enables us to promote a greener future. We also strive continually to reduce our carbon footprint.

Environmental management

Our environmental management is guided by the precautionary principle endorsed by the United Nations. We work systematically to prevent environmental damage and to minimise our business operations' impact on the environment, the landscape, and biodiversity.

Occupational health and safety

Our employees are our most important asset. That's why health and safety have long been embedded in our policies and processes. We work constantly to ensure our employees' safety and to improve their health.

Data protection and product safety

We ensure that our customers and employees' personal data are handled properly. To protect our customers' health and retain their trust, it's essential for our products to be safe.

Incident and crisis management

We have policies and procedures in place to systematically prevent a crisis from ever happening. And, if one occurs despite these precautions, to manage it professionally and responsibly.

2019 Highlights

In 2019 we became an **official supporter** of the Task Force on Climate-related Financial Discloures, which aims for more transparency in corporate climate reporting.

TCFD | TASK FORCE on CLIMATE-RELATED FINANCIAL DISCLOSURES

In order to conserve natural resources and energy, our entire company began to switch from standard paper to **certified recycled paper**. To conserve natural resources and energy we also introduced more energy-efficient office equipment.

To make E.ON an even safer place to work we initiated our **ZERO Major Harm Programme**. We defined crucial areas and will enter the next project phase in 2020. The safety of our emloyees and contractors in all work processes and the promotion of their health are of the greatest importance.

In July 2019 innogy launched CyberRange-e, multi-day **training courses in cyber protection**. Training encompasses attack detection, analysis, and defence as well as crisis management exercises.

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Climate protection →Environmental management →Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

40

**GRI 302:
Energy**

**GRI 305:
Emissions**

Doing our part to tackle climate change
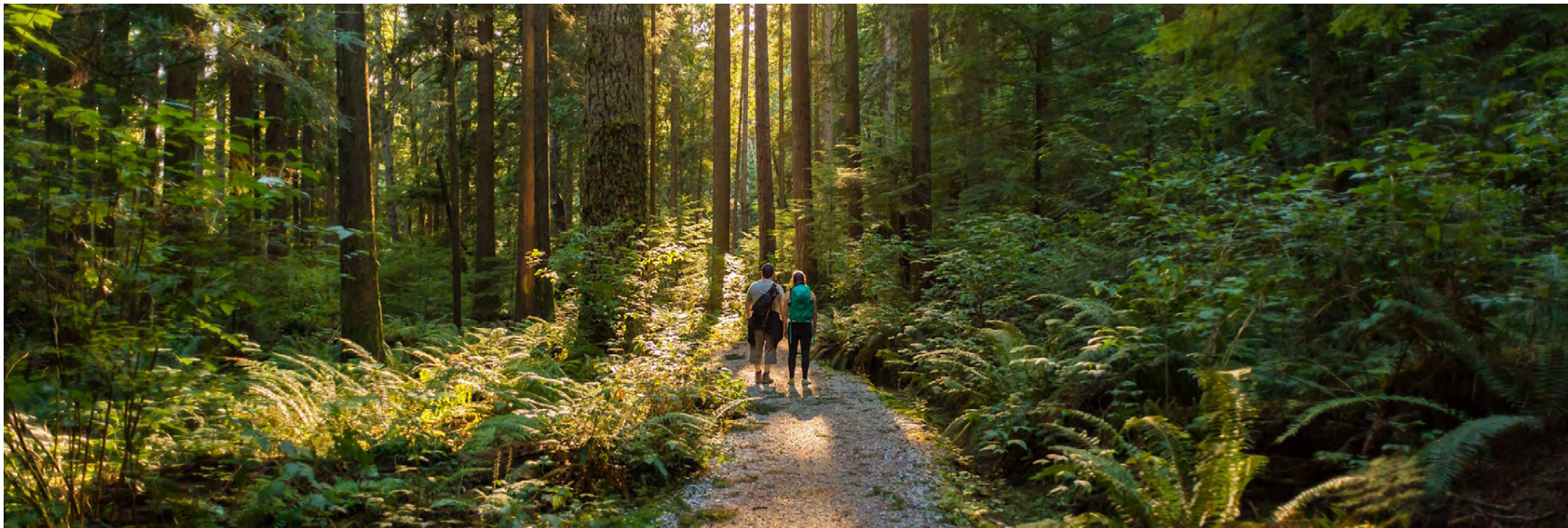
Climate change caused by human action is serious and affects us all. As part of the decision to adopt the Paris Agreement, in October 2018 the Intergovernmental Panel on Climate Change (IPCC) published its Special Report on global warming. It once again emphasised the urgent need for decisive and concerted action to reduce greenhouse-gas (GHG) emissions so that global warming can be limited to 1.5 to 2 degrees Centigrade. Published in September 2019, the latest IPCC Special Report underscores the urgency of taking timely, ambitious, and coordinated action to address unprecedented and enduring changes in the ocean and cryosphere. Keeping temperatures within 2 degrees of preindustrial levels is crucial. But it's also important to realise that there will still be significant consequences in many parts of the planet. However, the most recent UN climate conference, COP25 in Madrid in December

Climate protection →Environmental management →Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

41

2019, didn't live up to the expectations of many. Some of the most urgent items on the agenda ended up being deferred until COP26, which is scheduled for November 2020 in Glasgow. Despite the disappointment, several announcements made during the two-week conference indicated progress. The European Union, for example, committed to carbon neutrality by 2050, and over 70 nations announced that they will submit an enhanced climate action plan, also known as a Nationally Determined Contribution (NDC).

E.ON is an energy company focused entirely on the new energy world; climate protection is therefore a pivotal issue for us. The transition to a low-carbon economy poses challenges for our competitiveness but also creates opportunities for us to grow our business. Our core businesses reflect the key emerging energy trends and enable us to help our customers to use energy more efficiently and to generate their own low-carbon energy. Beyond this, the production or provision of all goods and services as well as customers' use of our products results in GHG emissions. We therefore need to take action to reduce our climate impact both upstream and downstream. [→ GRI 103-1 ☑]

Our approach

Our core businesses contribute to protecting the earth's climate. Our strategic focus on smart distribution networks and innovative customer solutions makes the countries where we operate climate-friendlier, more energy efficient, and more sustainable. We help them avoid GHG emissions and accelerate their → energy transition. Distribution networks like ours are the backbone of this transition: wind farms, battery-storage systems, and other climate-friendly technologies are connected to our distribution grids. Going forward, smart grids will serve as the transformative platform for the innovative technologies and business models that are essential to the energy transition's success.

We want to shrink our own carbon footprint as well. In 2004 we began disclosing the annual carbon emissions from our power and heat generation and from other business activities not directly related to generation. These include upstream and downstream emissions associated with our business activities. We calculate emissions using the globally recognised WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As part of our systematic focus on the new energy world, in 2017 the E.ON Management Board set new climate-protection targets for 2030. To achieve them, we've defined specific actions to reduce our emissions in all three scopes of the GHG Protocol (see "Goals and performance review" below).
[→ GRI 103-2 ☑]

Organisation and responsibilities

The Sustainability department at our corporate headquarters took the lead in developing our company-wide climate-protection targets and monitors progress towards them (see "Goals and performance review" below). Our units are responsible for taking action to reduce their own emissions as well as those that arise from their business activities. They're supported in these efforts by their HSE team and our wider HSE organisation, which helps design energy-efficiency measures and shares ideas and best practices. Together, their achievements enable us to make progress toward our company-wide reduction targets for direct and indirect emissions.

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

E.ON views good corporate governance as a central foundation of responsible and value-oriented management, efficient collaboration between the Management Board and the Supervisory Board, transparent disclosures, and appropriate risk management. The clear organisation of our sustainability and climate-related activities ensures that we work together efficiently and improve continually. Information about our carbon footprint, progress toward our climate targets, and the measures we're taking are first presented to our Chief Sustainability Officer and Sustainability Council. Our Chief Sustainability Officer, who chairs the council, reports the information to the E.ON Management Board and the Supervisory Board on a regular basis.
[→ GRI 103-2 ☑]

Climate protection →Environmental management →Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

42

Guidelines and policies

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

In 2018 we adopted the E.ON Health, Safety, Environment & Climate Protection Policy Statement, which supersedes our Health, Safety and Environment Policy Statement from 2014. The statement now encompasses climate protection and treats energy management as an aspect of this. It articulates our commitment to comply with all HSE laws and regulations and defines the appropriate management systems for this. It pledges us to protect the environment and the earth's climate, reduce our energy consumption, conserve resources, operate responsibly, and strive for continual improvement in our environmental performance.

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

Goals and performance review

In 2017 the E.ON Management Board set new climate targets for 2030. We aim to reduce our total carbon footprint by 30 per cent and that of our customers (their carbon emissions per kWh of power we sell them) by 50 per cent, both relative to a 2016 baseline. The latter, known as indirect or Scope 3 emissions, occur primarily during the generation of purchased power and the use of sold gas. They account for most of our carbon emissions. The adoption of our climate strategy set in motion actions to help us to achieve our climate-protection targets for 2030. In monitoring progress toward them, it's important to remember that year-on-year comparisons can be affected by temporary fluctuations caused by weather patterns and other factors. A period of several years is necessary to determine whether the action we're taking is effective and where we stand with regard to our targets. We therefore assess the trend every three years. Our first assessment was at year-end 2019. The trend (in absolute terms and with regard to our carbon intensity target) indicated that the reduction rate is in line with our forecasts. Consequently, no corrective measures are necessary at this point. In addition, each unit has the authority to pursue more ambitious emission-reduction targets that go beyond the targets for E.ON as a whole. Combining innogy's GHG data with ours will change key parameters for calculating our emissions. When this process is complete, which will be in 2020, we'll revise our climate strategy.

In 2018 we underscored our commitment to reduce the carbon footprint of our own operations by setting the target of making all E.ON buildings carbon-neutral by 2030. In 2019 we took a number of steps toward achieving it. In Germany, for example, we installed solar panels on the roofs of a number of our buildings, replaced old heating systems, installed smart meters, converted light fixtures to LED, and replaced or upgraded wall insulation. E.ON Hungária was among the E.ON companies in other countries that took similar action. We'll continue to install smart meters in our buildings and facilities and also harmonise our collection of energy data with innogy's so that we can adopt a consistent approach.
[→ GRI 103-2/3 ☑]

Progress and measures in 2019

In 2019 we took further ambitious steps to improve climate protection. In addition to our policy for climate-friendlier company cars (see "Guidelines and policies" under "Our approach"), we worked hard to integrate innogy's GHG inventory and data into E.ON's GHG accounting for our Sustainability Report and future joint CDP climate reporting.

→CDP is one of the largest international associations of investors that independently assess the transparency and detail of companies' climate reporting. We've reported data on our carbon emissions to CDP since 2004. For 2019 E.ON received a strong B rating. This means that we're taking coordinated action on climate issues. The rating is higher than the average rating for Europe and the renewable power generation sector, both of which are C. Furthermore, CDP recognised E.ON as a 2019 global leader for engaging its supply chain on climate change. E.ON is among the top 3 per cent assessed for supplier engagement on climate change, based on our 2019 CDP disclosures.

Testing alternatives for sulphur hexaflouride
We're partnering with Nuventura, a Berlin-based start-up, to eliminate sulphur hexafluoride as an insulating material in certain network assets. Nuventura has already tested its technology in a pilot project at Westnetz, an innogy distribution system operator (DSO). Two more pilot projects are planned, one at a transformer operated by E.DIS, an E.ON DSO in north-central Germany.
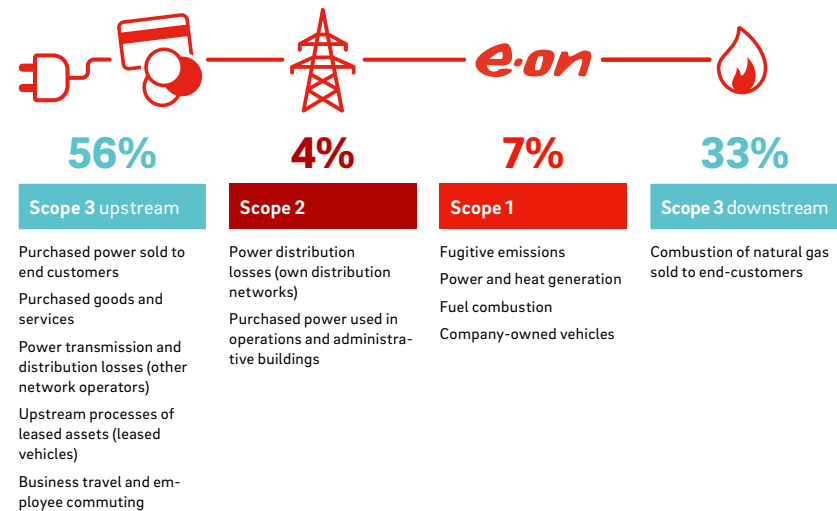
In addition, Bayernwerk, our DSO in southeast Germany, is building a new transformer station near Munich International Airport. Sulphur hexafluoride isn't used here either. Instead, Bayernwerk is testing an alternative gas developed by General Electric.

Carbon reporting according to the GHG Protocol
We calculate our emissions using the globally recognised WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) for the six GHGs covered by the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6). CO_2 is by far our biggest GHG. Although other GHGs like SF_6 and CH_4 contribute to our climate impact, we emit much less of them than CO_2. Global warming potentials indicate how much GHGs affect global warming over a period of time compared with CO_2. All GHG emissions can be expressed as CO_2 equivalents (CO_2e).

The GHG Protocol defines three scopes for GHG accounting and reporting. This improves transparency and provides guidance for different types of climate policies and business goals. In the tables below that include innogy, its emissions are for all of 2019, since it proved impossible to accurately limit data to the period after the takeover. The emissions factors for innogy data deviate in some cases from E.ON's, leading principally to higher Scope 3 figures. A harmonization of emission factors is planned for 2020.

E.ON's carbon footprint by GHG Protocol scope ☑

56% Scope 3 upstream
Purchased power sold to end customers
Purchased goods and services
Power transmission and distribution losses (other network operators)
Upstream processes of leased assets (leased vehicles)
Business travel and employee commuting

4% Scope 2
Power distribution losses (own distribution networks)
Purchased power used in operations and administrative buildings

7% Scope 1
Fugitive emissions
Power and heat generation
Fuel combustion
Company-owned vehicles

33% Scope 3 downstream
Combustion of natural gas sold to end-customers

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

Scope 2 are indirect GHG emissions from the generation of electricity that we purchase to power our buildings and operations or that are classified as line losses in our power distribution networks. These emissions don't physically occur at our facilities but rather at the facility where the electricity is generated. This is why power distribution losses are classified as Scope 2 emissions but gas distribution losses as Scope 1 emissions.

Scope 3 are indirect emissions that occur upstream and downstream of us. They result primarily from the generation of the purchased electricity and the use of the gas that we sell to customers. But they also include the emissions attributable to the production and provision of the goods and services we purchase.

Climate protection →Environmental management →Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

44

E.ON's 2019 carbon footprint (total CO_2 equivalents in million metric tonnes) ☑

0.01[5] Business travel

0.03 Employee commuting

0.05[6] Upstream processes of leased assets (leased vehicles)

0.08 Power transmission and distribution losses (other network operators)

2.65[8] Purchased goods and services[7]

22.43 Combustion of natural gas sold to end-customers[9]

34.42 Purchased power sold to end-customers[9]

59.67

0.01 Fuel combustion[1]

0.02 Company-owned vehicles

3.06[3] Power and heat generation[2]

4.91

1.82 Fugitive emissions

Scope 1

0.03 Purchased power used in administrative buildings

0.16 Purchased power used in operations

2.54 Power distribution losses (owned distribution networks)

2.73

Scope 2[4]

Scope 3

[1]To heat buildings.
[2]The Greenhouse Gas Protocol and DEFRA attribute no direct CO_2 emissions to energy generated at renewable facilities and nuclear power stations. Includes leased CHP plants operated by our customers and plants for reserve and emergency heat and power generation.
[3]This figure does not include 69 kilotonnes of CO_2e from biogenic emissions.
[4]Excludes our consumption of district heating due to the immateriality of the quantity compared with the other Scope 2 categories.
[5]Partially based on prior-year figures.
[6]Based on prior-year figures.
[7]Includes capital goods.
[8]This figure does not include an offset of approximately 2,550 metric tonnes of CO_2.
[9]Figures include residential, commercial, and industrial customers.

Our direct and indirect CO_2e emissions totalled 67.31 million metric tonnes in 2019, a slight reduction relative to the prior-year figure of 68.58 million metric tonnes.

Scope 1 [→ GRI 305-1 ☑]

Total CO_2 equivalents in million metric tonnes	E.ON 2019	innogy 2019[1]	E.ON 2018	E.ON 2017
Power and heat generation[2]	3.06[3]	0.79	2.60[4]	2.03
Fugitive emissions	1.82	0.01	1.95[4]	2.44[4]
Company-owned vehicles	0.02	0.04[5]	0.02	0.04
Fuels combustion[5]	0.01	0.03	0.01	0.02
Total	**4.91**	**0.87**	**4.58**	**4.53**

[1]Figures for all of 2019 and not included in E.ON's figures for 2019; see →Report profile.
[2]The Greenhouse Gas Protocol and DEFRA attribute no direct CO_2 emissions to energy generated at renewable facilities and nuclear power stations. Includes emissions from power and heat generation from CHP assets leased to B2B customers since 2018.
[3]This figure does not include 69 kilotonnes of CO_2e from biogenic emissions.
[4]Prior-year figures have been adjusted due to the subsequent adjustment of certain figures.
[5]Includes leasing vehicles.
[6]To heat buildings.

Our 2019 Scope 1 emissions totalled 4.9 million metric tonnes of CO_2e, slightly more than in 2018. The rise is mainly attributable to an increase in the emissions because we enlarged the scope of our data collection of fuels for power and heat generation. Furthermore, we factored in more CHP plants that E.ON Business Solutions leases to customers.

Emissions from power and heat generation are mainly attributable to our combined heat and power (CHP) plants. In 2020 we intend to improve the transparency of Scope 1 emissions from power and heat generation of leased assets by reporting them as Scope 3 emissions from downstream leased assets. These are leased assets that we installed at a customer's facility and that the customer operates for its own use. The majority of these emissions – 67 per cent – resulted from the generation of heating and cooling. CHP plants accounted for most of the remaining 33 per cent.

Fugitive emissions consist predominantly of methane from gas leaks as well as leaks of sulphur hexafluoride (SF6) and coolants used in energy distribution equipment. Their global-warming potential is very high, which is reflected in their high CO_2e. However, our fugitive emissions are quite small in proportion to the quantity distributed or used: in 2019 just one per cent of methane and 0.23 per cent of SF6 were lost. Furthermore, we did a retrospective data correction concerning methane leaks in one of our subsidiaries. Going forward, we intend to reduce fugitive emissions by continually improving and modernising our gas networks as well as the monitoring of leaks.

Climate protection →Environmental management →Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

45

In 2019 we updated the E.ON Car Policy (see "Guidelines and policies" above), placing much greater emphasis on climate protection and environmental friendliness.

We intend to reduce the emissions from fuel combustion to heat our buildings by making all E.ON buildings carbon-neutral by 2030 (See "Goals and performance review").

In 2019 innogy had Scope 1 emissions of 870 kilotonnes of CO_2e.

Scope 2 [→ GRI 305-2 ☑]

Total CO₂ equivalents in million metric tonnes	E.ON 2019	innogy 2019[1]	E.ON 2018	E.ON 2017
Power distribution losses (location-based)[2]	2.54	2.86	2.69	3.10
Power distribution losses (market-based)[3,4]	3.97	-	3.96	4.14
Purchased power used in operations	0.16	0.17	0.17[5]	0.22
Purchased power used in administrative buildings	0.03		0.03[5]	0.05
Purchased heat[6]	-	0.01	-	-
Total	**2.73**	**3.05**	**2.89**	**3.37**

[1]Figures for all of 2019; not included in E.ON's figures for 2019; see →Report profile.
[2]Based on the emission factors of the national electricity mixes for specific geographic regions.
[3]Based on the emission factors of the national residual mixes for specific geographic regions.
[4]Power distribution losses in Sweden were completely offset by the purchase of green electricity.
[5]Prior-year figures have been adjusted due to the subsequent adjustment of certain figures.
[6]Excludes our consumption of district heating due to the immateriality of the quantity compared with the other Scope 2 categories.

We recorded Scope 2 emissions of 2.73 million metric tonnes of CO_2e in 2019, slightly less than in 2018. A decline in emissions from power distribution losses was the main factor.

Line losses in our networks account for the majority of our Scope 2 emissions. Pursuant to GHG Protocol Scope 2 Guidance, since 2016 we've calculated them two ways: using the location-based method and the market-based method. For our own decision-making, we use the figure determined by the location-based method, which is based on the respective national generation mix. The market-based method yields a different figure because it is based on the contractually attributable generation mix of each of our electricity suppliers. The effort required to identify every single provider that feeds

electricity into each of our networks would be considerable. We therefore use the emission factor of the residual generation mix. In most cases, this is well above the factor of the national generation mix. Line losses accounted for approximately 4 per cent of the power we distributed in 2019.

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

In 2019 innogy recorded Scope 2 emissions of 3.05 million metric tonnes of CO_2e.

Scope 3 [→ GRI 305-3 ☑]

Total CO₂ equivalents in million metric tonnes	E.ON 2019	innogy 2019[1]	E.ON 2018	E.ON 2017
Purchased power sold to end-customers[2]	34.42	59.38	35.57	42.97
Combustion of natural gas sold to end-customers[2]	22.43	25.26	22.63	24.41
Purchased goods and services[3]	2.65[4]	-	2.93	2.28
Upstream processes of purchased fuels[5]	-	3.48	-	-
Power distribution losses (other network operators)	0.08	-	0.09[6]	1.29
Upstream processes of leased assets (leased vehicles)[7]	0.05	-	0.05	0.03
Employee commuting	0.03	-	0.03	0.03
Business travel[8]	0.01	0.001	0.01	0.01
Total	**59.67**	**88.13**	**61.31**	**71.02**

[1]Figures for all of 2019; not included in E.ON's figures for 2019; see →Report profile.
[2]Figures include residential, commercial, and industrial customers.
[3]Includes capital goods.
[4]This figure does not include an offset of approximately 2,550 metric tonnes of CO_2.
[5]For reasons of materiality, we stopped reporting this category from 2017 onward.
[6]A change in the scope of consolidation limits the comparability with the subsequent year's figures. Since 2018 the figure only includes line losses from a DSO in Slovakia in which we have a 49 per cent stake.
[7]Based partly on prior-year figures.
[8]Figures for leased vehicles are for the respective prior year: 2019 for 2018, 2018 for 2017, and so forth.

Climate protection →Environmental management →Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

46

Our 2019 Scope 3 emissions of 59.67 million metric tonnes made up the lion's share of our total carbon footprint. We recorded a slight reduction compared with 2018 and expect the carbon intensity of purchased power to continue to decline further as the European countries in which we purchase power decarbonise their energy mixes.

In 2019 innogy recorded Scope 3 emissions of 88.13 million metric tonnes of CO_2e.

Task Force on Climate-related Financial Disclosures

The average emission factor of the electricity we supply to our end-customers in Germany was **229g of CO_2 per kWh**. By comparison, that of Germany's overall electricity mix was 421g (source: BDEW). The most recent figures for both are from 2018. Our energy bills clearly display the emission factor.

E.ON is committed to acting sustainably in all respects. This includes making steady progress toward our climate targets, effectively managing our climate-related risks, seizing climate-related opportunities that fit with our corporate strategy, and reporting transparently on all these matters. The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) provide important guidance for our reporting. Established in 2015, the TCFD aims to develop consistent, comparable, and accurate climate-related financial risk disclosures that companies can use to provide information to investors, lenders, insurers, and other stakeholders. E.ON became an official TCFD supporter in 2019, which marks the start of our TCFD reporting below:

• **Governance**
The importance of climate change for E.ON is reflected in our governance. The Management Board has overall responsibility for our → sustainability strategy, including our climate strategy, and is informed on a quarterly basis by the Chief Sustainability Officer (CSO) about important initiatives and developments as well as key performance indicators. The CSO manages and monitors all of the company's sustainability activities and chairs the Sustainability Council, our main forum for discussing sustainability issues, establishing a sustainable mindset, and embedding it in our business processes.

The Supervisory Board is regularly informed about E.ON's sustainability performance by its Audit and Risk Committee and by the Management Board. In 2019 the Supervisory Board committed itself to devoting more attention to environmental, social, and governance ("ESG") issues, which are becoming increasingly relevant to investors and other stakeholders. In October 2019 it therefore changed the name of its Investment and Innovation Committee to the Innovation and Sustainability Committee, which advises it and the Management Board on ESG issues.

• **Strategy**
E.ON's business operations directly contribute to the avoidance of CO_2e. Our two core businesses – Energy Networks and Customer Solutions – make the energy system more efficient, increase the proportion of renewables in the energy mix, and therefore help prevent greenhouse-gas emissions. Moreover, our current climate strategy includes emission-reduction targets for 2030 and 2050. The acquisition of innogy substantially strengthens our core businesses and therefore enhances our ability to promote sustainability. But it also changes our carbon footprint. We therefore intend to revise our climate strategy and targets in 2020.

Going forward, we'll continually expand our TCFD reporting. Our reporting for 2020, for example, will provide additional detailed climate-related information and include innogy's data. This reporting will supplement the detailed TCFD-related information we already provide through our CDP climate disclosures.

Both climate change and the energy transition aimed at slowing it could create risks as well as opportunities for our business. We therefore continually review a range of climate scenarios, including those that are consistent with the goal of limiting the global rise in temperatures to less than 2 degrees Centigrade. Among them are the IEA's Sustainability Development Scenario and a scenario we developed ourselves. We use these scenarios to analyse the factors that could influence E.ON's enterprise value and its ability achieve long-term profitability by capturing business opportunities created by the transition to a low-carbon future. Scenario analysis was part of the process of setting our current climate targets in 2017 and will be again when we revise these targets in 2020.

Climate protection →Environmental management →Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

47

- **Risk management**
  E.ON plans to continually monitor and assess its sustainability, climate, and other non-financial risks and opportunities and their potential impact in the short, medium, and long term. In 2018 we began to integrate the assessment and management of these risks more systematically into our overall → risk management. This process is ongoing and, from 2020 onward, will reflect the TCFD's recommendations. The status of this process is presented to the E.ON Group Risk Committee on a regular basis. For this purpose, in the second half of 2019 we conducted two workshops on specific climate risks. Our analysis encompassed physical risks (such as extreme weather and rising temperatures) as well as transitional risks (such as changes in consumer preferences, our regulatory environment, and carbon prices).

- **Metrics and targets**
  E.ON's current climate metrics consist mainly of the emission figures for its carbon footprint categories (Scope 1, 2, and 3) and the measurement of progress toward its climate targets. As stated above, in light of the innogy takeover and our intention to gradually adopt the TCFD's recommendations, we will enhance our climate metrics and adjust our targets in 2020.

  In August 2019 E.ON issued two €750 million Green Bonds that mature in August 2024 and February 2030, respectively. A Green Bond is a fixed-interest security whose issuance proceeds are used to fund low-carbon infrastructure and energy-efficiency projects. The annual reporting for the bonds includes disclosures on the metric tonnes of CO_2e avoided by the projects funded. In October 2019 E.ON concluded a €3.5 billion syndicated credit facility whose credit margin is linked in part to the performance of certain ESG ratings. This gives us additional financial incentives to pursue a sustainable corporate strategy.

→Climate protection   Environmental management   →Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment   **48**

GRI 302:
Energy

GRI 305:
Emissions

Conserving resources, reducing our environmental impact

It is our objective to prevent environmental damage and to minimise the impact of our business operations on the environment, the landscape, and biodiversity. Even if we do not operate large-scale conventional assets any longer, we still build and operate distribution networks and consume energy as well as other resources at our facilities and offices. In order to retain our stakeholders' trust and our license to operate we have to ensure that we comply with all international and national environmental laws and regulations. Our environmental management is guided by the precautionary principle endorsed by the United Nations. [→ GRI 103-1 ☑]

→Climate protection   Environmental management   →Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

49

Our approach

Energy management – continually looking for ways to reduce our own energy consumption – plays an important role in our environmental management and helps us reduce our greenhouse-gas emissions. Its implementation is assured by our operational health, safety, and environment (HSE) management, as we're committed to protecting people as well as the environment. Because the approaches and systems for doing both well are similar, we've combined environmental management and occupational health and safety in a single HSE organisation. Our environmental management is guided by the precautionary principle endorsed by the United Nations, and we've explicitly supported the UN Global Compact's ten principles since 2005. Our objective is for our business activities to cause no environmental damage and to have as little environmental impact as possible. We comply with all environmental laws and regulations. Beyond this, we've also defined our own environmental standards, which are mandatory across E.ON. Because we want to do business only with companies that share our commitment to environmental protection, our suppliers and contractors must pledge to observe our standards. A company policy (see "Guidelines and policies" below) requires all E.ON units (except for very small ones) to have in place an environmental management system certified to ISO 14001 or EMAS, internationally recognised standards for such systems.
[→ GRI 103-2 ☑]

Organisation and responsibilities

The Sustainability department at corporate headquarters took the lead in developing our company-wide climate-protection targets and monitors progress towards them (see "Goals and performance review" below). Our units are responsible for taking action to reduce their own emissions as well as those that arise from their business activities. They're supported in these efforts by their HSE team and our wider HSE organisation, which helps design energy-efficiency measures and shares ideas and best practices. Together, their achievements enable us to progress toward our company-wide reduction targets for direct and indirect emissions.

The next chapter, → Occupational health and safety, contains detailed information about our HSE organisation.
[→ GRI 103-2 ☑]

Guidelines and policies

Our HSE Policy Statement requires documented HSE management systems according to international standards. For example, it requires all E.ON units (except for very small ones) to have in place an environmental management system certified to ISO 14001 or EMAS, internationally recognised standards for such systems. In 2019 the coverage rate was 99.93 per cent. In compliance with the Energy Services Act in Germany, we also introduced ISO 50001 at those units that already had an HSE management system. In 2019, 97.03 per cent of our business units had an energy management system certified to ISO 50001. We measure and analyse the energy consumed by the facilities and office buildings at all of these units. The findings help us identify opportunities to conserve energy and recommend cost-effective energy-efficiency measures. You can find other environment-related guidelines in the → Climate protection chapter.
[→ GRI 103-2 ☑]

Specific actions

In 2018 we replaced our previous online incident management system, Prevent!, with PRISMA (Platform for Reporting on Incident and Sustainability Management and Audits). For more information about PRISMA and our incident management, visit the → Occupational health and safety chapter.

The steps we took to improve our facilities' energy efficiency included installing smart LED lighting in buildings and car parks, reducing the energy consumed by ventilation and air-conditioning, and using smart building controls that automatically adjust interior temperatures depending on exterior temperatures and the day of the week (workday or weekend).

In 2017 we began offering our employees in Germany incentives to embrace eMobility. They include an attractively priced leasing contract for an electric vehicle (EV), an at-home charging point, and a certified renewable power tariff so that employees can charge their EV with clean energy.

In cases of considerable public or ecological impact, we conduct an environmental impact assessment during the development stage of new power lines, gas pipelines, and other large industrial equipment we intend to build. Such assessments are often required to obtain planning or regulatory consent. There may be additional requirements for us to monitor an asset's environmental impact once it's operational in order to ensure that our assessment was correct. In addition, we engage in ongoing dialogue with local stakeholders and interested parties on a range of environmental issues.
[→ GRI 103-2 ☑]

→Climate protection   Environmental management   →Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

50

Goals and performance review

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

In 2018 E.ON joined EV100, a global initiative that brings together companies committed to accelerating the transition to EVs and to making electric trans-port the new normal by 2030. Where technically feasible and cost-effective, we aim for all of our vehicles under 3.5 metric tonnes and at least half of those between 3.5 and 7.5 metric tonnes to be EVs by 2030. In addition, we'll continue installing charging infrastructure at our own facilities and communi-cate the change to our customers. We're working on a detailed plan to reach our goals. In 2019 we updated the →E.ON Car Policy, placing much greater emphasis on climate protection and environmental friendliness.
[→ GRI 103-2/3 ☑]

Progress and measures in 2019

In 2019 we continued existing initiatives and launched new ones aimed at using less energy, conserving resources, and reducing our impact on the environment, habitats, and biodiversity.

Switching to recycled paper

In 2019 our entire company began to switch from standard paper to certified recycled paper. We also introduced more energy-efficient office equipment. The purpose is to conserve natural resources and energy and to reduce carbon emissions. At a company of our size, this change can have a significant positive impact. We estimate that on an annual basis it will reduce wood consumption by 1,310 metric tonnes, water consumption by 22.1 million litres, energy use by 4.6 million kWh, and carbon emissions by 121 metric tonnes. innogy began its tran-sition to recycled paper at the end of 2018, initially at its companies in Germany.

Making life easier for fish

innogy is committed to ensuring that its hydroelectric plants, which are a valuable source of climate-friendly energy, are fish-friendly as well. For example, Hohenstein, an innogy hydroelectric plant on the Ruhr River in Witten about 15 kilometres southwest of Dortmund, inaugurated a new fish ladder in April 2019. The ladder enables migratory fish to swim upstream around the plant. Hohen-stein also has a downstream fish path designed specifically for silver eels, which was installed in 2018. The investments for the two additions totalled about €2 million. Similarly, in May 2019 Unkelmühle, a small innogy hydroelectric plant on the Sieg River about 30 kilometres east of Bonn, put its technologically advanced fish protection and migration facilities into regular operation after completion of a test and monitoring phase. The Unkelmühle pilot project was realised in co-cooperation with, and co-funded by, the state of North Rhine-Westphalia.

Sustainable in-house dining for innogy employees

In 2019 innogy Gastronomie GmbH, which operates the cafeterias at innogy offices and facilities across Germany, received TÜV certification for sustain-ability. Certification encompassed 450 questions covering the entire food production process as well as on-site inspections. In 2019 innogy Gastrono-mie also introduced a reusable deposit system at nearly all of the facilities it serves and, in partnership with universities in Münster and Berlin, conducted a pilot project on waste management and avoidance. More generally, innogy Gastronomie is likely one of the only catering companies in Germany to have an integrated sustainability plan. By year-end 2019, about 80 per cent of the plan had been implemented.

→Climate protection   Environmental management   →Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

51

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

E.ON consumed 228 million GJ of energy in 2019, 10 million GJ less than in 2018 (which does not include innogy). The main factor was lower electricity output due to the fact that we now operate fewer nuclear power stations and transferred substantially all of our renewables operations in September. To further reduce the electricity consumed by our buildings, in 2018 we set the target of making them all carbon-neutral by 2030 (see "Goals and performance review").

Environmental incident ☑

We had one serious environmental incident in 2019. It occurred at E.ON Business Solutions in the United Kingdom. A cracked oil line in a CHP plant led to engine oil leaking into a nearby pond and river. The leak was quickly isolated and repaired in the days that followed. Most of the leaked oil was removed in the next two days. A specialist firm conducted additional cleanup operations in the next two weeks.

Savings through emission-reduction projects

We regularly carry out projects to reduce our own carbon emissions. In 2019 these projects delivered over 1,800 metric tonnes of CO_2e savings. These resulted primarily from low-carbon energy measures (such as installing renewables capacity at company facilities), process optimisation (such as heat recovery and the replacement of machines), and building optimisation (such as improved insulation and more efficient lightning).

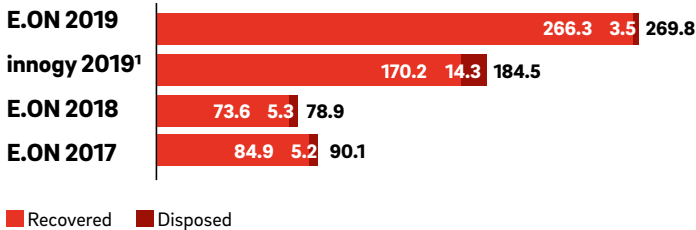**Carbon emission reductions achieved through targeted projects**

5 % Building optimisation
12 % Other[1]
16 % Process optimisation
2019
67 % Fugitive emission reductions
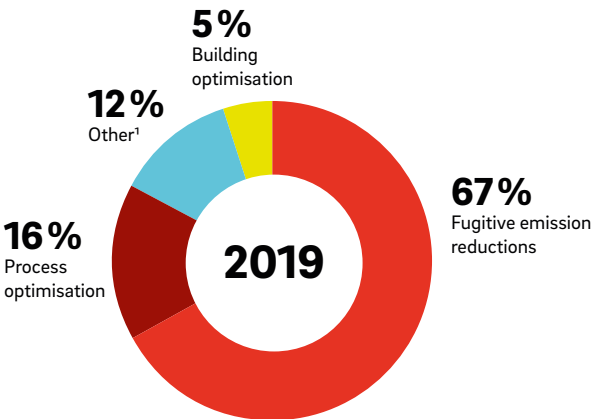
[1]Includes projects involving measures to reduce methane leaks and other fugitive emissions.

Avoiding and recycling waste

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

Non-hazardous waste (metric kilotonnes)

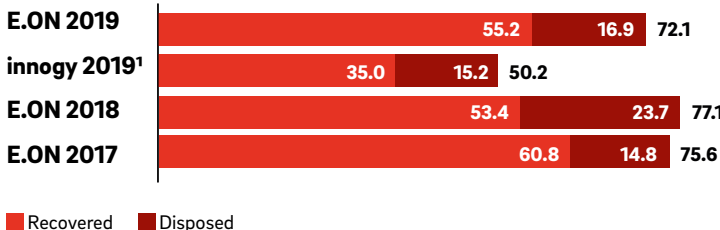|	Recovered	Disposed	Total
E.ON 2019	266.3	3.5	269.8
innogy 2019[1]	170.2	14.3	184.5
E.ON 2018	73.6	5.3	78.9
E.ON 2017	84.9	5.2	90.1

■ Recovered ■ Disposed

[1]Figures for all of 2019; not included in E.ON's 2019 figures; see →Report profile.

E.ON's total non-hazardous waste increased from 78.6 kilotonnes in 2018 to 269.8 kilotonnes in 2019. One reason for this substantial increase was more ash waste from biomass-fired plants and an increase in the number of upgrade projects. For example, our UK business replaced a large number of boilers at customer premises. These factors limit the informational value of a year-on-year comparison. E.ON recovered 98.7 per cent of its non-hazardous waste.

innogy non-hazardous waste amount totalled 184.5 kilotonnes in 2019. innogy recovered 92.4 per cent of it.

Hazardous waste (metric tonnes)

	Recovered	Disposed	Total
E.ON 2019	55.2	16.9	72.1
innogy 2019[1]	35.0	15.2	50.2
E.ON 2018	53.4	23.7	77.1
E.ON 2017	60.8	14.8	75.6

■ Recovered ■ Disposed

[1]Figures for all of 2019; not included in E.ON's 2019 figures; see →Report profile.

→Climate protection   Environmental management   →Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

52

We produced 72.1 metric tonnes of hazardous waste in 2019, around 5 metric tonnes less than in 2018. We recovered 76.6 per cent of it. The amount of hazardous-waste remained stable over the last three years due to no major change in business activities.

In 2019 innogy had 50.2 kilotonnes of hazardous waste and recovered 69.7 per cent of it.

Other atmospheric emissions[1]

Metric tonnes	E.ON 2019
NO$_x$ emissions	1,198
SO$_2$ emissions	985
Dust emissions	134

[1]For generation assets over 20 MW.

Fossil-fueld power plants emit nitric oxide (NOx), sulphur dioxide (SO$_2$), and dust. This type of power generation is no longer a core E.ON business. We therefore no longer consider it a key indicator. We now focus on small-scale, embedded generation units. Our NOx, SO$_2$, and dust emissions are mostly attributable to small-scale gas-fired combined-heat-and-power (CHP) plants and larger district heat networks.

Non-Core Business: water management at PreussenElektra
The nuclear power plants in Germany operated by our subsidiary Preussen-Elektra (PEL) represent our only material use of water.

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

PEL's water balance

Million cubic meters	2019	2018	2017
Fresh water withdrawal	2,106.8	2,316.0	1,433.0
Fresh water discharge	2,059.6	2,278.3	1,396.0
Fresh water consumption	**47.3**	**37.7**	**37.0**

PEL withdrew 2,106.8 million cubic meters of fresh water in 2019, 209 million cubic meters less than in 2018. PEL uses fresh water, almost all of which comes from rivers, mainly as cooling water. The year-on-year decrease in withdrawal is attributable to the fact that power production decreased slightly. PEL returned 97.8 per cent of withdrawn water to its source. About 47.3 million cubic meters of fresh water evaporated into the atmosphere through the power plants' cooling towers.

Non-Core Business: safe handling of radioactive waste
PEL is responsible for the safe and reliable operation and dismantling of its nuclear power plants (NPPs). Both activities result in radioactive waste. We're well aware of the high responsibility that is associated with both.

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

Our aim is to minimise the amount as well as the volume of radioactive waste. We do this in part by separating it from uncontaminated waste and by subjecting it to certain treatments that reduce its volume. The nuclear industry distinguishes between radioactive waste that generates negligible heat – low-level waste (LLW) and intermediate-level waste (ILW) – and waste that generates high heat – high-level waste (HLW):
- LLW and ILW account for the largest amount of radioactive waste in terms of both weight and volume. Examples of LLW include protective clothing, cleaning equipment, tools, and building rubble from plant control areas. ILW includes, in particular, the reactor pressure vessel's near-core mounting parts. Together, both waste categories contain less than one percent of an NPP's total radioactivity.

→Climate protection   Environmental management   →Occupational health and safety   →Data protection and product safety   →Incident and crisis management

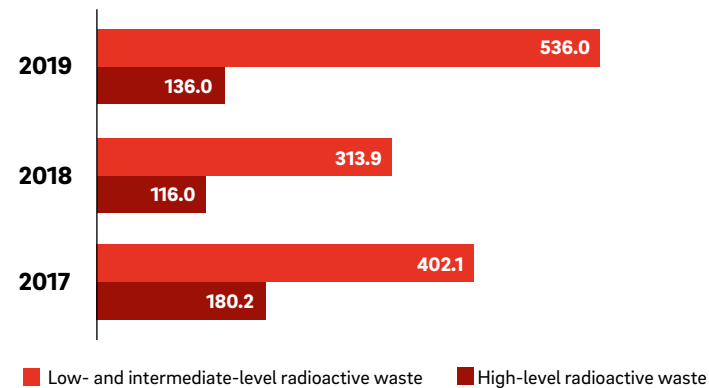**Protecting people and the environment**

53

- HLW contains more than 99 per cent of an NPP's total radioactivity and consists primarily of the fission products of uranium in the irradiated fuel assemblies.

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

As for HLW, irradiated fuel assemblies are placed in approved transport and storage containers and stored safely in interim storage facilities at the NPPs. Under the Law on the Reorganisation of Responsibility in Nuclear Waste Disposal, the interim storage facilities and containers of irradiated fuel assemblies became the property and responsibility of the federal government effective 1 January 2019. Fuel assemblies will remain in the interim storage facilities until Germany has a state-owned receiving facility or repository for HLW. When this will happen is unclear but will not be before 2040. The responsibility for final disposal lies with the federal government.

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

Radioactive waste (metric tonnes)

2019: 536.0 / 136.0
2018: 313.9 / 116.0
2017: 402.1 / 180.2

■ Low- and intermediate-level radioactive waste   ■ High-level radioactive waste

For 2019 PEL submitted notification for 222.1 metric tonnes more LLW and ILW than for 2018. As already expected, the amount of waste increased due to dismantling projects in which dismantled plant components were declared as radioactive waste. The amount of HLW increased in 2019 by 20.0 metric tonnes because more fuel assemblies were unloaded from reactor cores than in the prior year.

→Climate protection   →Environmental management   Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

54

**GRI 403:
Occupational
Health
and safety**

Safe workplaces, healthy employees

Ensuring our employees' safety and promoting their health are of the utmost importance. That's why health and safety (H&S) is a core value of our corporate culture. Every accident, even a minor one, can endanger our employees' health. Some types of accidents that could happen in our operating business have the potential to dramatically alter employees' lives and those of their family members. Accidents are also bad for us as a company. They may impact the environment, damage property, cause work stoppages, and harm our reputation. For all these reasons, we demand that everyone at E.ON complies with our stringent safety standards at all times. This is particularly true for employees whose tasks are potentially risky, like those who work on our power grids, gas pipelines, and other industrial facilities or install rooftop solar panels. We also strive to foster our employees' health, including their mental health. For example, we offer them help in coping with the increased demands and anxiety that can be caused by digitalisation, corporate restructuring, and other types of change. Finally, we address the needs of an ageing workforce and take steps to maintain our people's ability to work. [→ <u>GRI 103-1</u> ☑]

→Climate protection   →Environmental management   Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

55

Our approach

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

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

We strive to actively promote our employees' well-being and enable them to maintain their performance and employability well into the future. In particular, we try to prevent the main health conditions that most frequently result in unfitness for work and that are the precursors of preventable diseases and the causes of death. Our health management includes designing and providing health services as well as target-group-specific measures to maintain health. We promote them by means of information leaflets, presentations, practitioner services (such as flu vaccination) and, increasingly, digital communications channels. They typically address health issues that are relevant to all our employees or individual target groups. Issues include general health maintenance, nutrition, exercise, mental health, and stress management.

Non-E.ON employees such as consultants supporting us at one of our offices may participate in general prevention measures, such as Health Days. E.ON employees may participate in specific prevention measures (such as free colon and skin cancer screening), consult company doctors, utilize the services of the employee assistance programme, or use company fitness facilities. To continually improve the effectiveness of our measures, to learn from positive experiences, and not to repeat mistakes, our Health, Safety, and Environment (HSE) organisation shares information, ideas, and best practices across our company. For example, we have a number of inter-company and group-wide discussion forums devoted to specific H&S issues.
[→ GRI 103-2 ☑]

Organisation and responsibilities
We're committed to protecting people and the environment. Because the approaches and systems for doing both well are similar, we've combined environmental management and occupational health and safety management in a single HSE organisation. The E.ON Management Board and the management of our units are responsible for our HSE performance, which includes compliance as well as improvement. They set our strategic objectives and adopt policies to promote continual improvement. They're supported and advised by the HSE division at corporate headquarters, the E.ON HSE Council, and employee representatives. The council is composed of senior executives and employee representatives from different business areas and countries. It meets at least three times a year and is chaired by the member of the E.ON Management Board responsible for HSE. Our units have HSE councils and expert teams as well. They define specifications and design plans to ensure that their unit meets our standards.
[→ GRI 103-2 ☑]

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

→Climate protection   →Environmental management   Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

56

Our Sustainability & HSE Function Policy defines HSE roles, responsibilities, management approaches, and reporting channels. It sets minimum require-ments and management tools needed to prevent physical and mental harm in the workplace. It also requires all our operating units to have in place an occu-pational H&S management system certified to ISO 45001, an internationally recognised standard for such systems (ISO 45001 replaced OHSAS 18001). Under this standard, contractors who work for us are indirectly covered by our management systems. In 2019 the coverage rate was 99.95 per cent. In addi-tion, the People Guideline on HSE clearly and succinctly conveys our HSE aspi-rations and states our expectation that all employees embrace HSE on the job. It also describes our three Safety F1RST principles, which together encompass the mindset and behaviours necessary to prevent accidents. The guideline contains extra tasks for managers, because they take the lead in delivering on our commitment to continual improvement in our HSE performance.

An updated group standard for incident management took effect in mid-2018 and applies to our contractors as well. Its purpose is to establish consistent rules for classifying, investigating, analysing, and reporting HSE incidents and for sharing what we learn from them. It complements PRISMA, our IT solution for incident management, which is described below under "Specific actions." The standard was revised in 2019 to enhance consistency across the group.

A revised group standard on HSE management expectations took effect in 2019. It defines five risk-management aspects that we believe require special attention by management and HSE experts, in particular to help to prevent major harm and to foster a caring culture: HSE leadership and engagement, identification, evaluation, control, and monitoring. It also contains many examples of our subsidiaries' risk-management processes. One of these is the Independent Review of Integrity and Safety (IRIS) tool, which E.ON UK uses to identify potential risks in new customer solutions.

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

In addition, we've adopted procurement policies and standards that require our suppliers to pledge to meet minimum standards for HSE.
[→ GRI 103-2 ☑]

Specific actions

The Centre of Competence for Global Learning at corporate headquarters, which was formerly responsible for H&S training and seminars, closed on 31 December 2017. Corporate headquarters still oversees strategic H&S training sessions, such as the training provided to the E.ON Group's top 100 executives, programmes for senior managers in our operating business, and training for staff who conduct incident investigations. Otherwise, however, our units conduct their own operational H&S training and other training required by law.

PRISMA (Platform for Reporting on Incident and Sustainability Management and Audits) is the main component of our online incident management sys-tem. It's an integrated solution that supports the reporting and management of HSE incidents. It enables us to reach more users, create more transparency, and report and manage data better. All E.ON units use PRISMA, which has five categories of incidents. They range from 0 (low) to 4 (major). According to our HSE Standard on Incident Management, units must use PRISMA to report category 4 incidents to the HSE division at corporate headquarters within 24 hours. We systematically investigate and analyse all incidents and use the findings to take preventive action. In particular, sharing lessons learned from incidents has become a key focus of our management efforts.

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

Alongside familiarising our employees with H&S rules and regulations, some of which are highly technical, we actively motivate them to embrace safe work practices and involve them directly in the process. One example is a multi-week interactive campaign on Connect, our corporate social media platform. It consists of a series of stories on H&S issues. Employees are encouraged to post their feedback and suggestions, creating an ongoing

→Climate protection   →Environmental management   Occupational health and safety   →Data protection and product safety   →Incident and crisis management

Protecting people and the environment

57

dialogue. The purpose is to spur them to rethink their actions, preferences, and expectations regarding H&S and to stimulate independent thinking and action in our organisation. In addition, their feedback provides our HSE departments with new insights into employees' mindset. The campaign is part of our effort to shift from an H&S culture that focuses on setting rules to one that emphasises caring about our employees.

In addition, we thoroughly train our lead investigators to examine fatal and other severe incidents. Training includes methodologies for comprehensive investigations of root causes (barrier-based systematic analysis) as well as intercultural competence, communication skills, and other ancillary topics. This is an ongoing activity across the E.ON Group.

Employees who have questions or concerns about their physical or mental health can contact our employee assistance programme (EAP). EAP is a free, independent, and strictly confidential health-advisory and life-coaching service available in multiple languages to our employees in Germany, Great Britain, Sweden, and Hungary. We have similar programmes in other countries where we operate.
[→ GRI 103-2 ☑]

Goals and performance review
Our units develop their own H&S improvement plans, which set H&S targets for one or more years. Many units set annual targets for combined TRIF. But our main focus is on targets that help us to reach our goal of zero accidents. In addition, in 2018 the E.ON Management Board defined a set of four personal H&S targets for the top 100 executives who report directly to them. Examples of the targets included participating in H&S upskilling workshops and working with their management team to obtain a clear understanding of the current H&S culture in their area of responsibility, define a target H&S culture and the timetable for achieving it, and enumerate the proper initiatives to pursue. Those actions reinforced our top 100 executives' awareness of their personal targets and led to an increase in their activities related to their targets. We believe that having our top 100 executives initiate the transformation of our H&S culture has been effective.

The E.ON Management Board is informed about severe incidents, developments relating to accidents, and related measures and programmes by means of monthly reports from HSE and periodic consultations with the Senior Vice President for Sustainability & HSE. Our units report major incidents directly to the Management Board within 24 hours. We carefully review performance

indicators for lost time, accidents, and dangerous situations. The purpose is to understand the causes of accidents, take action to prevent them, and conduct risk analyses. If safety data indicate that a unit may not be meeting our standards, Corporate HSE will provide advice and support in order to improve the unit's performance. In addition, Corporate Audit may conduct an HSE audit of the unit.

The findings of the incident investigations and HSE audits completed in 2019 show that our H&S management systems are largely effective. Most of the deficiencies identified were rectified without delay. However, there remains work to do to ensure that all new or revised policies and processes are fully documented and disseminated. This relates in particular to H&S rules at our distribution system operators (DSOs) in Germany. At some E.ON units outside Germany we found isolated safety deficiencies that could put employees, contractors, and members of the public at risk. The deficiencies were prioritised and gradually rectified. On balance, we've seen a steady improvement in recent years. We view audits – and the findings and recommendations they yield – as opportunities to foster continuous improvement.

We assess the success of our approach to health management by asking ourselves a simple question: "Did we reach out to our staff with information on health and prevention and motivate them to participate in our programmes?" Our health programmes are often tailored to the needs of specific target groups, which increases the likelihood of participation. Our DSOs in Germany, for example, focus in particular on reaching out to their employees aged 50 and older and to the employees at their field offices. For many of our health programmes, we calculate the return on investment by comparing their cost with the downtime they prevent. More generally, we strive to foster a work environment in which all employees feel comfortable, valued, and supported. This includes placing a special emphasis on mental health. We provide communications on the importance of managing stress and recognising the signs of mental health issues, tips and training for reducing stress, self-assessments, and direct support, including through the EAP.
[→ GRI 103-2/3 ☑]

→Climate protection →Environmental management Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

58

Progress and measures in 2019

In 2019 we continued to work hard to promote H&S. For example, over 4,000 employees took advantage of free screening for skin cancer and informational events on the topic. More than 1,800 employees participated in awareness-raising measures on alcohol and addiction. In view of the innogy takeover, the two companies conducted numerous joint H&S communications in Germany, including webinars on mental health, in order to reach out to all employees. In addition, we developed new personal H&S targets for 2020 for our top 100 executives.

We also worked with innogy to harmonise our respective H&S management systems and guidelines and formed virtual working groups to address selected key H&S topics. These steps will help to ensure a seamless integration in 2020.

ZERO Major Harm Programme
In 2019 we initiated the ZERO Major Harm Programme to make E.ON an even safer place to work. It addresses what in our experience are the four crucial areas for us to achieve our objective of zero major harm: learning from incidents so that they don't happen again, improving key H&S processes (like risk, incident, and contractor management), enhancing our knowledge, and improving data management so that we can better measure and manage our H&S performance. The programme will enter its next phase in 2020. This will include setting up a best practice toolbox that covers H&S key processes (like communications, training measures, and leadership) and putting in place new standards for risk management and contractor management. We also intend to conduct more H&S site visits and foster information sharing between units; for example, experts from one unit will visit another to learn about its H&S practices and present their own.

Caring Culture
In 2019 we evaluated the effectiveness of our Caring Culture Strategy, which we adopted in 2018. We did this by conducting about 25 telephone interviews with employees of various hierarchy levels and in different departments of E.ON units in Germany and other countries. The findings showed that, on balance, employees' H&S awareness had improved significantly, although the degree of improvement varied by unit and country. We believe that the improvement is, in part, a positive result of the upskilling workshops held for our top 100 executives in February 2018, the introduction of several tools related to H&S, and increased support for executives, which together enabled executives to place even greater emphasis on H&S. The most visible cultural change regards mobile-phone use in cars. With few exceptions, interviewees stated that they've dramatically altered their behaviour in this area and no longer make calls while driving. The findings also showed that mental health needs to be addressed more comprehensively in the goals, programmes, actions, and targets for our top 100 executives. Furthermore, managers and HSE experts need to look beyond the causes of individual accidents and also explore in greater detail the underlying operational practices and systems and their own responsibility for reducing risks.

96.0 per cent ☑
Our employees' health rate in 2019 including innogy since 1 October 2019. It reflects the number of days actually worked in relation to agreed-on work time. The 2019 figure was again high (E.ON 2018: 96.3 per cent).

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

Employee TRIF[1]

E.ON 2019	2.3
innogy 2019[2]	3.9
E.ON 2018	2.5
E.ON 2017	2.3

[1]TRIF measures the number of reported fatalities and occupational injuries and illnesses per million hours of work. It includes injuries that occur during work-related travel that result in lost time or no lost time and/or that lead to medical treatment, restricted work, or work at a substitute work station.
[2]Figure for 1 October to 31 December 2019 and not included in E.ON's 2019 figure; see →Report profile.

→Climate protection →Environmental management Occupational health and safety →Data protection and product safety →Incident and crisis management

Protecting people and the environment

59

Employee TRIF by segment[1] ☑

	2019
Energy Networks	2.6
Customer Solutions	1.8
innogy	3.9[2]
Renewables	6.4
Corporate Functions/Other	2.5
Core business	**2.6**
Non-Core-Business	0.6
E.ON Group	**2.6**

[1]TRIF measures the number of reported fatalities and occupational injuries and illnesses per million hours of work. It includes injuries that occur during work-related travel that result in lost time or no lost time and/or that lead to medical treatment, restricted work, or work at a substitute work station.
[2]Figure for 1 October to 31 December 2019; see →Report profile.

Employee TRIF of 2.3 in 2019 was slightly lower than the prior-year figure of 2.5. Contractor TRIF increased from 2.1 to 2.6. Combined TRIF of 2.4 was at the prior-year level. We think that the increase in contractor TRIF may be due to a better reporting culture. We worked hard in 2019 to improve our contractor management and thus our knowledge of their accidents while working for us.

Employee LTIF[1]

E.ON 2019	1.8
innogy 2019[2]	2.8
E.ON 2018	1.9
E.ON 2017	1.8

[1]Lost time injury frequency measures work-related accidents resulting in lost time per million hours of work.
[2]Figure for 1 October to 31 December 2019; not included in E.ON's 2019 figure; see →Report profile.

We use lost-time injury frequency (LTIF) to measure work-related accidents resulting in lost working hours. Employee LTIF of 1.8 was slightly better (2018: 1.9), contractor LTIF of 1.7 slightly worse (2018: 1.5).

We use serious incident and fatality rate (SIF) to measure accidents and incidents that cause serious or fatal injuries and that surpass a predefined severity threshold. We redefined it at the start of 2019. SIF now no longer includes incidents that could have been fatal but were not. Our 2019 combined SIF of 0.20 was about 10 percent higher than the prior-year figure of 0.18 (this figure was adjusted to reflect the redefinition).

Fatal accidents at work
Regrettably, two contractor employees and one innogy employee died in 2019. One of the contractor employees and the innogy employee died from electrical accidents that happened, respectively, while installing bird-protection devices and while testing a power cable. The second contractor employee had a fatal accident while dismantling a large power-plant component. After a fatal accident, we immediately initiate an investigation to understand the exact course of events that led to it. The aim is to identify the root causes and to take all necessary measures to prevent comparable accidents in future.

Non-Core Business: occupational health and safety at PreussenElektra
Our subsidiary PreussenElektra (PEL) is responsible for the operation, decommissioning, and dismantling of our nuclear power plants (NPPs). Its top priorities in all these activities are the health and safety of employees – its own as well as contractors' – and environmental protection. PEL is fully integrated into our safety organisation and embraces our high standards. Its extensive experience in plant operations and decommissioning helps it to further optimize its H&S processes and procedures. It strives for continuous improvement through process and operational reviews, improvement plans, and prevention and training initiatives that foster safe work practices and behaviours among employees.

→Climate protection →Environmental management →Occupational health and safety Data protection and product safety →Incident and crisis management

Protecting people and the environment

60

Ensuring data and product safety

We process the personal data of customers, employees, enterprise partners as well as other organisations and individuals. So does innogy, whose data protection organisation will gradually be integrated into E.ON's. In addition to protecting personal data, it remains crucial for us to safeguard all company information – in oral, written, and digital form – in order to prevent damage to our competitive position, brand, and reputation. [→ GRI 103-1 ☑]

We offer our customers digital solutions as well as a steadily expanding range of products installed at their premises, such as heating systems, electric-vehicle charging points, solar panels, and battery storage systems. Ensuring that these products are safe is essential for us to protect our customers' health, retain their trust, and continue our successful partnership with them.

→Climate protection →Environmental management →Occupational health and safety Data protection and product safety →Incident and crisis management

Protecting people and the environment

61

Our approach

We take the lawful and confidential handling of our customers', enterprise partners', and employees' data very seriously. "Personal data" means any information relating to an identified or identifiable natural person. The EU General Data Protection Regulation (GDPR), which took effect in 2018, and the data protection laws in individual countries provide individuals with rights to control and protect the use of their personal data. In 2019 we started to update our business directives, policies, guidelines and processes to comply with the GDPR in light of the experience E.ON and innogy gained since it took effect. We have in place a Data Protection Management System (DPMS) based on IDW PS980, an audit standard for compliance management systems. The existing DPMS provides guidance on data protection issues and is intended to ensure that we take a structured, coordinated, and consistent approach to data protection across our company. The DPMS has been audited by a law firm. In 2019 internal audits were conducted of several E.ON units regarding the status of their data protection management. They too confirmed that our approach to data protection is largely compliant with GDPR requirements. We also studied major data breach cases that became public and, where necessary, used these insights to further improve our own data security measures and to harden our IT infrastructure.

In 2019 we continued to take all steps necessary to comply with the GDPR with regard to our business partners, stakeholders, customers, and other relevant parties, including those affected by the innogy transaction. These steps included revising data protection contracts and other documents, informing all relevant parties (thereby enabling them to exercise their rights to delete, rectify, and transfer data), and reviewing the data breach process. These activities will continue in 2020.
[→ GRI 103-2 ☑]

To protect all company information, we have in place an Information Security Management System (ISMS) based on ISO 2700x, an internationally recognised standard for information security. The ISMS is certified for those parts of the organisation where this is mandatory. We work hard to ensure and maintain the confidentiality, availability, and integrity of our information resources. This includes monitoring our infrastructure, vulnerabilities, and threats as well as detecting and responding to security events like cyber attacks. We adopted an information security strategy and designed a roadmap for implementing it. Items on the roadmap include awareness, identity and access management, cloud security, and new detection and prevention capabilities.

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

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

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

Our Chief DPO is responsible for data protection issues at the corporate level. Our units report to him on such issues. His responsibilities include coordinating data protection activities across E.ON. He also reports periodically to the Information Security and Data Protection Council, which includes two Management Board members and, if the need arises, the entire Management Board, and the Audit and Risk Committee. In addition, internal stakeholders

→Climate protection   →Environmental management   →Occupational health and safety   Data protection and product safety   →Incident and crisis management

Protecting people and the environment

62

are regularly informed about relevant developments in data protection, such as legislation, technology, decisions issued by regulatory agencies, and so forth. This information is disseminated by e-mail or, where appropriate, through internal communications channels, including Connect, our corporate social media platform.
[→ GRI 103-2 ☑]

The Information Security division at our corporate headquarters is responsible for information security at the corporate level. Its tasks include defining our group-wide information security strategy, monitoring its implementation, and coordinating the information security organisation across E.ON. Our Chief Information Security Officer (CISO) reports to our Chief Information Officer and has the authority, when necessary, to directly escalate to the CEO of E.ON SE. This organisational setup ensures that if a serious issue arises, the CEO of E.ON SE is informed immediately. Our units have designated Information Security Officers who report to our CISO, as well as their unit's board, any relevant issues arising in their organisations.

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

Guidelines and policies
Our Data Protection Policy defines roles and responsibilities in a uniform manner across our organisation.
[→ GRI 103-2 ☑]

We updated the E.ON Information Security Standard, which was introduced in 2018 and further developed in 2019, by laying out detailed information security procedures and by clearly defining roles and responsibilities in information security. To facilitate certification, the standard reflects ISO 2700x requirements. Our People Guideline summarises the main information security rules that are relevant for all employees. Using the ISO 2700x framework will make it easier for employees to design or operate new IT or operational technology solutions with the level of information security we want.

Specific actions
Our employees receive training in data protection every two to three years. New employees typically receive such training in their first year. The training is part of the onboarding process in almost all countries where E.ON operates. In addition, individual departments and teams – such as call centres and sales organisations – provide training to meet their special data protection requirements. In 2018 we rolled out a company-wide eLearning module to familiarise our employees with the GDPR's new rules. As of year-end 2019, more than 80 per cent of our employees had completed the module.
[→ GRI 103-2 ☑]

We also use e-learning and in-house workshops to familiarise our employees with information security risks, their obligation to keep confidential company information secure, and the proper way to handle such information. We encourage employees to be part of our information security line of defence.

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

Whenever we are the product manufacturer or deemed to be such, we are legally obliged to comply with a number of requirements. These include the installation of a system ensuring the traceability of these products and a concept for corrective measures. In case of safety-related issues, we immediately inform the appropriate market surveillance agency about the issue and our

→Climate protection   →Environmental management   →Occupational health and safety   Data protection and product safety   →Incident and crisis management

Protecting people and the environment

63

intended corrective measures, such as withdrawal, warning, and recall. Also, we are obligated to perform necessary corrective actions.

Goals and performance review

Our DPMS uses the plan-do-check-act (PDCA) method, which helps us to plan, implement, manage, and improve our processes, which is mandatory under the GDPR. The PDCA cycle includes continuously monitoring the DPMS's effectiveness and taking action if the need for improvement arises. We therefore consider the existing DPMS to be appropriate and effective. Nevertheless, we and innogy's data protection team will review our DPMS as part of the innogy integration process. Where required, changes to the DPMS are approved by the Information Security and Data Protection Council. [→ GRI 103-2/3 ☑]

We assess the maturity of our ISMS domains regularly and report the assessment to E.ON's Information Security and Data Protection Council on a quarterly basis. If we identify deficiencies or areas for improvement, we adjust our information security roadmaps accordingly.

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

Progress and measures in 2019

In 2019 we further increased data protection, information security, and product safety. For example, we completed a project that defined data-deletion routines and tools and handed the results over to the business in order to finalise their technical implementation. In addition, we enhanced the procurement team's role of ensuring that data protection and security requirements are met when we purchase goods and services that are relevant to data protection or information security.

Enhancing quality planning

In 2019 we conducted a project to embed quality planning into the product development process. The aim was to define, plan, and monitor product quality, reliability, safety, and regulatory compliance for the launch and entire life cycle of our products. The project team developed a draft guideline and made it available to our product development teams. The new process was tested on a number of new products, including solar panels in Germany and heating system in Italy, and the final guideline was approved across all business regions. We'll start providing training and support for the regions in 2020 to ensure that the guideline is followed properly.

Training employees in cyber security

E.ON and innogy operate critical energy infrastructure in a number of countries. This infrastructure – as well as the companies' computer systems generally – could be the target of a cyber attack. Both companies therefore strive continually to familiarise their employees with data protection and cyber security. For example, in June 2019 E.ON, with support from Microsoft, conducted a two-day hackathon involving staff from 17 units and six countries. Participants received intensive training in identifying and thwarting cyber attacks. Similar training is provided at innogy, in which more than 1,100 employees have participated. In addition, in July 2019 innogy launched Cyber-Range-e, multi-day training courses in cyber protection. Training encompasses attack detection, analysis, and defence as well as crisis management exercises. Participants, most of whom are employees of innogy's distribution system operators, also have to put this theory into practice by fending off attacks by professional hackers on critical energy systems under real-world conditions. On 30 October 2019 innogy held – as a highlight of Cyber Security Month – Cyber Security Day 2019, consisting of demonstrations of live hacking and other presentations. All of these programmes are designed to enhance E.ON and innogy's ability to continue to ensure the security of the energy supply in a world in which cyber crime is becoming increasingly prevalent.

→Climate protection →Environmental management →Occupational health and safety →Data protection and product safety Incident and crisis management

Protecting people and the environment

64

Comprehensive crisis prevention and management

We have an important responsibility to prevent a crisis at E.ON from ever happening. That's why we work systematically to ensure the safety, security, and reliability of our generation assets, distribution networks, and customer solutions. If a crisis occurs despite these efforts, we respond immediately and manage the situation professionally. A lot is at stake: the health and safety of our employees and local residents, the integrity of the environment, the reliability of the energy supply, and our reputation. [→ GRI 103-1]

Our approach

We thoroughly train our employees, carefully maintain our assets, and operate in accordance with stringent safety and security standards. Nevertheless, we can't rule out the possibility of a crisis caused by a natural disaster, human error, a technical failure, a cyber attack, or other event. Our incident and crisis management system therefore encompasses a variety of organisational measures to protect ourselves against significant risks. If a crisis occurs, we have in place response plans consisting of rapid, efficient, and precisely defined countermeasures. We believe that the best way to prevent crises

from escalating is to prepare thoroughly for potential crises and to intervene quickly at the first sign of one. The main objective of our crisis prevention and response measures is to safeguard human life, the environment, our business, and our property.

In the case of a widespread power outage following a natural disaster, some of our network operators have mobile generators to provide temporary emergency power to relief crews, medical facilities, and victim shelters until power is restored. [→ GRI 103-2]

→Climate protection   →Environmental management   →Occupational health and safety   →Data protection and product safety   Incident and crisis management

Protecting people and the environment

65

Organisation and responsibilities

Our standard procedures for running our business are designed to prevent crises. Our Response Centre at corporate headquarters is staffed 24 hours a day by at least two people. In addition, we have a dedicated crisis management organisation consisting of crisis management teams at the operational, business/regional unit, and Group level. The teams work together closely and have broad powers in the event of a crisis. Corporate headquarters and our business/regional units have designated Incident and Crisis Managers (ICMs) who are responsible for managing our efforts to prevent, identify, assess, respond to, and learn from crisis situations. This includes designing and conducting training and realistic simulation exercises for the crisis management teams around E.ON. Our ICMs share information and experience on an ongoing basis. Ultimate responsibility for preventing and managing crises lies with the E.ON Management Board.
[→ GRI 103-2]

Guidelines and policies

Our group function policy Legal, Security and Crisis Management, and Data Protection stipulates that all parts of the company must report severe security issues and crises to the Response Centre without delay. It also requires each unit to form its own crisis management organisation and, commensurate with its business operations and risk profile, to put in place policies and procedures to prevent, identify, asses, and manage crises. Corporate headquarters provides the units with any guidance or support they may need in establishing these mechanisms.
[→ GRI 103-2]

Specific actions

We take a variety of steps to ensure that we're thoroughly prepared for incidents and crises. For example, each year we conduct two or three crisis management exercises to simulate a power outage, cyber attack, or other crises as realistically as possible. Participation is mandatory for all crisis management team members, who also have to take part in availability tests at least twice a year. The tests' purpose is to assess our team's availability and reaction speed at any time of the day or night.

PreussenElektra periodically conducts nuclear crisis exercises, notifies them to the ICM at corporate headquarters, and reports their results. The exercises are required by law and in some cases may be organised on short notice by Germany's nuclear regulatory agency.
[→ GRI 103-2]

Working together to create value

Working together success- fully

We work with our customers, our employees, and a range of other stake- holders. To achieve lasting success, we need to understand our customers' needs and to foster a work environment in which our employees feel good and can deliver their best perfor- mance.

Customer experience

Our goal is to become customers' partner of choice in the new energy world. Satisfying them is our top priority. We listen carefully to understand their needs so that we can provide them with energy solutions that enhance their comfort and efficiency and shrink their carbon footprint.

Employee matters

To shape tomorrow's energy world and remain competitive, we need the best minds. We therefore strive to attract talent- ed individuals, to continually develop our current employees' skills, and to promote diversity, which we believe will make our company more successful and a better place to work.

Stakeholder engagement

Understanding and addressing our stakeholders' respective needs and helping them to understand our business are crucial to our success. We therefore continually seek opportunities to dialogue with stakeholders and involve them in our decision- making processes.

2019 Highlights

Our sales organisation began partnering with our data science team to read and analyse customer feedback using data analytics software. Our sales teams use the findings to make their operations **even more customer-centric**.

We launched our new **CEO Award for Diver- sity** and Inclusion to pay tribute individuals and activities across E.ON that are making a real difference in these areas.

Bayernwerk, our distribution system operator in southeast Germany, held **19 customer meetings** where employees met with a large number of customers. Lively discussions provided us with valuable feedback.

GRI 417: Marketing and Labelling

Earning customers' loyalty by continually improving their experience with us

The energy world is changing in exciting ways. It's becoming cleaner, greener, more local, and more digital. And giving customers greater autonomy over their energy supply. Customers of all types — households and businesses, cities and government entities — are eager to join this new world and reap its benefits. To succeed in this world, we know it's crucial to listen carefully to each customer's needs, design an innovative, sustainable energy solution that meets them, and provide a consistently superior customer experience. That's how we earn customers' trust and loyalty, which are essential for us to sustainably grow our business. Loyal customers tend to stay with us longer, to purchase additional products and services, and to recommend us to their family and friends. [→ GRI 103-1 ☑]

Our approach

We put our customers at the centre of everything we do. This enables us to continually improve the experience we offer them and maintain or deepen their loyalty. We've shifted our focus from products to people. Our commitment to being a customer-led company is reflected in our brand idea: "Let's Create a Better Tomorrow." The E.ON brand promises to give our customers what they want in the new energy world: brilliant experiences and smart, sustainable solutions. Delivering on this promise will make us distinctive in the marketplace and thus enable us to grow our business. Our ambition is to become the number one energy-solutions company in each of our markets.
[→ GRI 103-2 ☑]

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

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

In 2019 customer advocacy councils met regularly at all of our regional units. Chaired by the regional unit's CEOs, they bring together senior leaders for the purpose of guiding the unit toward its goal of being the number one energy-solutions company in its market and seeing the business through its customers' eyes. The councils track their unit's performance on key customer objectives such as Net Promoter Score (see "Specific actions" below), monitor the effectiveness of improvement plans (and, if necessary, adjust or reprioritise them), and review the progress of change initiatives aimed at customer advocacy.

The Customer and Market Insights team at corporate headquarters monitors the trends that are shaping our customers' attitudes and behaviours.

It conducts consumer studies and broad market research as well as advanced data analytics and modelling in order to create actionable insights and knowledge that translate into business opportunities.
[→ GRI 103-2 ☑]

Guidelines and policies
Our customer experience principles state our pledge for how we interact with our customers. Our efforts to design new customer journeys are inspired by our brand ambition and personality with the aim of creating brilliant experiences. This is our pledge:
• We'll get to know you and treat you like a person
• We'll speak your language and make it simple
• We're the experts so you don't have to be
• We'll always be honest and straightforward
• We'll respond to your needs as they change over time
• We'll empower you and help you become a better energy user

These group-wide principles provide overall guidance and are embedded in → Grow@E.ON, our group-wide competency framework. Each of our regional units uses a standardised process for adapting these principles to reflect their customers' needs, their own priorities, and the situation in their respective market. Our regional units in Germany, the United Kingdom, Sweden, the Czech Republic, Italy, Hungary, and Romania have had their own customer experience principles in place since 2015.
[→ GRI 103-2 ☑]

Specific actions
We measure customer loyalty by means of Net Promoter Score (NPS), which we introduced in 2009 and rolled out as a group-wide programme in 2013. NPS indicates our customers' willingness to promote us; that is, to recommend us to their family and friends. It helps us identify which issues are currently of particular importance to our customers and to adapt our activities to current customer needs. We measure three types of NPS:
• Strategic or top-down NPS compares our performance with that of our competitors and is based on the feedback of customers regardless of whether they've had an interaction with us.
• Bottom-up NPS is based on the feedback of customers who have had a specific interaction with us, such as talking to a call centre agent.
• Journey NPS measures the loyalty of customers who have completed an experience with us, such as transferring their energy service to their new residence when they move.

NPS is used by our regional units in all our markets (Germany, the United Kingdom, Italy, Romania, Sweden, the Czech Republic, and Hungary). In 2017 we introduced a new methodology for measuring strategic NPS consistently across all our markets. This is now established and working with continuous improvements to be made on the go. For more information, see "Progress and measures in 2019" below.

Earning customers' loyalty by continually improving their experience is a major priority for innogy as well. Although innogy doesn't use NPS, it has a similar process in place for measuring customer loyalty. We're working closely with innogy to adopt a single methodology.

The internal NPS (iNPS) programme aims to sensitise all employees, even those who have no direct contact with customers, to the importance of customer loyalty for our company's success. iNPS was first introduced in 2009 in selected divisions and then rolled out across E.ON in 2014. It has been implemented in IT, human resources, supply chain management, finance, and other support functions. Its framework and principles are very similar to those of our external NPS programme.

Each regional unit has a set of Game-Changing Initiatives in place to systematically improve its customer experience. They're sponsored by the unit's CEOs and board, who are personally responsible for improving their unit's NPS. The initiatives, which are defined annually, may span multiple years depending on the level of transformation required. We introduced these initiatives in 2017 and initially called them CEO-led signature actions.

Our Customer Immersion programme brings our senior managers and employees into direct contact with residential and business customers. Its purpose is to bring the customer's voice inside our organisation and enhance our employees' customer orientation. Customer Immersion programmes help deepen cross-functional collaboration and develop capabilities that make E.ON even more customer-centric. In 2019 we put together an interactive video installation consisting of 24 screens playing the recorded statements and stories of several real E.ON customers from a variety of countries. The installation created a compelling opportunity for our employees, particularly those in non-customer-facing roles, to listen to real customers talking about their interactions with, and views of, our company. By monitoring how long employees listened to the statements, we estimate that employees at our offices in Essen, Munich, and Milan heard a total of about 4,800 hours of customer statements. The video installation will be on tour in 2020 as well.

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

Our assistance for vulnerable customers varies according to the market situation, customer needs, and welfare programmes in each country and is therefore the responsibility of our regional units. Examples of this assistance include helping customers to find out whether they qualify for government support schemes and partnering with other organisations to prefinance insulation for customers' home.
[→ GRI 103-2 ✓]

Goals and performance review
NPS is a key measure of our success because we can only expand our business if our customers are satisfied and recommend us to others. This KPI is therefore used at the segment level for the purpose of management control.

We define company-wide targets for strategic NPS and journey NPS annually. The variable compensation of senior managers has two components: a company factor and a factor reflecting a manager's individual performance. Strategic NPS accounts for 20 per cent of the company factor, and Journey NPS is included in the individual performance factor of our senior managers' compensation. NPS target achievement is not factored into the E.ON Management Board's compensation. However, the Board holds quarterly discussions with the units to evaluate their NPS and, if necessary, to decide what action they should take to achieve their NPS target.
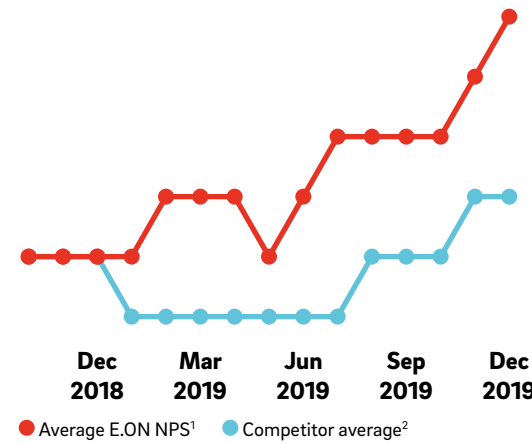
Strategic NPS: residential customers
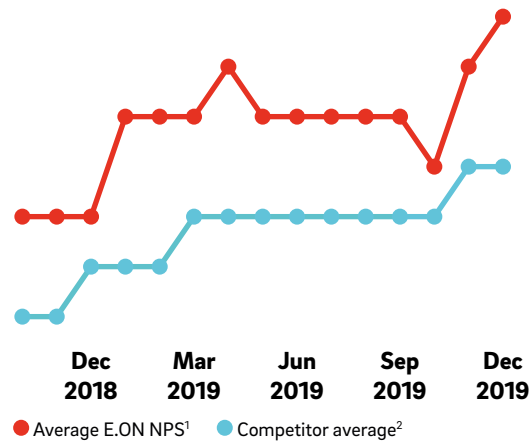
● Average E.ON NPS[1]   ● Competitor average[2]

[1]Equal weighting of E.ON's top-down NPS in seven countries (Czech Republic, Germany, Hungary, Italy, Romania, Sweden, UK; excludes: Slovakia and Turkey).
[2]Competitor average is a sample of competitors in each market.

Our average strategic NPS for residential customers increased at the beginning of 2019, was steady for most of the year, and reached its highest level at the end of the year. It was above the competitor average throughout the year. In five of seven countries where we operate, the percentage of promoters (customers who speak positively about us and recommend us to friends and family) rose. The percentage of detractors (customers who speak negatively about us) declined in six countries.

Strategic NPS: small and medium-sized enterprises

● Average E.ON NPS[1]   ● Competitor average[2]

[1]Equal weighting of E.ON's top-down NPS in seven countries (Czech Republic, Germany, Hungary, Italy, Romania, Sweden, UK; excludes: Slovakia and Turkey).
[2]Competitor average is a sample of competitors in each market.

Our average strategic NPS for small and medium-sized enterprises (SME) rose at the beginning of the year, continued to improve over the course of the year, and finished the year at its highest level. Like our average strategic NPS for residential customers, it was above the competitor average throughout the year. The percentage of promotors rose in five of seven countries and remained stable in two. The percentage of detractors decreased in six countries and was largely unchanged in one.
[→ GRI 103-2/3 ☑]

Progress and measures in 2019

In 2019 we continued to work hard to improve customers' experience with our company by carefully listening to their feedback so that we can better understand their needs and take action to meet them.

Better capturing what drives NPS
In 2019 we redesigned the questionnaire we use to calculate strategic NPS. The purpose was to enable us to delve deeper into what customers want, including a qualitative question that provides more accurate information about what our customers like or don't like. We use the new input to chart and analyse the drivers of NPS.

Heartbeat
Tested first at our retail sales business in the United Kingdom in 2017, a programme we call Heartbeat collates and displays customer satisfaction with our products, services, and customer experience in real time. This enables us to rapidly change how we serve our customers, resolve problems swiftly, help our teams find ways to make their performance even better, and celebrate the things we do well. We now also use Heartbeat as a tool to make our network businesses in Germany and our retail sales units in Germany and Hungary more customer-led. We think that Heartbeat is a factor in the tangible reduction in customer churn rates at the units where it has been introduced. We therefore plan for our remaining business units to adopt it in 2020.

Text analytics
Every day we receive lots of written feedback from our customers about their interactions with our sales and service teams. This feedback is a very valuable source of information. The problem is: there's so much of it that it's essentially impossible for every single message to be read by an employee. That's why in 2019 our sales organisations began partnering with our data science team to read and analyse customer feedback using data analytics software. This enables us to understand emerging trends quickly and to identify what causes both satisfaction and dissatisfaction. Our sales teams use the findings to take action to make their operations more customer-centric and to track the success of these actions from the customers' viewpoint.

NPS Engagement Programme
As described in last year's report, in September 2017 we introduced a new methodology that enables us to measure the strategic NPS of residential and SME customers consistently across all the countries where we operate. This dramatically improved data quality and transparency enables us to share lessons learned and best practices across our organisation. The new methodology also serves as the basis for our NPS Engagement Programme, which equips our senior managers with targeted actions to capitalise on opportunities and mitigate potential challenges relating to the key drivers of NPS. The actions encompass topics such as best practices for enhancing customer centricity in relations with SME customers, information about customers' price perceptions, and strategies for improving customer journey management.

First place
Focus Money, a weekly German business magazine, named us the country's energy supplier with the best customer service for the fourth time. In 2019 more than 300,000 consumers were surveyed about customer service, quality, and reputation.

Better complaint management
In 2017 we put in place a new model for assessing the status of complaint management in all of the countries where we operate. In 2019 we conducted this annual assessment for the third time. The model encompasses more than 200 criteria in six categories: strategic direction and governance, people, processes, systems and technology, proactivity and action, and data. With assistance from our Operational Excellence department, in 2019 we also conducted peer reviews for the first time to improve data quality and comparability across markets. The assessment's findings showed that pro-active communications, intelligent call routing, the empowerment of service agents, and insights from voice and text analytics are key factors in effective complaint management.

GRI 401: Employment

GRI 404: Training and education

Helping our people to reach their potential so we can reach ours

The mission of our human resources (HR) team is to enable E.ON to maximise its competitive advantages in the energy market and to support E.ON's purpose: "Improving people's lives." We do this by attracting the right people and putting them in the right roles at the right time. By identifying, developing, and retaining talented employees whom we consider to be our future leaders. By helping all our people to realise their potential and be fit for a future that will be increasingly digital. And by encouraging environmentally friendly behaviour and promoting diversity and inclusion. Doing this amid a continually evolving business environment, rapid techno-logical change, and the innogy integration poses challenges for our HR management. [→ GRI 103-1 ☑]

Our approach

We aim to attract talented people to our company and provide them with a work environment that enables them to do their best. Our people strategy helps us to do this, especially in times of change. Its three focus areas – Preparing our People for the Future, Providing Opportunities, and Recognising Performance – are crucial for maintaining attractive work conditions and fostering our employees' personal and professional development. We bring these focus areas to life through a combination of unit-level activity and group-wide implementation projects. A key enabler for professional development is Grow@E.ON, a group-wide competency framework that's integrated into all our HR mechanisms. It helps to ensure that we recruit, retain, place in the right roles, and develop the people who will continue to drive E.ON's success. We offer a range of career paths. This ensures that we're an attractive employer to people who wish to pursue a specialist or a generalist career. We believe that a competitive package of salary and benefits is essential for rewarding our employees.
[→ GRI 103-2 ☑]

Diversity and inclusion are essential elements of our vision and values. We want to ensure equal opportunity for all our employees and to make the most of their individual differences. Diversity fosters creativity and innovation, and we therefore take a targeted approach to promoting it. We signed the German Diversity Charter in 2008, publicly affirming our long-standing commitment to a tolerant and inclusive corporate culture.

Organisation and responsibilities
We decentralised our HR activities in 2018. Group HR performs HR management for our company's top 100 leaders. These tasks include executive development, placement, succession planning, and talent-pipeline management. Each unit must have in place its own mechanisms to identify and develop talent and to conduct succession planning. It is a management responsibility to ensure that all new employees receive a company orientation as well as training on important topics like health and safety. For this purpose, the units may use standardised E.ON eLearning modules. These and other virtual learning tools as well as courses and training programmes are offered by the units based on locally coordinated training catalogues.
[→ GRI 103-2 ☑]

To further strengthen its business, each of our units addresses diversity in its particular cultural context. This gives them the opportunity to meet local challenges and develop country-specific programmes. Diversity is now managed by a network of HR professionals that meets, both in person and using virtual

presence technology, on a regular basis. Supported by Group HR, the E.ON Management Board is responsible for setting diversity targets for E.ON as a whole and its units. Some targets may reflect the laws of a particular country. It is our units' responsibility to design action plans to meet their targets.

Guidelines and policies
In December 2017 the HR team and the E.ON Management Board developed and approved People Commitments to adopt an appropriate approach to decentralisation. The People Commitments, which were agreed with our European Works Council, establish twelve principles that articulate our values and our standards for treating our employees. The principles are binding for the entire E.ON Group. We provide support to E.ON units so that they can adopt the principles in a way that reflects their particular legal, cultural, and business environment.

Our People Guidelines and our People Commitments encompass a number of policies and guidelines. Examples include agreements on remote working and flexible work arrangements, such as sabbaticals, part-time work, special holidays, and so forth. Our International Transfer Policy governs the temporary foreign deployment of our employees. The average length of a foreign deployment is between two and three years.
[→ GRI 103-2 ☑]

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

Specific actions
We take action in a variety of areas to make working at E.ON attractive. Flexible work arrangements have been part of our corporate culture for many years. We also have programmes to support our employees when they face challenges outside work, such as when a family member suffers an illness. For example, our employees across Germany have cost-free access to a wide variety of services from a reputable provider. The services range from counselling for stress and addiction issues to home care for older or invalid family members. Employees who are sick for more than six weeks during a twelve-month period have access to reintegration assistance. Our benefits include company pension plans and employer-funded accident insurance. Both

full- and part-time employees generally receive any benefits that are offered. We periodically conduct employee surveys – called PulseChecks – to find out how our people feel about their job, their supervisor, the work atmosphere in their unit, and other topics. We analyse their feedback carefully to identify areas where we may need to do better. E.ON's 2019 PulseCheck survey shows that our group-wide health and safety campaigns were effective in reinforcing employees' awareness. Employees ranked health and safety and the unacceptability of unethical or improper behavior above all other topics in the survey and much higher than in previous surveys. Employees also have several opportunities a year to participate in a live online chat with a member of the E.ON Management Board. All types of employees – full-time, part-time, and those who work in the field – have the opportunity to participate in PulseChecks and Board Chats. More generally, E.ON has a long tradition of maintaining a constructive, mutually trustful partnership with employee representatives. This partnership and tools like the PulseCheck are helping to ensure that the integration of innogy employees into the E.ON Group is fair and smooth. You'll find more details on page xx of our Separate Combined Non-Financial Report and on page 25 of our 2019 Annual Report.

Our mechanism for recruiting management staff applies across E.ON and aims to optimise the filling of senior management positions, make the recruitment process more transparent, and ensure equal opportunity. Its main component is a biweekly placement conference at which HR representatives from around the company gather to discuss open positions and potential candidates. In addition, we conduct an annual management review. It helps us to ensure the ongoing professional development of managers and executives and creates transparency about our current talent situation and our needs for the future.

We help people to launch their careers. We do so by offering apprenticeships in a wide variety of vocations as well as internships, work-study arrangements, and other programmes. Examples include local training initiatives in Germany, which use school projects, internships, and training courses to assist young people in making the transition from secondary school to employment. The E.ON Graduate Programme (EGP) recruits highly qualified university graduates for a 24-month programme during which they receive a broad overview of our business through three to six deployments in different E.ON units and departments. We offer the EGP in Germany, the United Kingdom, Sweden, the Czech Republic, Hungary, and Romania.

Feedback is essential for empowering our people to perform at their best and for identifying opportunities to develop their skills. That's why we provide employees

with periodic performance and career-development reviews. Each unit is responsible for ensuring compliance with our company-wide rules regarding feedback. [→ GRI 103-2 ☑]

We promote diversity and equal opportunity through a variety of programmes. In Germany we conduct a mentoring programme to prepare female employees for management positions. Participants are mentored by a senior manager who – together with their immediate supervisor – offers advice and support regarding career-related issues. A company-wide network called Womenergy provides a forum for women at E.ON to support each other, share information and experiences, offer advice on professional and career-related issues, and promote women's visibility and influence at our company. In addition, E.ON is a member of numerous national and international networks and initiatives dedicated to different aspects of diversity. Examples include Catalyst, a global nonprofit focusing on empowering and accelerating women in business, and Stonewall, a UK-based nonprofit that assists individuals and organisations in identifying how they can make a positive difference for LGBT people.

Goals and performance review
Our approach to HR is decentralised: 90 per cent of our HR activities are defined and implemented by our units, just 10 per cent by corporate headquarters. The units and corporate headquarters collaborate in a number of areas, such as Grow@E.ON, our group-wide competency framework and employee value proposition.

We want to retain our people's expertise and enable them to grow professionally. One of our objectives is therefore to develop our employees so that we can fill management positions internally. In 2017 we put in place a shared platform for our placement conferences to systematically track how many women participated in the application process and who ultimately got the job. It also allows us to monitor whether selected candidates are from our development pool and reflect our diversity target. This will enable us to evaluate the effectiveness of our talent management once enough data have been collected. [→ GRI 103-2/3 ☑]

E.ON SE and E.ON companies in Germany must comply with the German Law for the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector, which took effect on 1 May 2015. We meet all of the law's requirements. Pursuant to the law, in 2017 we set new targets for the next five-year period, which ends on 30 June 2022. Our targets are for women to occupy 30 per cent of the positions in the first level

of management below the E.ON Management Board and 35 per cent of the positions in the second level. At year-end 2019, the proportion of women in first and second levels of management below the Management Board was 31 per cent and 23 per cent, respectively. In addition, in December 2017 the E.ON Supervisory Board resolved that by year-end 2021 women will make up 20 per cent of the E.ON Management Board.

Beyond compliance with statutory requirements, in 2017 we voluntarily set a company-wide target for increasing the proportion of women across all management positions. By year-end 2026, we want the proportion of women in management positions to be the same – 32 per cent – as the proportion of women in our overall workforce was at year-end 2018. Each unit has specific targets, which together will enable us to meet the company-wide target. Group HR monitors progress toward these targets twice a year and reports it to the E.ON Management Board. We disclose the figures at year-end for E.ON companies in Germany and for the E.ON Group as a whole here and in our → Annual Report.

Proportion of women managers[1] ☑
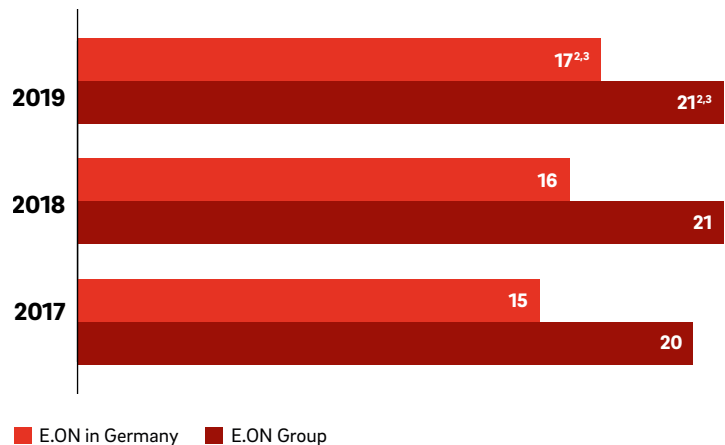
■ E.ON in Germany   ■ E.ON Group

[1]Includes board members and managing directors.
[2]Includes innogy; figure at year-end 2019; see → Report profile.
[3]Includes a small renewables business that was not part of the asset-swap with RWE.

In 2019 we again reported our gender pay gap in the United Kingdom, as required by law. We didn't assess the pay gap for our company as a whole. However, we do monitor pay by gender among our top 100 executives. This showed that in 2019 women in the top 100 earned no less than men.

Progress and measures in 2019

Succeeding in our mission to become customers' partner of choice for sustainable energy solutions will enable us to make an important contribution to the success of the energy transition and to climate protection in Europe. In 2019 we continued to take steps to ensure that we hire and retain the people who can help us to achieve this mission, while also making our organisation more diverse and inclusive.

Continually improving our employer brand
In 2018 we revised our employee value proposition, which describes why E.ON is a great place to work. The aim was to further enhance our ability to attract highly qualified people. The value proposition is reflected in our employer brand communications including the career page on eon.com, our job adverts and posts, and our booths at job fairs and other recruiting events. The ranking of the E.ON employer brand and social media improved in 2019: our social media placed 60th in the 2019 Potential Park rankings of European companies, an increase of 53 places. Launched in 2018, the @eon_careers Instagram channel has almost 2,000 followers. We also use LinkedIn, Facebook, YouTube, Glassdoor, Indeed, and other social media to promote working at E.ON.

Employees by segment[1] ☑

| Headcount	2019	2018	2017
Energy Networks	20,438	17,896	17,379
Customer Solutions	17,669	19,692	19,519
innogy	36,537	n/a	n/a
Renewables	12[2]	1,374	1,206
Corporate Functions/Other	2,414	2,447	2,683
Core businesses	**77,070**	**41,409**	**40,787**
Non-Core Business	1,878	1,893	1,912
E.ON Group	**78,948**	**43,302**	**42,699**

[1]Headcount, excluding board members, managing directors, and apprentices.
[2]Consists of a small business that was not part of the asset-swap with RWE.

The innogy takeover significantly increased our headcount to 78,948.

New employee hires and turnover rate [→ GRI 401-1]
We hired 5,708 new employees in the reporting period. Our voluntary turnover rate in 2019 was 4.6 per cent, including board members, managing directors, and apprentices (2018: 4.8).

Managing our employees' pension assets responsibly
We also take sustainability into account when managing our pension assets. Our fund managers are guided by the ESG analyses of the Norwegian State Pension Fund, and a steadily growing number of them have signed the → UN Principles for Responsible Investment. In addition, we've instructed them not to invest in companies that clearly violate our ESG principles.

Improving diversity recruiting in Sweden
We reviewed our recruitment adverts and processes in Sweden. The purpose was to increase the diversity, particularly gender diversity, of our applicant pool and new hires. The findings led to several changes: we now clearly underscore our commitment to greater diversity, use authentic imagery, ensure that our communications are readable and accessible, and describe our recruitment process in clear terms. The changes seem to be working: within just three months, we saw a significant increase in the number of female applicants to traditionally male-dominated jobs. We'll continue to monitor the impact of these changes and explore whether they might be transferable to our recruitment communications in other countries.

Apprentices in Germany ☑

	Headcount			Percentages		
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
Energy Networks	804	818	846	8.0	8.4	8.5
Customer Solutions	20	24	20	0.7	0.9	0.8
innogy	1,573	n/a	n/a	6.6	n/a	n/a
Renewables	0[1]	0	0	0	0	0
Corporate Functions/Other	19	14	29	0.9	0.7	1.3
Core businesses	**2,416**	**856**	**895**	**6.2**	**5.8**	**5.9**
Non-Core Business	40	43	47	2.1	2.2	2.4
E.ON Group	**2,456**	**899**	**942**	**6.0**	**5.4**	**5.5**

[1]Consists of a small business that was not part of the asset-swap with RWE.

At the end of the year, we had a total of 2,456 apprentices and work-study students in Germany. This corresponds to an apprenticeship ratio of 6 per cent. Of apprentices who completed their training in 2019, 240 of 262 were given a permanent or temporary employment contract, which is a very high hiring rate of 92 per cent (2018: 189 of 216, or 88 per cent). This is one of the ways we're addressing the shortage of skilled workers.

Proportion of female employees by segment[1] ☑

Percentages	2019	2018	2017
Energy Networks	21	21	20
Customer Solutions	44	43	43
innogy	34	n/a	n/a
Renewables	31[2]	20	21
Corporate Functions/Other	47	49	45
Core businesses	**33**	**32**	**32**
Non-Core Business	13	13	13
E.ON Group	**33**	**32**	**32**

[1]Includes board members, managing directors, and apprentices.
[2]At year-end 2019; consists of one small business that was not part of the asset swap with RWE.

Proportion of severely disabled employees in Germany[1] ☑

Percentages	2019	2018	2017
Energy Networks	5.8	5.9	6.2
Customer Solutions	3.7	3.7	3.5
innogy	5.2	n/a	n/a
Renewables	1.5[2]	1.2	0.8
Corporate Functions/Other	3.3	3.2	3.1
Core businesses	**5.1**	**5.0**	**5.1**
Non-Core Business	8.2	7.6	7.3
E.ON Group	**5.3**	**5.3**	**5.4**

[1]Excludes board members and managing directors.
[2]At year-end 2019; consists of one small business that was not part of the asset swap with RWE.

At year-end 2019, women accounted for 33 per cent of our workforce, one percentage point more than in the prior year.

Recognising our diversity leaders
On March 8, International Women's Day, we launched our new CEO Awards for Diversity and Inclusion to pay tribute to individuals and activities across E.ON that are making a real difference in these areas at our company. There were three categories: individuals, initiatives, and employee networking groups. More than 30 nominations were submitted, with at least one coming from every country where we operate, including several from Germany. The SE Works Council, our CEO, and the Senior Vice President HR/Executive HR served as judges. The awards were conferred in June at special ceremony in Essen.
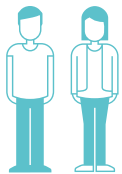
115
The number of nationalities in our workforce in 2019 including innogy (E.ON 2018: 100). Also, BMO Global Asset Management ranked us second among DAX 30 companies in terms of diversity awareness and flexibility.

At the end of 2019, 1,981 people with severe disabilities or the equivalent were employed at E.ON companies in Germany (2018: 861).

New training centre for tomorrow's energy world
In October 2019, Westnetz, an innogy distribution system operator in west-central Germany, opened a training campus in Mettmann, a community located about 15 kilometres east of Düsseldorf. The campus, whose class-rooms are housed in a decommissioned transformer station, will train innogy field staff and apprentices in the technologies of tomorrow's energy networks, such as remote control, smart-grid applications, line inspection with drones, and artificial intelligence. Attendees will receive hands-on training on a wide variety of transformer equipment as well as computer-supported training that incorporates augmented and virtual reality. The campus, which will also conduct tests on advanced grid technology, is part of innogy's effort to make its grids smarter and to prepare its people to operate them skilfully and safely.

Workforce age distribution in 2019[1, 2, 3] ☑
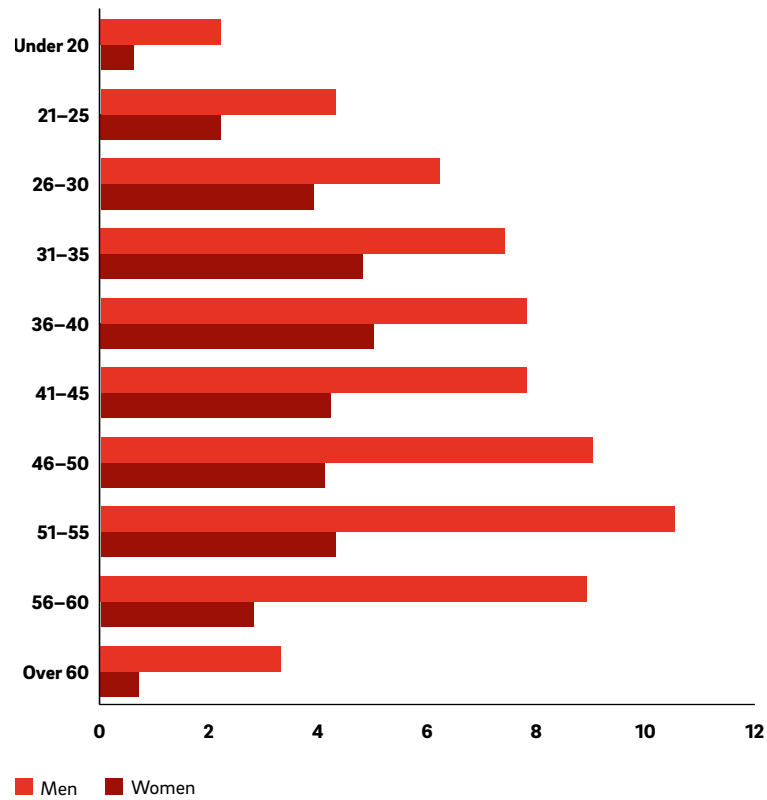
■ Men   ■ Women

[1]Includes board members and managing directors.
[2]Includes innogy; figure at year-end 2019; see →Report profile.
[3]Includes a small renewables business that was not part of the asset-swap with RWE.

At year-end 2019, the average age of E.ON employees in Germany was 42, as in the previous year. This is comparable with the average age at other DAX 30 companies. The age distribution of our workforce reflects the demographic trend of working-age people in Germany. In 2019 around 20 per cent of our employees were under the age of 31, 50 per cent between 31 and 50, and around 30 per cent older than 50.

Dialoguing with stakeholders, learning from their feedback

Our long-term business success depends to a large degree on our ability to understand and address our stakeholders' expectations. Equally important is helping our customers, our employees, policymakers, and other stakeholders to understand our business activities and their role in propelling the energy transition. This helps us earn stakeholders' trust and maintain our good reputation. Moreover, dialogue helps us identify stakeholders' concerns early and address them whenever we can as we expand our distribution grids, invest in digital infrastructure, and launch new businesses. Our discussions with policymakers are important for us as well: to make large, long-term investments in infrastructure and new energy solutions for customers, we need a stable policy and regulatory environment. This framework should support the energy transition, in particular the integration and use of renewables and other efficient, climate-friendly technologies. In some cases, this will require amendments to the existing framework, amendments that we believe are essential for the energy transition's success. Although the energy transition enjoys broad public support in many European countries, transparent and constructive discussion is still necessary to achieve a reasonable balance between ambitious climate protection and the interests of stakeholders who are adversely affected by it.

Our approach

We continually seek opportunities to dialogue with our stakeholders, understand their viewpoints, and talk to them transparently about our business. It's part of our daily work at the local, national, and European level. Stakeholder management is a core process of our corporate governance. We factor in the short- and long-term impacts our business has on stakeholders. The type of dialogue we choose varies by stakeholder and issue. It ranges from information campaigns and discussion forums with trade associations and NGOs to face-to-face discussions and public advocacy.

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

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

A stakeholder is anyone who has an interest in our company. Below is an overview of our main stakeholders, their significance for us, and their expectations of us. [→ GRI 102-42/43]

Stakeholder groups [→ GRI 102-40/44]

Significance	Stakeholder	Expectations
Our customers' purchasing decisions determine our success.	Customers	• A secure energy supply at reasonable prices • An active role in propelling the energy transformation in Europe • Support for self-generation and energy efficiency
Our employees' performance is crucial to our success.	Employees	• A safe, interesting, and inclusive work environment • Fair pay and equal opportunity
Our investors' capital is essential for the successful development of our company.	Shareholders and investors	• Transparent information about how we manage chances and risks • Information about our potential value growth
We procure the services of numerous suppliers and subcontractors.	Suppliers and business partners	• Fair terms and conditions • Mutually beneficial collaboration
The transformation of Europe's energy system can succeed only if it is actively shaped and supported by people as consumers and citizens.	Communities and regions	• Transparency about planned measures • Active participation at the municipal level
Our business activities are strongly influenced by social needs and developments and the political decisions based on them.	Policymakers, society and the general public	• Transparent decision-making, fair treatment of customers, and innovative, forward-looking customer solutions • A reliable, economical and environmentally-friendly energy supply • Compliance with laws and regulations
We see universities and social institutions as important cooperative partners. Non-governmental organisations provide us with valuable information on public expectations.	Non-governmental organisations and sustainability experts	• Transparency • Accountability

Organisation and responsibilities

Corporate headquarters defines our position and talking points on issues that affect the E.ON Group as a whole and establishes the framework for our activities to engage stakeholders. The Corporate Communications & Political Affairs division at corporate headquarters is responsible for our communications with policymakers in Brussels and Berlin. Our regional units, which are best able to assess the needs and conditions in their sales or service territory, conduct our stakeholder dialogue on the local and regional level. Corporate headquarters provides advice on the design and implementation of stakeholder engagement projects. Depending on the topic, these projects may involve a variety of divisions and departments.

In addition, our distribution system operators and some of our customer-solutions businesses have employees whose role is to engage in dialogue with the municipalities in their service territory.

Guidelines and policies

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

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

Specific actions

Our regional units conduct numerous dialogue forums and information events. For example, the board members of three of our distribution system operators in Germany (Avacon, E.DIS, and Hansewerk, Bayernwerk) meet annually with municipal shareholders and representatives to discuss grid expansion, landscape preservation, the latest advances in smart grids, and other issues. We take the viewpoints, interests, and concerns of the people who live near our assets very seriously. Their feedback helps us to ensure

a reliable energy supply and promote the energy transition while having the least-possible impact on people, communities, and the environment. In addition, we periodically invite outside stakeholders to attend meetings of our →Sustainability Council in order to hear what they think about our sustainability activities.

We engage individual stakeholder groups in different ways. For example, our →Customer Immersion programme brings our senior managers and employees into direct contact with residential and business customers in a variety of formats, including small-group discussions and online chats. We use periodic corporate governance road shows held in Europe's major financial centres to meet face-to-face with investors and analysts to discuss corporate governance, climate protection, and other sustainability issues. We engage our →employees in a wide variety of formats and programmes.

We also use social media. Our tweets and Facebook posts reach policymakers, the media, trade associations, academic institutions, and members of the general public across Europe and around the world. We have a total of over 682,000 followers on the two channels, a number that has grown steadily over time. We also use Instagram, YouTube, and LinkedIn.
[→ GRI 102-43/44, → GRI 103-2]

We're a member of a variety of industry networks and trade associations in individual countries and at the European level. They provide a useful forum for sharing information about climate protection, customer needs, and industry trends and for representing shared interests to policymakers and regulators. Examples of our memberships include:
• German Federal Association of Energy and Water Industries (BDEW); through the BDEW we're also represented in two European trade associations, Eurelectric and Eurogas.
• German Industry Initiative for Energy Efficiency (Deutsche Unternehmensinitiative Energieeffizienz, or DENEFF): a multi-industry network of companies and organisations dedicated to enhancing energy efficiency.
• Bitkom: an industry initiative for the digital economy, which we joined in October 2018; through it we're also represented in the Federal Association of German Industry (Bundesverband der Deutschen Industrie) and its European umbrella organisation, Businesseurope.
• E.ON executives have sat on the Economic Councils of both the CDU and SPD, two of Germany's major political parties.

• Smart Energy Demand Coalition (SEDC) and European Distribution System Operators for Smart Grids (EDSO for Smart Grids): European associations promoting smart grids and the digitalisation of the energy sector.
• Energy UK: a British trade association for energy.
• Swedenergy: a private association of companies involved in the production, sale, and trading of electricity in Sweden.
• Romanian Federation of Associations of Energy Utilities: a federation of energy suppliers in Romania.
• World Green Building Council (WorldBGC's Europe network): a partnership to accelerate the shift toward a sustainable built environment in Europe.

Progress and measures in 2019

In 2019 we continued to expand our communications activities and to invite stakeholders to dialogue with us on a variety of issues.

Dialoguing with customers

Bayernwerk, our distribution system operator (DSO) in southeast Germany, held 19 customer meetings across its service territory involving all of its customer centres. Employees met personally with a large number of customers to share ideas on electricity connections for homes, electricity for construction sites, and other matters. The discussions were lively and provided us with valuable feedback and insights. Afterward, Bayernwerk conducted a workshop with all the employees involved in order to evaluate the results and, where necessary, to adjust its processes to better serve customers. We plan to continue these face-to-face dialogues in 2020 as part of our ongoing effort to see things from the customer's perspective.

Energy Day

In October 2019 Avacon, our DSO in northwest Germany, held an Energy Day at its facility in Syke, a small town about 20 kilometres south of Bremen. There were two anniversaries to celebrate: Avacon was founded 20 years ago, and the region was electrified exactly 100 years ago. Visitors had the opportunity to get an up-close look at the equipment Avacon uses to maintain and repair its grids, to learn more about the history of energy, and to discover the possibilities of smart-home solutions. The event, which also included exhibits by local eMobility and solar-panel providers, attracted more than 2,600 people.

Helping communities to make informed decisions

Since mid-2018 E.DIS, our DSO in north-central Germany, has offered the communities in its service territory a digital tool called the Energy Monitor. Originally developed by Bayernwerk, this online dashboard shows a community's renewables output and energy consumption in real time. This enables the community to know precisely how much of its energy needs are being met by the renewable facilities located nearby. New functions were added in 2019. The Energy Monitor now displays detailed diagrams of E.DIS's network, data for individual consumption points, and information about the location and output of local renewable energy sources. More features are planned for 2020. The transparency provided by the Energy Monitor enables community decision-makers to take targeted action to promote the energy transition and to track their progress.

Climathon

Young people are creative. To put this creativity to use for an important issue, on the last weekend of October 2019, we gathered 13 young people aged 16 to 18 in Pfaffenhofen outside Munich for E.ON's first Climathon: a forum for generating innovative ideas to promote climate protection. The participants heard presentations by E.ON experts, engaged in interactive workshops, and formed teams to develop ideas. The winning team came up with an idea for highly energy-efficient and sustainable housing units. Other teams suggested putting solar farms in space and presented plans for energy-saving communal living arrangements.

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

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

Dialogue remains important as we decommission and dismantle our assets. As part of this ongoing effort, we invited local stakeholders of our NPPs to visit Konrad mine, Germany's future repository for low- and intermediate-level radioactive waste. We conducted two tours: one each for stakeholders of our NPPs in southern and northern Germany, respectively. In addition, we invited residents who live near Isar NPP to an information day to provide them with early notice of the planned decommissioning of Isar's unit 2. We also established a dialogue group for residents near Brokdorf NPP. The group meets periodically and serves as a forum in which we can respond to residents' questions and concerns regarding Brokdorf's decommissioning.

Ensuring good corporate governance

Manage-ment with clear boundaries

We view compliance as an absolute must. We can only be successful over the long term if we manage our company ethically, responsibly, and transparently.

Compliance and anti-corruption

We combat corruption in all of its forms and support all such similar efforts, in individual countries and globally. The compliance of everyone at our company is essential for preventing corruption and ensuring that decisions are not taken for the wrong reasons.

Human rights and supplier management

Respect for human rights along our supply chain is embedded in our business processes. We factor our suppliers and business partners' social and environmental performance into our evaluation of our business relation-ship with them.

Community involvement

Our units engage in community involvement and support sustainable development in their regions. We have a responsibility to make the countries and communities where we do business better places to live. Our focus is primarily on projects in which we can leverage our core competencies.

2019 Highlights

In 2019 several members of our Group Compliance Team took on **roles in a non-profit association** called the German Institute for Compliance, whose mission is to set standard for compliance.

Several **health, safety, and environment events** were organised by the Supply Chain and HSE team in order to reinforce aware-ness of the importance of HSE.

Nearly **2,200** E.ON und innogy **employees** volunteered for a total of more than 12,000 hours.

Being a pacesetter – in sustainability and in corporate governance

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

Management and oversight

Corporate governance refers to the way we manage, monitor, and control our company and its operations. E.ON adopts the two-board system common in Germany. The E.ON Management Board sets the company's strategic course and exercises management control over its businesses and support functions. The E.ON Supervisory Board advises and monitors the Management Board, appoints its members, and approves E.ON SE and the E.ON Group's financial statements. In addition, the Supervisory Board's approval is necessary for some decisions by the Management Board, such as transactions above a certain monetary threshold. At year-end 2019, the E.ON Supervisory Board consisted of fourteen men and six women from a total of eight countries. In accordance with German law, it has an equal number of shareholder and employee representatives. The → Corporate Governance Report in our 2019 Annual Report contains detailed information about the roles and responsibilities

of the Management Board and Supervisory Board, how they work together, and E.ON's statement of compliance with the German Corporate Governance Code. The code consists of recommendations and suggestions that constitute the recognised best practices of good corporate governance. These include achieving a reasonable balance between the interests of companies and their shareholders, fostering transparent decision-making by management boards, and ensuring that supervisory boards are independent. [→ GRI 102-18]

Systematic risk management

Every business activity involves risks. To mitigate them, we conduct systematic risk management that's embedded in our workflows. Our → Annual Report describes in detail our management system for assessing risks and chances and the measures we take to limit risks. Our risk management

system addresses a wide variety of risks. These include legal and regulatory risks, operational and IT risks, finance and treasury risks, strategic risks, as well as environmental, social, and governance (ESG) risks. Among our ESG risks are fines for violations of the law and damage to our reputation resulting from accidents or power outages. Thanks in large part to the management approaches described in the chapters of this report, at year-end 2019 we had no material reportable risks for non-financial issues.
[→ GRI 102-11]

Binding policies and guidelines

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

People and behaviour

Code of Conduct — Defines behaviours and values that are important to us. It refers employees to the relevant People Guidelines for more details.

People Guidelines — Explain in greater detail what employees need to do to comply with our standards.

Organisation and steering

Steering Policy — Establishes a group-wide organisational setup, describes our steering philosophy, and delegates roles to Group functions.

Function Policies — Define the specific tasks and mandatory involvement of Group functions; they apply to employees affected by the policy.

The "Management approach" section of each chapter of this report contains information about the sustainability policies and guidelines that are relevant for a chapter's particular topic. Our → Sustainability Channel contains a list of our People Guidelines and Function Policies that are relevant for sustainability as well as a downloadable copy of our Code of Conduct.
[→ GRI 102-16]

We endorse internationally accepted ethical, social, and ecological principles like the United Nations' Global Compact and Sustainable Development Goals and align our company policies and commitments to them. Our → Sustainability Channel contains a list of our commitments.

innogy guidelines

The innogy takeover didn't result in our guidelines and policies becoming automatically binding for innogy. Instead, innogy continues to operate under its own guidelines, which, like ours, are based on internationally recognised standards and industry best practices. In the months ahead, innogy's guidelines will be reviewed and, if necessary, adjusted.

Memberships and initiatives

Sustainable development requires the concerted efforts of many different actors. That's why we work with other companies and with organisations, policymakers, and stakeholders to promote sustainability in Europe and around the world. Below is a list of some of the sustainability initiatives in which we were involved in 2019.
[→ GRI 102-12]

UN Global Compact (since 2005)	The UN Global Compact (UN GC) is the largest initiative worldwide for sustainable corporate governance. We support its ten principles and actively engage as a UN GC participant at the global and national level, such as in the German Global Compact.
econsense – Forum for Sustainable Development of German Business (since 2000)	Founded in 2000, this network of 36 Germany-based multi-national companies is dedicated to promoting sustainability in the companies' operational practice, corporate strategy, and supply chain. It serves as a forum for sharing knowledge and agreeing on shared positions on sustainability issues. econsense then actively communicates these positions in public discussions. We've participated in a variety of econsense working groups focusing on issues such as sustainability in the supply chain, climate and environmental protection, and sustainability performance metrics.
World Energy Council (WEC) (since 2006)	The WEC is involved in efforts worldwide to promote an affordable, reliable, and environmentally friendly energy supply. Its members include governments, public agencies, corporations, academic and research institutions, and non-governmental organisations. Leonhard Birnbaum, a member of the E.ON Management Board, currently heads the WEC's European arm.
The Sustainability Code (Deutscher Nachhaltigkeitskodex, or DNK) (since 2011)	We support the Sustainability Code and take the criteria of the German Council for Sustainable Development, a panel of experts commissioned by the German federal government, into account in our sustainability reporting.

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

Ratings and rankings

We welcome external assessments of our sustainability performance. Independent sustainability ratings and rankings help us to identify our strengths and weaknesses and improve our performance. Our → Sustainability Channel shows the latest results.

GRI 205:
Anti-corruption

Comprehensive compliance and anti-corruption

Strict compliance with laws and company policies – the foundation of good corporate governance – is essential to retain our stake-holders' trust. Negligence or, worse, deliberate violations not only could lead to fines but also could potentially harm our reputation. Corruption is unacceptable for another reason as well: it leads to decisions being taken for the wrong reasons. It can thus impede progress and innovation, distort competition, and do lasting damage to companies. Anyone at our company guilty of corruption may be subject to fines and criminal prosecution. We closely monitor compliance with laws and our own policies. If violations occur, we deal with them transparently and, if necessary, take disciplinary action. [→ GRI 103-1 ☑]

Our approach

We're committed to combating corruption in all its manifestations and support national and international efforts directed against it. We also reject it as a member of the UN Global Compact. The E.ON Management Board has the ultimate responsibility for ensuring compliance with applicable laws and for monitoring compliance risks. The E.ON Group has an effective Compliance Management System (CMS). It sets uniform group-wide minimum standards for certain compliance issues, such as anti-corruption. The CMS's goal is to identify compliance risks early and to systematically eliminate improper conduct by employees. We have in place a variety of preventive measures for this purpose.
[→ GRI 103-2 ☑]

Organisation and responsibilities
Pursuant to a group-wide Compliance Function Policy, the Chief Compliance Officer (CCO), the Group Compliance team, and the business units' Compliance Officers are responsible for refining and optimising the CMS on a continual basis. The CCO reports biannually to the E.ON Management Board and on a quarterly basis to the Supervisory Board's Audit and Risk Committee on the status of the CMS's effectiveness and current developments and incidents. In the event of serious incidents, the Management Board and the Audit and Risk Committee are informed immediately. The same applies to important new laws. Potential violations are investigated centrally by Group Audit and Group Compliance.
[→ GRI 103-2 ☑]

Guidelines and policies
Our Code of Conduct focuses on our guiding principle, "Doing the right thing." The Code provides easy-to-understand guidance for all areas that are of particular concern to us. These include human rights, anti-corruption, fair competition, and ethical relationships with business partners. The Code also contains an integrity test that employees can use to check whether their assessment of a situation is in compliance with E.ON principles and values. Every employee in the E.ON Group is obliged to act in accordance with the Code of Conduct's rules and regulations. The Code is therefore part of our employees' duties under their employment contract. It's supplemented by several People Guidelines which explain in greater detail how employees can be sure that they're doing things right.

Managers and employees may be invited to events and restaurants, especially by business partners, or receive gifts. Our Anti-Corruption People Guideline contains a decision-making scheme that uses the familiar green, amber, and red of traffic lights to indicate when accepting or granting such offers or gifts is permissible, potentially problematic, or forbidden. Gratuities above a certain threshold, which varies by country, must receive Compliance Officer approval. Particularly strict requirements apply to invitations and gifts from public, elected, or government officials and their representatives.

Our Compliance Function Policy establishes basic compliance structures, roles, and responsibilities.
[→ GRI 103-2 ☑]

Specific actions
Since 2010, all new employees have had to complete a Code of Conduct eLearning module, to which new material was added in 2018 and 2019. Employees in units without internet access receive this training in an offline format. In addition, we had a series of lectures and follow-up discussions on the causes of corporate misconduct and the extent to which our employees feel encouraged to openly address it.

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

If employees suspect misconduct or a violation of laws or company policies, they're instructed to report it immediately. If they wish, they may do so anonymously through internal reporting channels or a group-wide external whistleblower hotline, which we operate with a law firm. In December 2019 we extended the hotline service and published the hotline number online. Not only E.ON employees, but also our business partners, their employees, and other third parties can contact the hotline confidentially.

Governance structures   Compliance and anti-corruption   →Human rights and supplier management   →Community involvement

Ensuring good corporate governance

91

We subject all potential suppliers to prequalification to ensure that they meet our compliance standards. This includes searching media reports for references to a supplier in connection with compliance issues such as corruption and determining whether a supplier appears on lists of sanction violators or terrorist funders. In addition, potential suppliers must complete an extensive questionnaire, which we evaluate carefully. Prequalification is mandatory for all new suppliers.

Furthermore, our Know Your Counterparty principle defines certain minimum requirements for our business partners. The Know your Counterparty Check is an IT process that helps us verify their identity and integrity and avoid legal, regulatory, and reputational risks related to compliance issues such as corruption, money-laundering, tax evasion, economic sanctions, and terrorism financing. This tool replaced certain manual compliance checks and expanded the range of checks for specific contracts and financial transactions. It is covered in our Know Your Counterparty People Guideline.
[→ GRI 103-2 ✓]

Goals and performance review

The effectiveness of our CMS is the main indicator of our compliance performance for purposes of management control. All compliance measures, policies, processes, controls, and so forth are assessed and guided by this criterion. The CMS's effectiveness is also monitored by the E.ON Management Board, the Supervisory Board's Audit and Risk Committee, and Group Audit. The latter, an independent entity, is our third line of defence for monitoring the CMS. The criteria we use for monitoring effectiveness include assessing whether and how prescribed measures are implemented across E.ON. Special consideration is given to violations that lead to an internal audit. The audit determines whether a violation resulted from negligence or misconduct by an individual or individuals or from shortcomings in the CMS. We use the results to implement measures to avoid similar incidents in future.

Because our CMS is consistent throughout E.ON, we follow a uniform roadmap. All Compliance Officers must present the status of their unit's compliance roadmap regularly to their board. Presentations must be approved in advance by Group Compliance. Progress along the compliance roadmap was on schedule in 2019.
[→ GRI 103-2/3 ✓]

Progress and measures in 2019

On the basis of our Code of Conduct, which was updated in 2018, in 2019 we added new educational measures on the subject of anti-corruption and further standardized employee training.

German Institute for Compliance

The German Institute for Compliance (known by its German acronym, DICO) is a non-profit association whose mission is to set standards for compliance, to play a key role in shaping good corporate governance in Germany, and to serve as a network for compliance experts in and outside Germany. Its more than 400 members include many of Germany's leading corporations, law firms, and consulting agencies, such as BMW, Allianz, Siemens, Freshfields, and KPMG. E.ON has been a member since 2017. In 2019 several members of our Group Compliance Team took on roles in DICO, including board member and deputy chairman of the criminal law working group.

Number of compliance notices[1]

	2019	2018	2017
Fraud or breaches of internal guidelines	57	65	32
Conflicts of interest	3	4	4
Other	47	16	17
Total	**107**	**85**	**53**

[1]Compliance notices are notices regarding misconduct and violations of the law and/or company policies by E.ON employees that are addressed through our internal reporting procedures and group-wide whistleblower hotline. The numbers refer to cases recorded at our corporate headquarters that resulted in investigations and were not subsequently found to be false reports.

In 2019 the number of compliance notices rose from 85 to 107. The increase in the category "other" was particularly significant. The principal reason is that we included other reported HR incidents in addition to conflicts of interest. The resulting investigations found that none of the incidents reported was serious.

Fines for non-compliance

We paid a total of € 266,698 in fines for non-compliance with laws in Romania and Sweden in 2019. No fines were imposed on us for incorrect tariff information or non-compliance with environmental regulations.

≡ **Contents**
Q **Search**
← **Back**

GRI 412: Human rights assessment

Promoting respect for human rights along our supply chain

We have the obligation to ensure that we respect human rights in all aspects of our business, including our supply chain. Consequently, we expect our suppliers worldwide to meet minimum standards for environmental, social, and governance (ESG) performance, including respect for human rights. We procure goods and services predominantly from countries in the Organisation for Economic Cooperation and Development (OECD). Its members have shared guiding principles for human rights, fair work practices, environmental protection, and anti-corruption. We do a small amount of business with companies outside the OECD, where a lack of such shared principles may increase the risk of practices or incidents that harm people and the environment. However, it accounts for less than 5 per cent of our purchase volume. We assess our suppliers' ESG performance prior to doing business with them. Moreover, we subject suppliers in higher-risk countries or categories to particular scrutiny. In addition, we comply with the regulatory requirements for transparency along our supply chain, which in many countries are becoming more demanding. [→ GRI 103-1 ☑]

Our approach

As a company that takes its responsibilities seriously, we're committed to doing business ethically, respecting human rights, protecting the environment, and ensuring proper work conditions. We expect our suppliers to share our commitment to high ESG standards and have processes in place to ensure that they do. Engaging in dialogue with our stakeholders and participating in industry initiatives help us identify potential human rights issues. For example, we belong to econsense, a network of Germany-based multinational companies dedicated to promoting sustainable business development and respect for human rights. [→ GRI 103-2 ☑]

Organisation and responsibilities

Our Chief Sustainability Officer, Leonhard Birnbaum, who is CEO of innogy and a member of the E.ON Management Board, was also our Chief Human Rights Officer for most of 2019. In December 2019 CEO Johannes Teyssen took over as Chief Sustainability Officer and Chief Human Rights Officer. Staff in the Sustainability and Legal Affairs departments deal with human rights issues, such as changes in legislation. They inform the Chief Human Rights Officer about current developments and incidents and advise him about upcoming activities and decisions. Depending on the issue, the Chief Human Rights Officer may also consult our Sustainability Council or the E.ON Management Board. [→ GRI 103-2 ☑]

Guidelines and policies

We've defined standards for ethical behaviours and business practices in a Code of Conduct, which is binding for all our employees. The Code was last revised at the start of 2018. It obliges our employees to contribute to a non-discriminatory and safe work environment and to respect human rights. In 2019 we updated our Human Rights Policy Statement from 2008. It was signed by all Management Board members and published on our website. The statement acknowledges the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and its fundamental conventions and makes reference to our own policies, such as our Supplier Code of Conduct. In addition, a People Guideline provides guidance to employees so that they procure goods and services in line with our ESG standards. Our standards are based on the ten principles of the United Nations Global Compact (UN GC), the world's largest initiative for responsible corporate governance, which includes respecting human rights. We've been a UN GC signatory since 2005. In addition to the UN

GC, we endorse the Universal Declaration of Human Rights of the UN and the European Convention for the Protection of Human Rights.

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

The standards for human rights, working conditions, environmental protection, and ethical business practices that we require our suppliers to meet are defined in our Supplier Code of Conduct. Our supplier prequalification process (see "Specific actions" below) consists of self-registration, formal agreement to adhere to our Supplier Code of Conduct, and a compliance check. Non-fuel suppliers who are not subject to supplier onboarding must agree to our General Terms and Conditions for Purchase Contracts, which are legally binding. These oblige non-fuel suppliers, among other things, to comply with our Supplier Code of Conduct and to endorse the principles of the UN GC. In addition, our Supply Chain Handbook defines group-wide principles, processes, and responsibilities for non-fuel procurement. It also ensures that we adopt a structured approach to managing our relationships with suppliers (see "Specific actions" below).

We've issued a Slavery and Human Trafficking Statement, which describes the steps we take to prevent and combat human rights violations along our supply chain. The statement fulfils our obligations under the UK Modern Slavery Act. We review the statement annually and publish it in our Sustainability Channel. [→ GRI 103-2 ☑]

The total installed capacity of our biomass-fired assets is 300 MW electric, just over 1,400 MW thermal. We're committed to procuring the fuel for these assets responsibly and sustainably. Suppliers of solid biomass must, like non-fuel suppliers, contractually agree to comply with our Supplier Code of Conduct. In addition, the E.ON Biomass Purchasing Amendment from 2010 defines our policies and procedures, which include risk assessments, supplier audits, and provisions for joint ventures. The amendment is part of all contracts with biomass suppliers. They must pledge to respect human rights, safeguard the general living conditions of persons affected by biomass production, and protect biodiversity and the environment.

Specific actions

Our supplier relationship management (SRM) for non-fuel suppliers has four main facets: supplier onboarding, risk assessment, evaluation, and development.

At the end of 2018 we put in place a revised and fully digital supplier on-boarding solution that is integrated into our enterprise resource planning (ERP) system. In 2019 we focused on monitoring existing and new suppliers to ensure that they comply with our minimum requirements. This helps us to mitigate potential risks to HSE and corporate social responsibility (CSR), including respect for human rights. Every non-fuel supplier whose individual transaction volume exceeds €25,000 or whose HSE risk is medium or high must complete an online onboarding process. As of year-end 2019, 98 per cent of our purchase order and contract call-offs had completed the onboarding process. New suppliers use the supplier onboarding tool to self-register after being invited to do so by the manager responsible for their respective category of product or services. The supplier onboarding process requires that suppliers pass a compliance check and accept our Supplier Code of Conduct. Depending on their transaction volume and HSE risk per individual event, suppliers must complete one or more questionnaires. In some cases, we may take additional steps during the supplier onboarding process, such as conducting a supplier audit (to assess, among other issues, whether the supplier complies with our standards for human rights, working conditions, and environmental protection) or requiring a supplier to have in place an environmental management system certified to ISO 14001 or EMAS III and/or a health and safety management system certified to OHSAS 18001 or ISO 45001. Suppliers that participate in tenders as part of a public procurement act do not use the above-described process but instead follow the qualification procedures required by law.

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

Following the comprehensive assessment conducted 2018, in 2019 we continued to evaluate our suppliers' performance and, based on the findings, make decisions about our relationship with them. Once a year we determine which of our non-fuel suppliers are key based on the amount we purchase from them, their criticality to our business, and other criteria. We periodically evaluate them using five key performance indicators (KPIs): quality, cost, delivery,

innovation, and CSR; the latter includes the protection of human rights. We share the results with each supplier during a performance review meeting. The outcome of the meeting may require a supplier to take specific actions to improve its performance in one or more of the KPIs if it wants to continue doing business with us. In 2019 we increased the proportion of new suppliers that participated in their first supplier performance review. The total number of supplier performance reviews increased by 28 per cent year on year. [→ GRI 103-2 ☑]

Sweden is home to over 90 per cent of our biomass-fired capacity. Since 2014 we've evaluated the CSR performance of our suppliers there using a method developed by E.ON Värme Sverige, which operates a district heating business in Stockholm, Malmö, and other cities. In 2019 we evaluated 25 suppliers, which together provide more than 99 per cent of the biomass we consume in Sweden.

Goals and performance review

Our goal is to prevent human rights, environmental, and corporate governance abuses by identifying the associated risks along our value chain from a holistic viewpoint. Our onboarding assessments help us to do business exclusively with suppliers committed to our standards. Periodic risk assessments enable us to identify violations or suspected violations. In such cases, the Supply Chain Compliance Officer and the respective Supply Chain Director are notified, and a process is set in motion to ensure that the situation is rectified without delay. If it is not, we terminate our business dealings with the supplier.

If our employees are aware of or suspect misconduct or violations of laws or regulations, including those protecting human rights, they're instructed to report this information without delay. They may talk to their supervisor or their unit's compliance officer. If they wish to remain anonymous, they may call a group-wide whistleblower hotline which is connected to the offices of a law firm. In December 2019 we extended the hotline service and published the hotline number online. Not only E.ON employees, but also our business partners, their employees, and other third parties can contact this hotline confidentially. The law firm forwards the information to Group Compliance, which provides it to the appropriate department or unit. Depending on the nature and severity of the potential violation, Group Compliance may report it immediately to the E.ON Management Board, notify law enforcement, initiate its own investigation, or take other appropriate action. In 2019 no violation of human rights was reported through these channels. [→ GRI 103-2/3 ☑]

Progress and measures in 2019

In 2019 we continued ongoing initiatives and launched new ones. For example, in March we held our fourth Supplier Innovation Day. Representatives of seven companies came to our corporate headquarters in Essen to discuss innovations and opportunities to work together in embedded generation and energy networks. The event was attended by 75 E.ON employees from several departments and countries. The four finalists pitched proposals to automate processes and to support our business of providing embedded-generation solutions to commercial customers.

Sustainable file handling and office printing
As we describe in the chapter on → environmental management, we're taking steps to use less paper and make our remaining printing as environmentally friendly as possible. Using electronic signatures on contracts is another way we're reducing our paper consumption: we can avoid hard copies and make our document storage digital. It enabled us to save 75,000 pages of paper in 2019.

German National Action Plan
Begun in 2017, the German National Action Plan on Business and Human Rights (NAP) serves as a forum for companies, trade associations, policymakers, non-governmental organisations, and academia to promote respect for human rights along the value chain. The NAP, which has defined guiding principles for embedding human rights due diligence (HRDD) in corporate strategy and business processes, encourages companies to conduct voluntary HRDD. In September 2019 E.ON participated in a voluntary NAP monitoring conducted by the German government. This provided useful insights into the status of E.ON's implementation of the NAP. With support from a consulting firm, we also benchmarked our HRDD processes and practices, particularly those relating to procurement, against 13 international standards, including the UN Guiding Principles, NAP elements, and OECD Guidelines. In addition, we conducted a human-rights risk assessment encompassing 80 per cent of our current and anticipated spend and all of our purchasing categories. The assessment yielded a risk matrix, which, for each good or service we precure, coreleates the type of industry to the country of origin. We use the matrix to further minimise our exposure to human-rights risks along our supply chain. Based on the findings, we defined measures to improve our HRDD and presented them to our Sustainability Council and Management Board. We began implementing them in 2019. They include an updated Human Rights Policy Statement and, as stated above, making the whistleblower hotline available to third parties. We also refined our human-rights risk matrix, which in the future will enable us to adopt an even more structured approach to assessing human-rights risks. At the start of 2020 we prepared to take additional steps, which we expect to implement during the rest of the year.

Health, safety, and environment events
The Supply Chain and the HSE team organised four HSE events for E.ON staff and representatives of our contractors. They had two main purpose. First, to reinforce awareness of the importance of HSE generally and the HSE requirements for individual projects. Second, to design specific action plans for joint improvement initiatives related to the products and services a particular contractor or subcontractor provides. The events also served as a forum for sharing best practices, communicating our standards and policies, getting contractors more involved in the HSE dialogue, and promoting a caring culture. We'll conduct similar events in 2020.

In 2019 we began to get a detailed picture of innogy's procurement organisation, policies, and procedures. This process will continue in 2020 with the aim of swiftly harmonising them with our own.

Non-Core Business: uranium procurement
The nuclear power plants operated by our subsidiary PreussenElektra consume uranium fuel. We maintain high procurement standards by incorporating our Supplier Code of Conduct into our contracts for procuring uranium and nuclear fuel assemblies. The code is supplemented by the Nuclear Fuel Purchasing Amendment, which defines the standards for the procurement of nuclear fuel. The E.ON Nuclear Fuel Policy from 2014 stipulates the procedure for selecting and verifying new uranium suppliers. We purchase uranium exclusively from established suppliers with proven experience. In addition, we conduct reviews and on-site audits of new long-term suppliers and of current suppliers if there's a reasonable suspicion of misconduct. In 2019 we concluded three contracts for spot deliveries of enriched uranium in 2019 through 2021.

# Actively engaged in shaping our community

We're part of the countries and communities where we do business. We therefore have a responsibility to help make them better places to live. We do this in part by creating jobs and by offering individually tailored energy solutions that enhance our customers' sustainability and comfort. We also strive to make a tangible contribution to prosperity and economic development.

We engage in community involvement and support employee volunteering in all the countries where we operate. The specifics vary by country. That's because our units know their country's needs and challenges best. So we let them decide which projects and organisations to support. We believe that this approach has a greater positive impact than one-size-fits-all. You'll find a map with a selection of our community involvement projects in our →Sustainability Channel.

Our community investments in 2019

We report our corporate giving by categories for greater clarity. You'll find the categories in the diagram below.

11%
Sport

14%
Environment and sustainability

30%
Arts and culture

2019

21%
Education

24%
Society
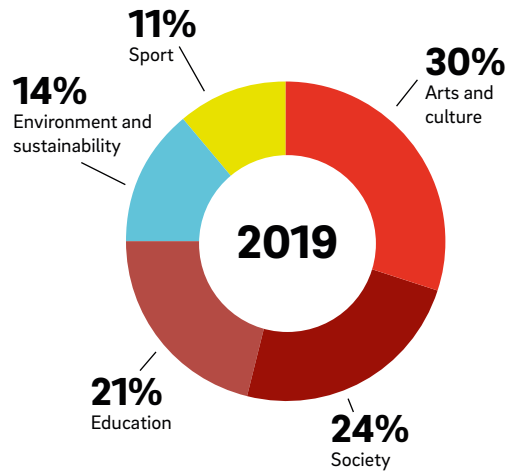
The figures by category don't include our strategic investments in community involvement, which are typically more long-term in nature. Our strategic investments went toward three focus areas: climate protection, educational support for the next generation, and energy access.

10%
Energy access

54%
Climate protection

2019

36%
Next generation
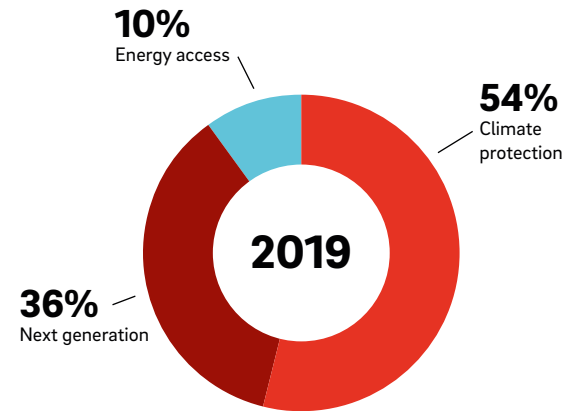
Together, our corporate giving and strategic community involvement amounted to almost €6 million in 2019, less than the 2018 figure of €8 million, due to budget cuts in all regions.

Corporate volunteering
Our employees have been actively involved in non-profit projects in all of the countries in which we operate since 2009. Participation varies by country. Last year, 1,974 E.ON employees performed 8,745 hours of volunteer work.

Appendix

About this report

E.ON has published a Sustainability Report annually since 2004 and exclusively online since 2008. This is the second E.ON Sustainability Report to be available in English only. It was published end of March 2020. The reporting period is the 2019 calendar year. As a rule, the editorial deadline was 31 December 2019; however, there is some commentary on events from the first quarter of 2020. You can download a pdf version of this report from the →sustainability channel at eon.com. The most recent report was published in March 2019. You can find it and older reports in the sustainability channel's archive. [→GRI 102-50/51/52 ☑]

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

Standards and compliance
Our reporting has been guided by the standards of the →Global Reporting Initiative (GRI) since 2005. Sections of this report that fulfil a GRI standard are followed by square brackets containing the corresponding standard, like at the end of the first paragraph above. This report meets the reporting requirements of the →German Sustainability Code and serves as our progress report for the →United Nations Global Compact.

In addition to this report, we published a Combined Non-financial Report in late March 2020, which complies with the reporting requirements of the German CSR Directive Implementation Act (Section 315 in conjunction with Sections 289c to 289e of the German Commercial Code) and is included in our →2019 Annual Report.

Structure
The introductory chapter of this report provides general information about E.ON, our sustainability strategy and organisation, and our materiality analysis. The four main chapters describe the different areas in which we have an impact on sustainable development: "Enabling the energy transition," "Protecting people and the environment," "Working together to create value," and "Ensuring good corporate governance." The appendix contains this report profile as well as condensed information about our key performance indicators and GRI standards.

The four main chapters describe our material topics and, in compliance with *GRI 103: Management Approach*, how we manage them ("Our approach"). These chapters also contain information about our current and planned projects as well as our progress in the reporting period ("Our achievements in 2019").

Scope

This report encompasses all subsidiaries in which E.ON holds a majority stake and that are fully consolidated in its Consolidated Financial Statements. The statements in this report always refer to E.ON and its majority-held subsidiaries (the E.ON Group). Any deviations from this are indicated. For example, our reporting about occupational safety also encompasses entities in which we do not hold a majority stake but over which we have operational control. Our key performance indicators ("KPIs") include PreussenElektra's business operations. The business operations at the Renewables segment that we transferred to RWE are included in our KPIs until late September 2019. A separate innogy segment, consisting mainly of network and sales businesses, became part of the E.ON Group on 18 September 2019. Consequently, our reporting includes a number of innogy KPIs after this date. As a rule, however, our KPIs refer to E.ON without innogy. If KPIs of innogy's continuing operations are disclosed they and their respective time frame are clearly indicated. Time frames may differ owing to the nature of a KPI, the availability of data, and internal collection and reporting processes. Any exceptions are clearly indicated. The abbreviation n/a indicates when a figure isn't applicable, an en-dash (–), when a figure is unavailable.
[→ GRI 102-45 ☑]

Key performance indicators for which the prior-year figure was adjusted because of discontinued operations or other reasons are indicated by footnotes. This practice is in accordance with International Financial Reporting Standards. We use key performance indicators that we consider to be important in view of a business unit's operations and material in terms of its contribution to our business.
[→ GRI 102-10/48/49 ☑]

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

Audit

As with previous reports, key sections of this report were audited with limited assurance by PricewaterhouseCoopers GmbH. The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) issued by the International Federation of Accountants. Audited content is indicated by the symbol . The → Assurance Report describes the exact scope of the audit.
[→ GRI 102-56 ☑]

Green Bond reporting

The energy world is steadily becoming more distributed, digital, and decarbonised. As Germany's first energy company to dedicate itself entirely to the new energy world, E.ON has decided to issue Green Bonds to finance and/or refinance projects related to renewable energy, energy efficiency and clean transportation that ideally fit with E.ON's core businesses and sustainability strategy. In August 2019 E.ON issued its first two Green Bond tranches of €750 million each.[1] Investors thus have the opportunity to participate in the (re-)financing of E.ON's sustainable investment projects that are in line with our Green Bond Framework.

Final terms of E.ON's inaugural Green Bonds

Issuer	E.ON SE	Issuer	E.ON SE
Issuer rating	Moody's: Baa2 (stable outlook), S&P: BBB (stable outlook)	Issuer rating	Moody's: Baa2 (stable outlook), S&P: BBB (stable outlook)
Issue rating	Moody's: Baa2 (stable outlook), S&P: BBB (stable outlook)	Issue rating	Moody's: Baa2 (stable outlook), S&P: BBB (stable outlook)
Status of the notes	Senior unsecured	Status of the notes	Senior unsecured
Currency	EUR	Currency	EUR
Aggregate nominal amount	750	Aggregate nominal amount	750
Trade date	21 August 2019	Trade date	21 August 2019
Settlement date	28 August 2019	Settlement date	28 August 2019
Tenor	5 years	Tenor	10.5 years
Maturity date	28 August 2024	Maturity date	28 February 2030
Coupon	0.000% p.a.	Coupon	0.350% p.a.
Minimum denomination	EUR 1,000	Minimum denomination	EUR 1,000
Listing	Luxembourg	Listing	Luxembourg
ISIN	XS2047500769	ISIN	XS2047500926

In line with E.ON's objective of providing a sustainable and secure supply of energy to its customers, we developed a Green Bond Framework that reflects the well-established ICMA Green Bond Principles (GBP). The framework focuses on sustainable projects in both the Energy Networks and Customer Solutions segments.

[1]In January 2020 E.ON issued a third Green Bond tranche in the amount of €1 billion.

Use of proceeds in E.ON's Green Bond Framework: a clear focus on the energy transition

ICMA GBP Category[1]	Eligible Green Projects	Eligibility to Green Bond	UN SDG	Potential impact indicators
Renewable energy	**Direct connections of renewable energy production and storage units to the grid[2]**	**100%**	SDG 7 Affordable and Clean Energy; SDG 13 Climate Action	• Capacity and production of renewables connected to grid or generated • Added renewables capacity • CO_2 emissions avoided
	Renewable energy production and storage units including: • Wind • Solar (PV) • Biomass/biomethane • Power-to-x[3]	**100%**		
Energy efficiency	**Energy-efficient replacements in the grid** including: • Energiewende/smart grid investments • Investments to decrease/minimize grid losses • Energy efficient street lighting with LED	**Applying the renewable energy feed-in ratio[4] of E.ON's fully consolidated grid businesses**	SDG 9 Industry, Innovation and Infrastructure	• Smart grid components installed • Energy consumption savings by clients • % of energy efficiency achieved • CO_2 emissions avoided
	Smart meters	**100%**		
	Integrated on-site business and city energy solutions including: • Combined heat and power, district heating • Geothermal, solarthermal, power-to-heat • Biomass/biomethane and storage • LED lighting	**100%**		
Clean transportation	**Electric vehicle charging stations and related infrastructure**	**100%**	SDG 11 Sustainable Cities and Communities	• Number of EV's charging points

[1]International Capital Market Association: →Green Bond Principles.
[2]In terms of renewable energy and energy efficiency grid projects renewable energy refers to energy from wind, solar (PV), biomass/biomethane, landfill and sewage gas, hydro and power-to-x[3].
[3]Power-to-X refers to various technologies for storage or other use of surplus electricity in times of oversupply from volatile renewable energies infeed such as solar energy, wind energy and hydropower. Power-to-X technologies enable sector coupling and reduce curtailment of renewable energies increasing the share of renewables in the energy mix.
[4]The feed-in ratio is defined as energy feed-in from renewables divided by all decentral energy feed-in of E.ON's fully consolidated grid businesses.

The sustainability projects at the Energy Networks segment consist of grid connections for renewables capacity and energy-efficient grid upgrades, including investments and/or expenditures to increase the grid's flexibility and technical availability in response to fluctuating renewables feed-in. Those at the Customer Solutions segment include investments in integrated embedded energy solutions for cities and businesses, smart meters, and charging stations for electric cars. One example is →Högbytorp, an advanced material and energy recycling system located northwest of Stockholm, which was selected for funding from the inaugural E.ON Green Bond. The system will provide people across the region with environmentally friendly, carbon-neutral heating and electricity as well as biogas (for more information, see the chapter entitled Smarter Cities).

Evaluating and selecting projects

E.ON's Green Bond Framework defines eligibility criteria. The process of evaluating and selecting projects has several steps and draws on the expertise of several units and departments. The first step is for the Sustainability and Group Finance departments at corporate headquarters to identify potential projects in the three categories (renewable energy, energy efficiency, and clean transportation). In consultation with the Sustainability department and experts from Energy Networks and Customer Solutions, the Controlling and Finance departments compile a list of eligible projects. The Sustainability department is responsible for ensuring that eligible projects have no ESG concerns and comply with all relevant company policies and guidelines as set out in E.ON's Green Bond Framework. Finally, the E.ON Green Bond Committee – which consists of representatives of Sustainability, Energy Networks, Customer Solutions, and Group Finance as well as other subject experts – carefully reviews the list, selects projects, and decides how much funding each will receive.

The eligibility of Energy Networks' projects is assessed using the ICMA GBP category level for E.ON's fully consolidated networks businesses applying E.ON's grid investment categories and considering the renewable feed-in ratio for energy-efficiency projects. Customer Solutions projects are assessed using the ICMA GBP categories on a project basis considering E.ON's respective investment categories.

The Green Bond Committee, which meets at least on an annual basis, monitors the eligible green project portfolio. It is also responsible for excluding projects that no longer meet the eligibility criteria or have been disposed of and replacing them to the best degree possible. As Green Bonds mature, the committee is tasked removing the oldest projects from the portfolio for an equivalent investment amount. This ensures that Green Bonds continue to fund new projects.

E.ON ensures that the initial eligible Green Project Portfolio will not be older than three years.

Reporting

E.ON's Green Bond Framework, the second-party opinion (a certification by Sustainalytics, a prominent rating agency), and details are available on our → website.

The annual reporting for the bonds, including disclosures on the metric tonnes of CO_2e avoided by the projects funded, will be published annually in the Sustainability Report, which is available → online.

Portfolio of investments allocated to Green Bonds along with impact KPI as of year-end 2019

Use of bond proceeds for eligible green projects

Eligible green project portfolio	Amount invested (€ in millions)			Allocation of green funding (in period)[1]
Year of investment	**2019**[2]	**2018**[3]	**2017**	
Renewable energy	231.3	284.5	210.2	ISIN: XS2047500769 (€750 million, August 2024)
Grid connections of renewable energies	230.8	284.1	195.2	ISIN: XS2047500926 (€750 million, February 2030)
Renewable energy production and storage units	0.5	0.4	15.0	
Energy efficiency	580.2	909.6	577.9	
Energy-efficient replacements in the grid[4]	448.9	679.8	483.9	
Integrated on-site business and city energy solutions	69.8	134.2	64.2	
Smart meters	61.5	95.6	29.8	
Clean transportation	8.0	16.8		
Electric vehicle charging stations and related infrastructure	8.0	16.8		
Eligible green project expenditures	**819.5**	**1,210.9**	**788.1**	
Total	**2,818.5** ☑			**1,500.0**

[1]Green Bonds issued through year-end 2019. E.ON issued another Green Bond in January 2020, ISIN: XS2103014291 €1,000 million, September 2027).

[2]In 2019 E.ON's portfolio of investments allocated to Green Bonds excludes innogy SE investments. Their allocation to the Green Bond is still being finalised. The most recent forecasts indicate approximately €300 million of Innogy investments will be added to E.ON's Green Bond portfolio when allocation is finalised.

[3]In 2018 E.ON's portfolio of investments allocated to Green Bonds included E.ON SE and innogy SE investments. On 12 March 2018, E.ON SE and RWE AG reached an agreement under which E.ON acquired RWE's 76.8-percent stake in innogy SE as part of an far-reaching asset swap and which called for E.ON to transferr to RWE substantially all of its renewables business. This agreement is effective retroactively as of 1 January 2018, so that investments made by innogy in the area of network and sales activities since this date are economically borne by and therefore attributable to E.ON.

[4]Investments under application of the green feed-in ratio as defined in the GB Framework. The green feed-in ratio is displayed in the table entitled "Impact reporting for the allocated portfolio."

E.ON's initial Green Bond portfolio consists of €2,818.5 million in eligible projects. As of year-end 2019, E.ON had issued €1,500 million in Green Bonds, leaving €1,318.5 million unallocated.

Impact reporting for allocated portfolio ☑

ICMA Green Bond category	Renewables capacity addded (GW)	Annual output (TWh)	Green Feed-in Quota (percentage)[1]	Efficiency improvement (percentage)	Customers served (thousands)	Number of charging points	Avoided Emissions p.a. (kt CO_2e)[2]
Renewable energy							
Grid connections of renewable energies	6.8	11.1					5,649
Renewable energy production and storage units	0.01	0.03					20
Energy efficiency							
Energy-efficient replacements in the grid			75	3[3]			189
Integrated on-site business and city energy solutions		0.59			65		50
Smart meters				2[4]	1,757[5]		43
Clean transportation							
Electric vehicle charging stations and related infrastructure						3,218	9

[1]Latest available weighted average for all considered fully consolidated grid businesses.
[2]Avoided emissions were calculated using the UNFCCC Harmonized Framework. Details on the calculation methodology and assumptions are available →online.
[3]Efficiency improvement refers to the reduction in line loss.
[4]Average relative consumption reduction per smart meter installed.
[5]Number of smart meters installed including digital meters.

Reporting according to GRI

We've based our sustainability reporting on →Global Reporting Initiative (GRI) guidelines since 2005. The GRI guidelines are the result of a transparent, multi-stakeholder process and consist of performance indicators for all sectors and all types of organisations. This report was prepared in accordance with the current version of the guidelines, the GRI Sustainability Reporting Standards (GRI SRS). It also includes the sector-specific disclosures of the GRI Electric Utilities Sector Disclosures 2013. As for previous years, our reporting for 2019 is in line with the GRI standards' core option according to our own estimates.

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

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

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

🛒 **Supply chain**   🏠 **Company**   🧍 **Customers**

GRI Disclosures	References, additions, and omissions

GRI 102: General Disclosures

Organisational profile

102-1: Name of the organisation ☑ | →The new E.ON*

102-2: Activities, brands, products, and services ☑ | →The new E.ON*
→2019 Annual Report (pp. 14 ff.)

102-3: Location of headquarters ☑ | →The new E.ON*

102-4: Location of operations ☑ | →The new E.ON*

102-5: Ownership and legal form ☑ | E.ON is a stock corporation under EU law (Societas Europaea, or SE), a supranational form of incorporation for companies that are fundamentally European and have an international orientation. It is therefore appropriate for E.ON, a company whose corporate headquarters and main activities are in Europe but that also operates elsewhere. E.ON SE's shareholder base is broadly diversified by type (retail, institutional) and region. No shareholder holds a controlling interest in E.ON SE. E.ON was notified in October 2019 that RWE Aktiengesellschaft holds an (indirect) stake of 15 per cent and that The Capital Group Companies, Inc. holds an (indirect) stake of 10.16 per cent of E.ON's share capital. Furthermore, E.ON was notified in July 2019 that Capital Income Builder holds a stake of 5.07 per cent of E.ON's share capital. In September 2019 Blackrock, Inc. notified E.ON that it holds an (indirect) stake of 4.41 per cent of E.ON's share capital, and Canada Pension Plan Investment Board notified E.ON in October 2018 that it holds a (partially indirect) stake of 3.13 per cent of E.ON's share capital.

102-6: Markets served ☑ | →The new E.ON*
→2019 Annual Report (p. 14, pp. 50 ff.)

102-7: Scale of the organisation ☑ | →The new E.ON*
→2019 Annual Report (pp. 21 ff., pp. 50 ff., pp. 104 ff.)
→www.eon.com*

102-8: Information on employees and other workers | →Employee matters
→ESG figures*

102-9: Supply chain | →Human rights and supplier management
→2019 Annual Report (pp. 50 ff., p. 139, p. 202)

GRI Disclosures	References, additions, and omissions

102-10: Significant changes to the organisation and its supply chain ☑ | →Report profile*
→2019 Annual Report (pp. 10 f., p. 191)

102-11: Precautionary principle or approach | →2019 Annual Report (pp. 44 ff.)
→Enabling the energy transition*
→Protecting people and the environment*
→Working together to create value*
→Ensuring good corporate governance*

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

102-12: External initiatives ☑ | →Governance structures*
→Stakeholder engagement*
→Climate protection
→Environmental management

102-13: Membership of associations | →Governance structures*
→Stakeholder engagement*

102-14: Statement from senior decision-maker | →Foreword*

102-16: Values, principles, standards, and norms of behaviour | →Governance structures*
→Compliance and anti-corruption

102-18: Governance structure ☑ | →Governance structures*
→Sustainability strategy and organisation*
→2019 Annual Report (pp. 63 ff.)

102-40: List of stakeholder groups ☑ | →Stakeholder engagement*

102-41: Collective bargaining agreements | →Employee matters

102-42: Identifying and selecting stakeholders | →Stakeholder engagement*

102-43: Approach to stakeholder engagement | →Materiality analysis
→Customer experience
→Stakeholder engagement*

102-44: Key topics and concerns raised ☑ | →Materiality analysis
→Stakeholder engagement*

102-45: Entities included in the consolidated financial statements ☑ | →Report profile*
→2019 Annual Report (pp. 129 ff.)

GRI Disclosures	References, additions, and omissions
102-46: Defining report content and topic Boundaries ☑	→Materiality analysis →Report profile*
102-47: List of material topics ☑	→Materiality analysis
102-48: Restatements of information ☑	→Report profile*
102-49: Changes in reporting ☑	→Report profile*
102-50: Reporting period ☑	→Report profile*
102-51: Date of most recent report ☑	→Report profile*
102-52: Reporting cycle ☑	→Report profile*
102-53: Contact point for questions regarding the report ☑	→www.eon.com*
102-54: Claims of reporting in accordance with GRI Standards	→GRI content index
102-55: GRI content index ☑	→GRI content index
102-56: External assurance ☑	→Report profile* →Assurance Report

GRI Disclosures	References, additions, and omissions

GRI 200: Economic

GRI 205: Anti-corruption (2016)　🛒 📦 👤

103-1/2/3: Management approach ☑	→Compliance and anti-corruption
205-2 (core): Communication and training about anti-corruption policies and procedures	→Compliance and anti-corruption

Sector-specific Disclosure: Research and development (R&D)　🛒 📦 👤

103-1/2/3: Management approach ☑	→Lower-carbon households →More energy-efficient companies →Greener, smarter cities →Reliable and smart grids →2019 Annual Report (p. 155) The 2019 Annual Report discloses our R&D expenditures. A breakdown of these expenditures according to their relevance for sustainability is not available. The relevant department cannot provide such a breakdown.

GRI 300: Environmental

GRI 302: Energy (2016)　📦 👤

103-1/2/3: Management approach ☑	→Lower-carbon households →More energy-efficient companies →Greener, smarter cities →Climate protection →Environmental management
302-1: Energy consumption within the organisation ☑	→Climate protection →Environmental management Our disclosures include following parameters: • Fuel consumed for energy generation (fossil, nuclear, and renewable fuel) for company purposes • Power and district heat consumption • Fuel combustion for heating • Vehicle fuel consumption • Power distribution losses (resold power and gas are excluded)

GRI Disclosures	References, additions, and omissions

GRI 305: Emissions (2016)

103-1/2/3: Management approach ☑

→Lower-carbon households
→More energy-efficient companies
→Greener, smarter cities
→Climate protection
→Environmental management

305-1: Direct (Scope 1) GHG emissions ☑

→Climate protection

Our disclosures are based on CO_2 equivalents, which include CH_4, N_2O, and CO_2 emissions, with the following exceptions:
- Fugitive CH_4 emissions from the handling, transport, and distribution of natural gas
- Fugitive emissions from equipment of various cooling agents with a defined global warming potential
- Fugitive sulphur-hexafluoride (SF_6) emissions from line losses

In line with the Kyoto Protocol, the baseline year is 1990. Global warming potential is relative to a 100-year time horizon.

Our GHG emission disclosures encompass all subsidiaries and generation assets (including leased assets) that are fully consolidated in E.ON's financial statements or in which E.ON owns a majority stake.

305-2: Energy indirect (Scope 2) GHG emissions ☑

→Climate protection

Our disclosures are based on CO_2 equivalents, which include CH_4, N_2O, and CO_2 emissions.

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

305-3 (core): Other indirect (Scope 3) GHG emissions ☑

→Climate protection

Information about Scope 3 biogenic CO_2 emissions is not available. We do not record emissions from the combustion or biodegradation of biomass that occur in our upstream value chain.

Our disclosures are based on CO_2 equivalents, which include CH_4, N_2O, and CO_2 emissions.

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

GRI Disclosures	References, additions, and omissions

GRI 400: Social

GRI 401: Employment (2016)

103-1/2/3: Management approach ☑

→Employee matters

401-1 (core): New employee hires and employee turnover

→Employee matters
→ESG figures*

The 2019 Annual Report discloses figures for employee turnover.

GRI 403: Occupational health and safety (2018)

103-1/2/3: Management approach ☑

→Occupational health and safety

403-1: Occupational health and safety management system

→Occupational health and safety

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

403-2: Hazard identification, risk assessment, and incident investigation

→Occupational health and safety

403-3: Occupational health services

→Occupational health and safety

403-4: Worker participation, consultation, and communication on occupational health and safety

→Occupational health and safety

403-5: Worker training on occupational health and safety

→Occupational health and safety

403-6: Promotion of worker health

→Occupational health and safety

403-7: Prevention and mitigation of occupational health and safety impacts

→Occupational health and safety

GRI Disclosures	**References, additions, and omissions**
403-9 (core): Work-related injuries	→Occupational health and safety

E.ON discloses the following key performance indicators for safety:
- Total recordable injury frequency (TRIF), which measures the number of work-related accidents and illnesses with and without lost working time
- Lost time injury frequency (LTIF), which measures work-related accidents with lost time.

We disclose both indicators for E.ON and contractor employees.

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

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

GRI 404: Training and education (2016)

| **103-1/2/3**: Management approach ☑ | →Employee matters |
| **404-2 (core)**: Programmes for upgrading employee skills and transition assistance programmes | →Employee matters |

GRI 412: Human rights assessment (2016)

| **103-1/2/3**: Management approach ☑ | →Human rights and supplier management
→Compliance and anti-corruption |
| **412-3 (core)**: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | →Human rights and supplier management
→Compliance and anti-corruption |

GRI 417: Marketing and labelling (2016)

| **103-1/2/3**: Management approach ☑ | →Customer experience |
| **E.ON-specific (core)**: Results of surveys measuring customer satisfaction ☑ | →Customer experience |

GRI Disclosures	**References, additions, and omissions**

GRI 418: Customer privacy (2016)

| **103-1/2/3**: Management approach ☑ | →Data protection and product safety |
| **418-1 (core)**: Substantiated complaints concerning breaches of customer privacy and losses of customer data | →Data protection and product safety

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

Sector-specific Disclosure: Access

103-1/2/3: Management approach	→Reliable and smart grids
G4-EU28: Power outage frequency (SAIFI)	→Reliable and smart grids
G4-EU29 (core): Average power outage duration (SAIDI) ☑	→Reliable and smart grids

Pages marked with an asterisk (*) were not or only partially →reviewed.

Sustainability key performance indicators

We assess the effectiveness of our sustainability strategy and initiatives by gathering data for key performance indicators (KPIs). Capital markets in particular want standardised environmental, social, and governance (ESG) KPIs. Consequently, we have reported our KPIs structured according to ESG since a number of years.

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

Our key performance indicators ("KPIs") include PreussenElektra's business operations. The business operations at the Renewables segment that we transferred to RWE are included in our KPIs until late September 2019. A separate innogy segment, consisting mainly of network and sales businesses, became part of the E.ON Group on 18 September 2019. Consequently, our reporting includes a number of innogy KPIs after this date. As a rule, however, our KPIs refer to E.ON without innogy. If KPIs of innogy's continuing operations are disclosed they and their respective time frame are clearly indicated. Time frames may differ owing to the nature of a KPI, the availability of data, and internal collection and reporting processes. The abbreviation n/a indicates when a figure isn't applicable, an en-dash (–), when a figure is unavailable.

Reviewed disclosures display the ☑ icon. Key performance indicators that are particularly important to us have a blue-shaded background.

Sample presentation of key figures

	DVFA/EFFAS	E.ON 2019	innogy 2019	E.ON 2018	E.ON 2017
Key figure XX	E/S/GXX-XX	XX ☑	XX ☑	XX	XX

DVFA/EFFAS-ID   Assured

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

Environment

Climate protection

	DVFA/ EFFAS	E.ON 2019	innogy 2019[1]	E.ON 2018	E.ON 2017
Greenhouse gas emissions (total CO_2 equivalents in million metric tonnes)	E03-01	67.31 ☑	92.05 ☑	68.78	78.92
Scope 1	E02-01	4.91 ☑	0.87 ☑	4.58[2]	4.53[2]
Scope 2[3]	E02-01	2.73 ☑	3.05 ☑	2.89[2]	3.37
Scope 3	E02-01	59.67 ☑	88.13 ☑	61.31	71.02

[1]Figures for all of 2019; not included in E.ON's 2019 figures; see →Report profile.
[2]Prior-year figures have been adjusted.
[3]Excludes our consumption of district heating due to the immateriality of the quantity compared to the other Scope 2 categories.

For more information, visit the →Climate protection chapter.

Waste

	DVFA/ EFFAS	E.ON 2019	innogy 2019[1]	E.ON 2018	E.ON 2017
Non-hazardous waste (metric kilotonnes)		269.8	184.5	78.9	90.1
Recovered		266.3	170.2	73.6	84.9
Disposed		3.5	14.3	5.3	5.2
Hazardous waste (metric kilotonnes)	E06-01	72.1	50.2	77.1	75.6
Recovered		55.2	35.0	53.4	60.8
Disposed		16.9	15.2	23.7	14.8
Total waste (metric kilotonnes)[2]	E04-01	341.9	234.7	156.0	165.7
Total amount of waste recycled (percentages)[3]	E05-01	94.0	87.4	81.4	87.9
Low and intermediate-level radioactive waste (metric tonnes)	E08-01/02	536.0	n/a	313.9	402.1
High-level radioactive waste (metric tonnes)	E08-03	136.0	n/a	116.0	180.2

[1]Figures for all of 2019; not included in E.ON's 2019 figures; see →Report profile.
[2]Hazardous and non-hazardous waste.
[3]Percentage of recycled hazardous and non-hazardous waste.

For more information, visit the →Environmental management chapter.

Environmental management

	DVFA/ EFFAS	E.ON 2019	innogy 2019[1]	E.ON 2018	E.ON 2017
Energy consumption within the organisation (million GJ)	E01-01	228	-	239[2]	201
Business units certified to ISO 14001 (percentages)	E33-01	100[3]	-	99	99
Business units certified to ISO 50001 (percentages)		97	-	86	53
Number of environmental incidents					
4 (major)		0	0	0	0
3 (serious)		1[4]	0	1[5]	0
2 (moderate)		31	5	10	6
1 (minor)		255	5	153	115
0 (inconsequential)		599	0	412	390
Incidents on the seven-step International Nuclear Event Scale (INES)		0	n/a	0	0
Provisions for environmental remediation and similar obligations (€ in millions)[6]	E12-05	529 ☑[7]	-	520	507
Short term		59 ☑[7]	-	28	29
Long term		470 ☑[7]	-	492	478
Fresh water consumption (million cubic metres)[8]	E28-01	47.3	n/a	37.7	37.0

[1]Figures for 1 October to 31 December 2019; not included in E.ON 2019; see →Report profile.
[2]A change in the scope of consolidation limits the information value of a comparison with the subsequent year's figures.
[3]Rounded figure; the exact figure is 99.93 per cent.
[4]Oil leak at a CHP plant operated by E.ON Business Solutions in the United Kingdom.
[5]The depressurisation of a gas pipeline at our subsidiary Avacon resulted in the unintentional release of oil.
[6]Funds set aside for potential redevelopment, water protection, and the remediation of contaminated sites.
[7]Audited disclosers from the E.ON Annual Report.
[8]For reasons of materiality, includes the Non-Core Business segment (PreussenElektra) only.

For more information, visit the →Environmental management chapter.

Social

Employee matters

	DVFA/ EFFAS	E.ON 2019[1]	E.ON 2018	E.ON 2017
Group employees (headcount)[2]		78,948 ☑[3]	43,302	42,699
New hires				
Fulltime equivalent (FTE)		5,421	5,478	4,536
Headcounts		5,708	5,579	4,616
Permanent employment contracts (percentages)		66	69	73
Employees with full-time contracts (percentages)[4]		90	92	92
Employees with permanent employment contracts (percentages)[4]		94	95	96
Employees with collective bargaining agreements (percentages)		81	83	85
Employees with part time contracts		8,520 ☑[3]	3,328	3,395
Average length of service (years)[4]		14 ☑[3]	14	14
Voluntary turnover rate (percentages)[4]	S01-01	4.6 ☑[3]	4.8	4.6
Apprentices in Germany (headcount)		2,456 ☑[3]	899	942
Apprentice ratio in Germany (percentages)		6.0 ☑[3]	5.4	5.5
Female workforce (percentages)[4]	S10-01	33 ☑[3]	32	32
Women managers (percentages)[5]	S10-02	21 ☑[3]	21	20
Severely disabled employees in Germany (percentages)[6]		5.3 ☑	5	5.4
Severely disabled employees in Germany (headcount)[6]		1,981 ☑	861	899
Nationalities		115 ☑	100	99
Average age (in years)[4]		42 ☑[3]	42	42

	DVFA/ EFFAS	E.ON 2019[1]	E.ON 2018	E.ON 2017
Average employee age (percentages)[4]	S03-01			
<30 years		20 ☑[3]	19	18
31-50 years		50 ☑[3]	53	54
>50 years		30 ☑[3]	28	28

[1] Includes innogy; figures at year-end 2019; see →Report profile.
[2] Excludes board members, managing directors, and apprentices.
[3] Audited disclosures from the E.ON Annual Report.
[4] Includes board members, managing directors, and apprentices.
[5] Includes board members and managing directors.
[6] Excludes board members and managing directors.

For more information, visit the →Employee matters chapter.

Occupational health and safety

	DVFA/ EFFAS	E.ON 2019[1]	E.ON 2018	E.ON 2017
Combined TRIF[2]		2.6 ☑	2.4	2.5
Employee TRIF		2.6	2.5	2.3
Contractor TRIF		2.5	2.1	2.9
Employee LTIF[3]		1.9	1.9	1.8
Contractor LTIF[3]		1.7	1.5	2.3
Business units certified to ISO 45001 (percentages)		100[4,5]	99	99
Employee and contractor fatal accidents		3	5	5
Employee health rate (percentages)[6]		96.0[7] ☑	96.3	96.6

[1] Includes innogy for 1 October to 31 December 2019; see →Report profile.
[2] Total recordable injury frequency measures the number of reported fatalities and occupational injuries and illnesses per million hours of work. It includes injuries that occur during work-related travel that result in lost time or no lost time and/or that lead to medical treatment, restricted work, or work at a substitute work station.
[3] Lost time injury frequency measures work-related accidents resulting in lost time per million hours of work.
[4] Rounded figure; the exact figure is 99.95 per cent.
[5] Excludes innogy.
[6] Includes board members, managing directors, and apprentices.
[7] Includes innogy; figure at year-end 2019; see →Report profile.

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

Community involvement

	DVFA/ EFFAS	E.ON 2019	E.ON 2018	E.ON 2017
Corporate giving (€ in millions)		3.8	2.3	4.4
Strategic community involvement (€ in millions)		2.0	5.7	5.9
Total community investments (€ in millions)		5.8	8.0	10.3
Involvement of E.ON employees (number of volunteer hours)		8,745	11,807	10,910

For more information, visit the →Community involvement chapter.

Governance

Customers

	DVFA/ EFFAS	E.ON 2019	innogy 2019	E.ON 2018	E.ON 2017
Number of power and gas customers (millions)		20.4 ☑[1]	13.7[2] ☑[3]	21.0	21.1
Installed smart meters (millions)[4]	V11-02	4.4	–	3.4	2.4
Customer loyalty development	V06-01	Visit the →Customer experience chapter.			
Reduction of CO_2 emissions at commercial and industrial customers (metric tonnes)		673,169	–	688,814	731,228

[1]Audited disclosures from the E.ON Annual Report.
[2]Figure at year-end 2019.
[3]Audited disclosures from the innogy Annual Report.
[4]Includes smart meters in Slovakia (DSO in which we have a 49 per cent stake).

For more information, visit the →Customer experience chapter.

Power generation

	DVFA/ EFFAS	E.ON 2019	E.ON 2018	E.ON 2017
Owned generation by energy sources (percentages)	E26-01			
Wind and solar[1]		25.1	30.4	29.3
Natural gas/oil[2]		1.4	1.7	1.8
Nuclear (Non-Core Business)[3]		69.2	64.6	64.6
Coal[4]		0.2	0.2	0.2
Other (includes biomass)		4.1	3.1	4.1

[1]Figure includes the Renewables segment that was transferred to RWE on 18 September 2019.
[2]Includes leased embedded CHP plants operated by our customers and plants for reserve and emergency heat and power generation.
[3]Our nuclear generation will end in 2022 due to Germany's phaseout of nuclear power.
[4]Used to generate heat for our district-heating networks.

Energy networks

	DVFA/ EFFAS	E.ON 2019	innogy 2019	E.ON 2018	E.ON 2017
Power system length (thousand kilometres)[1]		721	4172	756	756
Gas system length (thousand kilometres)		97	522	96	107
Power distribution losses (percentages)		4.2	3.03	4.2	6.0

[1]Includes our power networks in Slovakia (DSO in which we have 49 per cent stake).
[2]Figure at year-end 2019; see →Report profile.
[3]Figure for all of 2019; see →Report profile.

For more information, visit the →Reliable and smart grids chapter.

Compliance

	DVFA/ EFFAS	E.ON 2019	E.ON 2018	E.ON 2017
Procurement volume in countries with corruption risks (percentages)[1]		17.2	14.3	12.2
Number of compliance notices[2]		107	85	53
Contributions to political parties (percentages)[3]	G01-01	0	0	0

[1]Countries with less than 60 points in Transparency International's Corruption Perception Index.
[2]Cases recorded at our corporate headquarters that resulted in investigations and were not subsequently found to be false reports.
[3]The E.ON Code of Conduct forbids donations to political parties, candidates, and incumbents.

For more information, visit the →Compliance and anti-corruption chapter.

Supplier management

	DVFA/ EFFAS	E.ON 2019	E.ON 2018	E.ON 2017
Supply chain: key performance narrative	V28-04	Visit the →Human rights and supplier management chapter.		

Commitment to the UN Global Compact

E.ON has been committed to upholding the ten principles of the United Nations Global Compact since 2005. With more than 9,900 participants from over 160 countries, the Global Compact is the world's largest sustainability initiative.

Basis for company policies and standards

Being a signatory to the UN Global Compact affirms our commitment to respect human rights, uphold labour and environmental protection standards, and fight against corruption. We draw on the Global Compact's ten principles when establishing our own standards and guidelines. Our participation in Global Compact networks at the national and international level fosters collaboration across industries.

Reporting on the principles of the Global Compact

Our commitment to the Global Compact includes reporting annually on our progress in implementing the ten principles (Communication on Progress, or COP), which is part of our Sustainability Report. The table below specifies which sections of the report address which principles. The company policies and guidelines listed there are available for download in our →sustainability channel.

☰ **Contents**
🔍 **Search**
← **Back**

	Cross-references in the report	**Guidelines and policies**
Human rights		
Principle 1: Support and respect internationally proclaimed human rights **Principle 2:** Eliminate any participation in human rights abuses	→Human rights and supplier management →Compliance and anti-corruption →Governance structures	• Human rights policy statement • E.ON Code of Conduct • Supplier Code of Conduct • Code of Responsible Conduct for Business • Slavery and human trafficking statement
Labour		
Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining **Principle 4:** Eliminate all forms of forced and compulsory labour **Principle 5:** Eliminate child labour **Principle 6:** Eliminate discrimination in respect of employment and occupation	→Human rights and supplier management →Employee matters →Compliance and anti-corruption →Governance structures	• Human rights policy statement • E.ON Code of Conduct • Supplier Code of Conduct • Joint "Diversity and Inclusion" declaration of principle • Slavery and human trafficking statement
Environment		
Principle 7: Support a precautionary approach to environmental challenges **Principle 8:** Undertake initiatives to promote greater environmental responsibility **Principle 9:** Encourage the development and diffusion of environmentally friendly technologies	→Climate protection →Lower-carbon households →More energy-efficient companies →Greener, smarter cities →Governance structures →Sustainability strategy and organisation	• E.ON Health, Safety, Environment and Climate Protection Policy Statement • E.ON Climate and Renewables Health, Safety, Security and Environment Policy • SDG Self-Commitment by the E.ON Board of Management
Anti-corruption		
Principle 10: Work against corruption in all its forms, including extortion and bribery	→Compliance and anti-corruption →Governance structures →Stakeholder engagement	• E.ON Code of Conduct • People Guideline on Anti-corruption • Supplier Code of Conduct

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

To E.ON SE, Essen

We have performed a limited assurance engagement on the disclosures denoted with "☑" in the sustainability report of E.ON SE, Essen (hereinafter: "the Company"), for the period from 1 January to 31 December 2019 (hereinafter: "Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol "☑".

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

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

Independence and Quality Control of the Audit Firm
We have complied with the German professional provisions regarding independence as well as other ethical requirements.

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

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

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures denoted with "☑" in the Company's Report for the period from 1 January to 31 December 2019 has not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

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

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:
• Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
• Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
• Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
• Analytical evaluation of selected disclosures in the Report
• Survey regarding decentral data gathering and approval of information on GHG emissions FY19.
• Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
• Evaluation of the presentation of the selected disclosures regarding sustainability performance

Assurance Conclusion
Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures denoted with "☑" in the Company's Report for the period from 1 January 2019 to 31 December 2019 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria.

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

Essen, 23 March 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink   ppa. Robert Prengel
Wirtschaftsprüfer
(German Public Auditor)

Independent Practitioner's Limited Assurance Report

To E.ON SE, Essen

We have been engaged to perform a limited assurance engagement on the disclosures related to the use of proceeds denoted with "☑" and on the disclosures related to the environmental benefits denoted with "☑" in the Appendix "Green Bond Reporting" of the "2019 E.ON Sustainability Report" of E.ON SE, Essen, (hereinafter: "the Company") for the financial years 2017 to 2019 (hereinafter: "Green Bond Report"). Our engagement in this context relates solely to the disclosures denoted with the symbols "☑" and "☑".

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

Company's Management is responsible for the preparation and presentation of the Green Bond Report including the disclosures related to the use of proceeds and to the environmental benefits as well as for the use of proceeds in accordance with the eligibility criteria as set out in section "Use of proceeds" (the "Eligibility Criteria") as well as the impact methodology as set out in section "Reporting" of the E.ON Green Bond Framework and the "E.ON SE – Calculation approach for avoided emissions within Green Bonds reporting"[1] (together the "Impact Criteria").

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

Audit Firm's Independence and Quality Control

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

Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner´s Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures related to the use of proceeds denoted with "☑" and on the disclosures related to the environmental benefits denoted with "☑" in the Green Bond Report based on our work performed.

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

- the proceeds disclosed in the Green Bond Report and denoted with "☑" have not been used in accordance with the Eligibility Criteria and
- the environmental benefits disclosed in the Green Bond Report and denoted with "☑" have not been determined in accordance with the Impact Criteria.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement of the disclosures related to the use of proceeds in accordance with the Eligibility Criteria and of the disclosures related to the environmental benefits in accordance with the Impact Criteria.

Within the scope of our work we performed primarily on a test basis amongst others the following procedures:

- We have obtained an understanding of (i) the Eligibility Criteria and of (ii) the projects for which the proceeds of the Green Bond issued by E.ON SE had been used (hereinafter the "Eligible Green Projects").
- We have obtained an understanding of the Impact Criteria.

[1]published on the E.ON Website: →https://www.eon.com/content/dam/eon/eon-com/investors/bond/E.ON Green Bond Methodology Avoided Emissions.pdf

- We have made enquiries of the Company's management and those with responsibility for the preparation and presentation of the Green Bond Report regarding the management and the process of recording and reporting of the disclosures related to the use of proceeds and the environmental benefits in the Green Bond Report, the systems used in the process and the related internal control system.
- We have identified the likely risks of material misstatement of the disclosures related to the use of proceeds and environmental benefits in the Green Bond Report.
- We have obtained a listing prepared by the Company of investments in connection with the Eligible Green Projects and agreed the information on the listing with the respective disclosures related to the use of proceeds in the Green Bond Report.
- We have inspected minutes of the Green Bond Committee and other relevant meetings regarding the consideration and approval of investments in connection with the Eligible Green Projects.
- We have, on a sample basis,
    - agreed the disclosures related to the use of proceeds in the Green Bond Report to the respective information in the Company's project accounting system and underlying documentation of the Company regarding the use of proceeds in the period from January 1, 2017 to December 31, 2019;
    - evaluated whether the investments in connection with the Eligible Green Projects were used in accordance with the Eligibility Criteria;
    - agreed the disclosures related to the environmental benefits in the Green Bond Report to information on the total quantities of electricity fed into the grid, share of electricity fed into the grid from renewable energy sources by type, installed generation capacities from renewable energy sources and number of installed smart meters in the Company's management information systems for technical information in the period from January 1, 2017 to December 31, 2019.
- We have considered the disclosure and presentation of the proceeds and the environmental benefits disclosed in the E.ON Green Bond Report.

Conclusion

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

- the proceeds disclosed in the Green Bond Report and denoted with "☑" have not been used in accordance with the Eligibility Criteria and
- the environmental benefits disclosed in the Green Bond Report and denoted with "☑" have not been determined in accordance with the Impact Criteria.

Intended Use of the Assurance Report

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

Essen, 23 March 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink   Nadja Picard
Wirtschaftsprüfer   Wirtschaftsprüferin
(German Public Auditor)   (German Public Auditor)