

Sustainability Report 2015



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Foreword to the 2015 E.ON Sustainability Report



Johannes Teysen (Chairman of the E.ON SE Management Board and Chief Sustainability Officer)

Dear reader,

Thank you for your interest in E.ON and our Sustainability Report. Those of you who have followed us in recent years know the challenges we face. At the end of 2014 we decided to divide the E.ON Group's businesses into two separate companies. The separation of our businesses is part of our new strategy. In addition, we're using the transformation as an opportunity to do an even better job of integrating sustainability into our business processes.

Two companies promoting a sustainable energy supply

Dividing into two companies will enable us to meet the challenges of the new and conventional energy worlds, which are very different. Each company will focus on one of these two energy worlds: E.ON on the new world of renewables, energy networks, and innovative customer solutions, Uniper on the conventional world of conventional power generation and global energy trading. This will make both companies more agile and give them the best prospects for becoming leaders in their respective energy worlds. And it will have advantages for all of our stakeholders: customers, employees, shareholders, business partners, and society at large.

A sharper focus makes it easier to set clear targets

Dividing into two companies will also sharpen our profile, including from a sustainability perspective. E.ON and Uniper will focus on different businesses. This will enable them to set clear sustainability targets and to work toward them systematically. It goes without saying that both E.ON and Uniper will remain committed to a vision of sustainability that goes beyond merely complying with laws and regulations. We'll continue to live up to the sustainability principles, norms, and standards that have long guided our environmental, social, and governance performance. For example, E.ON remains committed to the principles of the UN Global Compact and the World Business Council for Sustainable Development. We'll also continue our annual sustainability reporting. But E.ON and Uniper will define their own strategic priorities and set their own targets. We'll provide more details about this later in the year.

E.ON: new sustainability strategy in 2016

At the new E.ON our top priorities—customer orientation, energy efficiency, and access to renewables—are closely aligned with our three core businesses. But we also intend to place a greater emphasis on other issues, such as becoming an even more attractive employer. Since the start of the year we once again have an independent sustainability department. Our sustainability team is

currently working in close consultation with our newly constituted Sustainability Council to design our new sustainability strategy and sustainability work program. I'll be able to say more about this in the months ahead. But we're already certain that we want our approach to be ambitious. For example, we intend to get our employees more involved and do more to put sustainability into action at our company.

We'll provide our stakeholders with detailed information about the process of designing our new sustainability strategy. In the second half of 2016 we'll announce the focus areas and targets of this strategy on our website. The [Sustainability Channel](#) of our website already features stories about selected projects that illustrate how E.ON addresses social challenges and adds value to the regions and communities where we operate. We intend to continue and expand these activities.

Looking back on 2015: accomplishments and milestones

This 2015 report encompasses all our businesses, including those that have been part of Uniper since the start of 2016. The report's key figures provide readers with a clear and comprehensible picture of our sustainability performance. In 2015 we successfully completed our most recent sustainability work program, which had a duration of four years.

Amrumbank West und Humber Gateway offshore wind farms entered service in 2015. This important accomplishment made us Europe's second-largest offshore company. We continued to develop technologies to make all parts of our business environmentally friendlier. We also provided detailed and transparent information about the climate impact of our business operations. In recognition of our climate reporting, the Carbon Disclosure Project included us in its Leadership Group. The CDP makes companies' climate performance more transparent. This provides information for investment decisions, helping to direct capital at important technologies of the future. We also received recognition from our customers, whose satisfaction with us increased yet again. This improvement inspires us to work even harder to put customers at the center of everything we do.

The report will provide you with more information about these and other topics. One thing is certain: the journey into the energy future will be exciting. We hope you come along. And, as always, we welcome your suggestions for how we can make our sustainability performance even better.

Best wishes,

Johannes Teyssen

✓ Reviewed 2015

An overview of our reporting approach

E.ON SE has published an annual Sustainability Report since 2004. We strive to present balanced reporting of the environmental, social, and economic aspects of our business activities. We select reporting topics on the basis of a materiality analysis that assesses which topics are most important to us and our stakeholders. These topics therefore are directly relevant to our business. Our reporting aims to be transparent and not only presents our strengths but also setbacks.

Since 2008 we have been publishing our Sustainability Report exclusively online. The 2015 Sustainability Report is also available as a pdf file for download at eon.com under the "[Sustainability](#)" tab in the "[Sustainability Report](#)" chapter. The reports from previous years can be downloaded from the [archive](#).

The report and its preparation

The Sustainability Report published in early May 2016 is E.ON SE's twelfth successive report. It relates to the reporting period 1 January to 31 December 2015 and to all businesses of E.ON SE, regardless of whether they are continued in E.ON in the future or are to be imputed to [Uniper](#), which was initially spun-off as a subsidiary at the start of 2016. The editorial copy deadline was 31 March 2016. E.ON's next Sustainability Report will appear in the second quarter of 2017. The report is available in both German and English. In favour of readability, we avoid using double-gender pronouns as well as the company's full legal designation.

Since 2005 we have prepared our Sustainability Report in accordance with the guidelines of the "[Global Reporting Initiative](#)" (GRI), which are currently existend in Version 4-. The Report also once again meets the requirements stipulated under the "[German Sustainability Code](#)". It also fulfils our commitment to provide a Communication on Progress in accordance with the [United Nations Global Compact](#).

Our Sustainability Report primarily addresses the following stakeholders:

- Customers
- Investors and analysts
- Rating and ranking agencies
- Sustainability opinion leaders such as policymakers, authorities, civic leaders, and researchers
- Current and potential employees

We continually evaluate their feedback and, if necessary, adjust our sustainability and reporting processes accordingly. For example, over the past several years we have met our stakeholders' request for our key performance indicators (KPIs) to focus more on the environmental, social, and governance (ESG) aspects of our performance.

General structure of the 2015 Sustainability Report

The chapters "Reporting profile", "Management", "ESG facts and figures" and the ten thematic action areas attributable to the areas of Environment (E), Social (S) and Governance & Integrity (G) form the core of this Sustainability Report. The following symbols show how the topics are assigned to the relevant level:



On the introductory pages of the action areas we explain our management approach in relation to the key themes and provide information of the goals we have set and the progress we have achieved. The GRI aspects in the action area that are key to E.ON can be found at the beginning of each introductory page. On the relevant subpages of the action areas we use key indicators to report on progress in the reporting period and present current and future projects.

We also report restrictively on topics which have been classified in our materiality analysis as less relevant for E.ON. Our purpose in doing so is to respond to the many different concerns of our stakeholders and also to meet the requirements of sustainability rankings and ratings agencies. This information can be found in the chapter "Further Measures & Performance".

Key indicators on our progress can be found both on the topic pages and also bundled in the chapter "ESG Facts and Figures".

Fact Sheet 2015

In addition to the 2015 Sustainability Report we summarise highlights from 2015 as well as our key indicators in a Fact Sheet which is available separately for download as a PDF file.

Object of the report

Our 2015 Sustainability Report describes the progress we made and the measures we took in all our operations. It relates to the 2015 calendar year and so the spin-off of Uniper from E.ON which was completed on 1 January 2016 is not included in the 2015 report.

The subject of the report is E.ON SE, including any share investments it holds directly. The information in the report always refers to all subsidiaries and power plants in which E.ON has a majority stake and that are fully consolidated in the E.ON Group's financial statements. Any exceptions are noted accordingly. Industrial safety, for example includes units in which we are responsible for operational control but do not have a majority holding.

Discontinued activities are not fully reported on in the Annual Report. Key indicators on these are therefore only included to a limited extent in our reporting systems. For this reason not all information is available for the activities of the power plants in our regional unit in Italy which were discontinued in 2015; reference is accordingly made to this in footnotes in an effort to explain the discrepancies with previous years' values.

Our data collection focuses on indicators which we consider based on the business activity of the relevant unit to be relevant and material with regard to its contribution to the overall picture. For example, we only gather data on radioactive emissions for units with nuclear power stations and we only gather customer data for companies with sales operations.

Statements about the future development of the E.ON Group and its subsidiaries are estimates based on the information available at the time of reporting. Actual results may vary.

In addition to the Sustainability Report, we also address sustainability issues in our [Annual Report](#).

Audit of the Sustainability Report

Key parts of the 2015 Sustainability Report have, as in previous years, been subject to a limited [assurance review](#) by PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft (PwC). The basis of this is ISAE 3000 (revised) ("International Standard on Assurance Engagements") of the International Federation of Accountants. This includes contents of the chapters "Reporting Profile", "Management", and parts of the ten thematic action areas. The reviewed contents are marked as such by the logo "Reviewed 2015". The audit is based on the German version of the report.

Full support of the UN Global Compact

Since 2005 E.ON has been committed to upholding the ten principles of the [United Nations Global Compact](#). With more than 8,600 participants from over 162 countries, the Global Compact is the world’s largest sustainability initiative.



WE SUPPORT

Basis for company policies and standards

As a signatory to the UN Global Compact we affirm our commitment to respect human rights, uphold labour and environmental protection standards, and fight against corruption. We use the ten principles to develop our own standards and guidelines. At the same time we align the work program for our sustainability management, internal compliance systems and the prequalification of new suppliers with this framework. As a result of our participation in national and international Global Compact networks – for instance, in Germany and Sweden – we strengthen collaboration across industries.

Reporting on the principles of the Global Compact

Our commitment to the Global Compact includes reporting on the annual progress in implementing the ten principles (Communication on Progress – COP). We make this part of our Sustainability Report. The table below specifies which sections of the report address the various principles.

Human rights

Principle 1: Support and respect internationally proclaimed human rights

Principle 2: Eliminate any participation in human rights abuses

Cross-references in the report:

- [Guidelines](#)
- [Sustainable procurement](#)
- [Supplier management](#)
- [GRI-Index \(Human rights\)](#)
- [Further measures and performance \(Good governance\)](#)

Downloads:

- [Human Rights Policy Statement \(PDF, 75.83 KB\)](#)
- [Supplier Code of Conduct \(PDF, 153 KB\)](#)
- [E.ON Code of Conduct \(PDF, 429.98 KB\)](#)
- [Code of Responsible Conduct for Business \(PDF, 1.3 MB\)](#)
- [Biomass Guideline \(PDF, 50.54 KB\)](#)

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

Cross-references in the report:

- [Guidelines](#)
- [Workforce challenge](#)
- [Further measures and performance \(Good governance\)](#)
- [Sustainable procurement](#)
- [Supplier management](#)
- [GRI-Index](#)

Downloads:

- [Human Rights Policy Statement \(PDF, 75.83 KB\)](#)
- [Supplier Code of Conduct \(PDF, 153 KB\)](#)
- [E.ON Code of Conduct \(PDF, 429.98 KB\)](#)
- [Equal Opportunity and Diversity Framework \(PDF, 26.71 KB\)](#)

Environmental protection

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

Cross-references in the report:

- [Guidelines](#)
- [Our targets](#)
- [Good governance](#)
- [Climate protection](#)
- [Renewables](#)
- [Climate policies and emissions trading](#)
- [Efficiency and decentralized solutions](#)
- [Environmental Protection](#)
- [Avoiding environmental impacts](#)
- [Water management](#)
- [Decommissioning of nuclear power stations and storage of radioactive waste](#)
- [Knowing our stakeholders](#)
- [GRI-Index](#)
- [Technology development](#)

Downloads:

- [Group Management Policy Health, Safety & Environment \(HSE\) \(PDF, 90.83 KB\)](#)

Anti-corruption

Principle 10: Work against corruption in all its forms, including extortion and bribery

Cross-references in the report:

- [Guidelines](#)
- [Good governance](#)
- [Compliance and prevention of corruption](#)
- [Responsible lobbying](#)
- [GRI-Index](#)

Downloads:

- [Supplier Code of Conduct \(PDF, 153 KB\)](#)
- [E.ON Code of Conduct \(PDF, 429.98 KB\)](#)
- [Code of Conduct Annex 1: Compliance Checklist \(PDF, 12.09 KB\)](#)
- [Code of Conduct Annex 3: Gifts and Benefits Guidelines \(PDF, 47.98 KB\)](#)

Global Reporting Initiative

We prepare our Sustainability Report in accordance with the current "G4" [Global Reporting Initiative](#) guidelines and have done so since 2014. We also include the Electric Utilities Sector Disclosures of May 2013. In our assessment, our 2015 Report, like the 2014 Report, applies the core of the GRI guidelines.

Background: Global Reporting Initiative

The GRI was founded in 1997 with the goal of developing internationally recognised guidelines for organisations to voluntarily report on their economic, environmental, and social performance. 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.

In addition to a few substantive innovations the new G4 standard primarily enhances the principle of materiality in the selection and description of the reporting topics. For various sectors – including companies in the electricity industry – there are also so-called Sector Disclosures. Here, industry-specific aspects and additional indicators are defined.

GRI content index

In accordance with the GRI G4 guidelines, we selected the contents of this year's report once again on the basis of a materiality analysis. Our [GRI content index](#) indicates how our reporting meets GRI standards. It specifies:

- which aspects we classify as material and therefore report on,
- whether the aspects are material within or outside the organisation,
- which indicators we use (at least one indicator per material aspect) and to what extent,
- which indicators have been subject to an [assurance review](#),
- which E.ON-specific indicators we use in addition to, or in place of, GRI indicators, and
- where indicators and additional information can be found on our company's website or in our Annual Report.

The information used to fulfil the indicators can be found on the linked pages and in the [Annual Report](#). Where an indicator is not completely covered by this information we have included further data directly in the index or have clearly labelled the gaps as "Omissions". The complete GRI Index can be found on pages [190-205](#).

German Sustainability Code



German
SUSTAINABILITY
Code

Our 2015 Sustainability Report again includes a Declaration of Compliance with the criteria of the September 2014 version of the German Sustainability Code (in German). You can download the full text of the Declaration of Compliance [here](#). It will be available by June 2016 at the latest.

The [DNK Database](#) contains past Declarations of Compliance.

Independent Practitioner's Limited Assurance Report

To E.ON SE, Düsseldorf

We have been engaged to perform a limited assurance engagement on the sustainability information marked with „Reviewed 2015“ in the Corporate Sustainability Report 2015 of E.ON SE, Düsseldorf, (hereafter the “Company”) for the period 1 January to 31 December 2015 (hereafter the “Corporate Sustainability Report”).¹

Management's Responsibility

Company's Management is responsible for the preparation and presentation of the Corporate Sustainability Report in accordance with the criteria as set out in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) (hereafter the “GRI-Criteria”) and for the selection of the information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the Corporate Sustainability Report as well as the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Corporate Sustainability Report, which is free of material misstatements due to intentional or unintentional errors.

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 joint opinion of the Wirtschaftsprüferkammer (Chamber of German Public Auditors; WPK) and the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (“Gemeinsamen Stellungnahme der WPK und des IDW: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis“: “VO 1/2006”) – 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.

1) Our engagement applies to the German Corporate Sustainability Report as an online version. This text is a translation of the Independent Assurance Report issued in German language - the German text is authoritative. The Corporate Sustainability Report 2015 is published on <http://www.eon.com/de/nachhaltigkeit.html>

Practitioner's Responsibility

Our responsibility is to express an opinion on the sustainability information marked with „Reviewed 2015“ in the Corporate Sustainability Report based on our work 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 Corporate Sustainability Report.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the sustainability information marked with „Reviewed 2015“ in the Corporate Sustainability Report has not been prepared, in all material respects, in accordance with the GRI-Criteria.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgement. This includes the assessment of the risks of material misstatements of the sustainability information marked with „Reviewed 2015“ in the Corporate Sustainability Report with regard to the GRI-Criteria.

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

- 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 underlying internal control system and selected sustainability information
- Performance of site visits as part of the inspection of processes for collecting, analyzing and aggregating selected data, at:
 - Global Unit E.ON Generation in Essen, Germany,
 - E.ON Generation Site in Heyden, Germany,
 - Regional Unit E.ON Czechia in Budweis, Czech Republic;
- Analytical procedures on selected sustainability information of the Corporate Sustainability Report
- Comparison of selected sustainability information with corresponding data in the consolidated financial statements and in the group management report
- Assessment of the presentation of selected sustainability information in the Corporate Sustainability Report regarding the sustainability performance.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability information marked with „Reviewed 2015“ in the Corporate Sustainability Report of the Company for the period 1 January to 31 December 2015 has not been prepared, in all material respects, in accordance with the GRI-Criteria.

Emphasis of Matter – Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's sustainability management and sustainability reporting:

- Further standardization and formalization of reporting processes and the internal control system for sustainability information;
- More focused reporting of indicators with high relevance for steering of the company.

Restriction on Use and Distribution

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

Munich, May 3, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Hendrik Fink
Wirtschaftsprüfer

ppa. Robert Prengel

Contact us

Below are the contact persons in the sustainability team at E.ON SE in Essen. They would be happy to answer any questions you may have about sustainability at E.ON.



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✓ Reviewed 2015

E.ON's future: maintain and change

The energy switch has changed considerably in recent years: renewable energies are increasingly becoming a supporting pillar of the energy system. The share of regenerative power is increasing continuously. Demand for green power products is also rising. What is more, the digitalisation of energy services is in full swing. This allows reducing consumption significantly. However, due to the increase in the global population and the economic development of many countries, global energy demand continues to be on the rise. Energy is and will remain the basis of our wealth. For that reason, societies need to be supplied with power and heat in as cost-effective, climate-neutral and reliable a way as possible.

Due to the changes, the energy world has now split into two worlds. Both of them, the classic and new energy worlds, will develop further. In this process, however, very different challenges are emerging. To master this successfully, we have opted for a clear corporate separation of our previous business areas. This will allow us to apply our long-standing experience and knowledge in an even more targeted manner in the future.

Two worlds, one aim: to develop efficient, climate-neutral and safe solutions

The future E.ON will focus on three strategic business areas: renewable energies, energy grids and customer solutions. When it comes to renewables, we rely above all on offshore wind power, but also on the expansion of onshore wind and solar power. With innovative and efficient energy grids, we are integrating ever more local power generators in order to enable a secure and stable supply. We will expand this role in the future and make our grids smarter so that they can respond flexibly to customer needs and balance the fluctuating nature of renewable energies. Thanks to new solutions and smart technology, we allow our customers to procure energy very differently, to share it or even to sell it. For instance, they should be able to generate or store it themselves. In all three above areas, we as the future E.ON have comprehensive competencies: We develop and operate innovative grids, erect highly complex offshore wind parks and design new products and services that meet the different needs of our customers.

The remaining operation and dismantling of the company's own German generation capacity in nuclear power remain the responsibility of E.ON. However, nuclear energy is no longer a strategic business area. In the future, it will be controlled by a separate operating unit called PreussenElektra in Hanover.

The newly established company Uniper has been focusing on the challenges of the classic energy world in a targeted manner. In this process, the conventional generation from water, natural gas and coal and global energy trading will be the focus. With its conventional power plant portfolio, which is becoming increasingly flexible thanks to new technologies, it can absorb greater demand fluctuations, which result from the irregular power generation from renewable energies. It thereby contributes to supply security and supports societies in switching to a low carbon future.

Both companies will continuously aim for improvements in their business areas: we will make renewable energies more profitable and environmentally friendly and classic generation technologies release fewer emissions. We will offer our customers more individual options and greater convenience at affordable prices and support them in the efficient handling of energy. Also as separate units, we will continue to work hard on sustainably aligning the energy policy target triangle of supply security, affordability and environmental protection.

Sustainability as a value driver

With our strategic fundamental decision, we are improving the conditions for both companies to create values for their stakeholders and their own future, and not merely financial, but also non-financial values. Before the decision, we examined what factors influence the company value and how we can achieve stable business operations over the long term. We looked at profitability, attractiveness as an employer, our reputation as well as efficiency and cost reduction potentials, our capacity to innovate and the regulatory robustness of our activities as key measurement values. The analyses show that all these values are increasingly being influenced by sustainability subjects. For that reason, they also play a key role in the realignment.

We are presenting in this sustainability report how we approach these subjects. When selecting the reporting subjects, we focus on those aspects that are of high relevance for our external and internal stakeholders and for the company itself. These key subjects have a direct or indirect impact on our value drivers, both in the positive and in the negative sense. For instance, a careless, unregulated handling of big data, the increasing data flow within the framework of the digitalisation, can have a devastating effect on customer trust and therefore on our reputation. At the same time, due to the lack of trust, the profitability may be jeopardised by a worse sale of smart customer solutions. Big data can, however, and this is our aim, result in high added value for all parties involved.

Key factors of our value creation	
Value drivers	Assessment of the sustainability aspects
Sales	Ability of a company to improve its income situation thanks to sustainability
Reputation	Effect of a sustainability subject on the ability of a company to secure or improve the own reputation
Attractiveness as an employer	Effect of a sustainability subject on the ability of a company to win and keep employees
Efficiency & costs	The extent to which a sustainability subject helps a company to optimise processes and reduce or avoid costs
Innovation	Contribution of a sustainability subject to the ability of a company to develop new products and services as well as technologies
Regulatory robustness	Contribution of a sustainability subject on the ability of a company to develop business models that are subject to regulatory risks that are as small as possible.

We want to control all key subjects as systematically as possible in order to reduce the negative effects on the value drivers of our company and to promote positive effects permanently. For this work, we use Group directives, management systems and our [sustainability work programme](#). On the basis of the quarterly results, the plant audits at our suppliers or the surveys for our annual

sustainability report, we assess the progresses and setbacks and determine any possible need for revision. We also use the feedback of our stakeholders for the review process.

Our key subjects currently span the following ten action areas:

- Climate protection
- Technology development
- Environmental protection
- Workforce Challenge
- Health and safety
- Social interaction
- Customer orientation
- Good governance
- Supply security
- Sustainable procurement

Focus on what is relevant

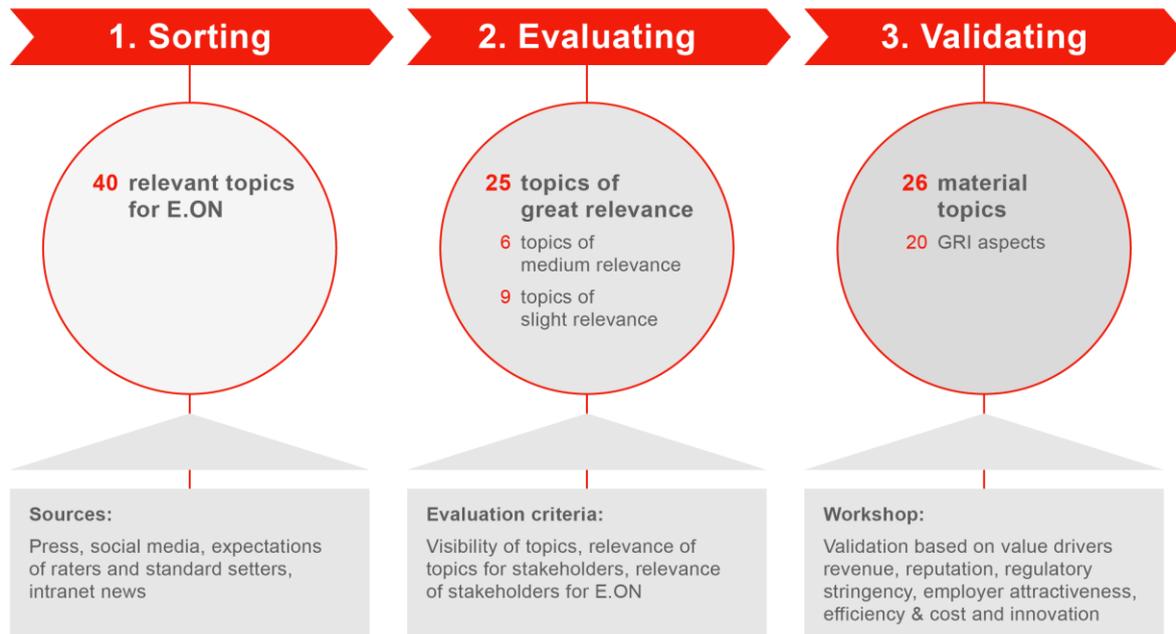
What subjects are relevant for E.ON because they have a major impact on our society and business with leverage? What expectations or concerns of our stakeholders do we need to take into account? These questions guide us in the selection of the subjects for this sustainability reporting of our Group. With the use of a systematic materiality analysis, we have been weighing the relevance of individual aspects for the company or for our stakeholders annually since 2006. Thanks to the current G4 policy of the [Global Reporting Initiative](#) (GRI), the principle of relevance has obtained even greater significance for the provision of the reporting content.

For that reason, we report in detail for 2015 in our areas of activity on the aspects that are perceived to be relevant by both E.ON and our stakeholders and on how we control them in our corporate processes. In addition, information on further subjects is also provided in the areas of activity.

Determining intersections of interests

We determine the aspects material for the current report in a three-level process. In order to identify the material subjects of the stakeholders, we initially analysed a broad source basis from media reports, Intranet news and contributions in social media channels. We also integrated the expectations of rating agencies and standard organisations in this process. Subsequently, we weighted the subjects determined by factors such as "frequency of mention" and "relevance for the stakeholders". During the assessment, we also considered what impact different stakeholder groups have on E.ON's value drivers such as sales, reputation, attractiveness as an employer, efficiency & costs or innovation. In an internal workshop, we finally verified the results of the analysis. Colleagues from the areas of Procurement, HR, Policy, Communication, Regional Coordination, Legal & Compliance, Risk Controlling, Technology & Innovation as well as Sustainability were involved in this process, who can assess the requirements of the stakeholders due to their day-to-day work. Here, some subjects were considered to be less relevant and others more relevant, as had become clear from the document analysis. Overall, 26 subjects were thereby identified as relevant for E.ON.

Materiality process 2015



The materiality process was carried out together with the Senior Vice President (SVP) Health, Safety, Security and Environment (HSSE) & Sustainability. He presented the process and the results in the Sustainability Governance Council, where he discussed them with our CEO and CSO as well as with the SVP for Strategy, among others. The Senior Vice President HSSE & Sustainability then confirmed that the results of the analysis reflected the Group-aligned opinion.

Key subjects¹ by action areas

Environment



<u>Climate protection</u>	Expansion of renewable energies [energy]
	Efficiency improvements from the local energy solutions and energy services [system efficiency]
	Consideration of climate policy framework conditions [policy]
	Turning away from CO ₂ -intensive generation technologies (in particular coal) [emissions; power plant closures]
<u>Technology development</u>	Research in the area of renewable energies, storage technology and conventional generation [research and development]
	Implementation of projects with a focus on integration and digitalisation of the energy sector [products and services]
<u>Environmental protection</u>	Avoidance of the effects of conventional power plants on the environment and biodiversity [emissions, biodiversity]
	Responsible usage of water (water management) [water]
	Environmentally friendly dismantling and storage of radioactive waste [waste water and waste; power plant closures]
	Consideration of the effects of the expansion of renewable energies and the expansion of grids on the environment and population [biodiversity]

Social



<u>Workforce Challenge</u>	<p>Personnel development through idea and talent promotion, as well as training and further education [training and further education]</p> <p>Promotion of diversity and equality [diversity and equal opportunities]</p> <p>Digitalisation of HR processes</p>
<u>Health & Safety</u>	<p>Promotion of health through corresponding offerings [occupational health and safety]</p> <p>Guaranteeing of occupational safety with the use of suitable management systems [occupational health and safety]</p>
<u>Social interaction</u>	<p>Promotion of the acceptance in the population for the new build or conversion of energy supply infrastructure (conventional power plants, local solutions, renewable energies and power, gas and heat grids) [local communities]</p>

Governance & integrity



<u>Customer orientation</u>	<p>Digitalisation of the energy sector through smart IT use while maintaining data protection [products and services, protection of the privacy of customers]</p> <p>More customer proximity to promote customer satisfaction [labelling of products and services]</p> <p>Clear and fair pricing [labelling of products and services]</p>
<u>Good governance</u>	<p>Observance of legal regulations [compliance (society)]</p> <p>Avoidance of corruption and promotion of transparency [anti-corruption]</p> <p>Collaboration in political decisions [policy]</p>
<u>Sustainable procurement</u>	<p>Observance of human rights and environmental standards in the supply chain [assessment of suppliers regarding ecologic/social aspects]</p>
<u>Supply security</u>	<p>Ensuring the stability of power supply against the background of the expansion of renewables [reliability and availability]</p> <p>Investments in power grids to avoid grid bottlenecks [reliability and availability]</p> <p>Securing the gas supply through long-term supply agreements [reliability and availability]</p>

¹ GRI aspects relating to the relevant subjects in square brackets (“[]”)

The key aspects presented here were considered to be relevant across the Group by Group Management. Regionally different features of the relevance cannot be mapped here. However, we consider them in the presentation of our regional activities.

Some of the past reporting subjects are no longer presented in detail in the areas of action this year due to the relevance analysis, but continue to be presented in the section ‘Further measures and performance’.

Identifying and limiting risks

Corporate action on a global scale is always also associated with far-ranging risks. Our management system should identify them and assess them as regards their likelihood and possible loss amount.

In addition to changes in the markets, we, as are other companies, are also affected by global developments such as less resources, urbanisation and, above all, climate change. To avoid greenhouse gases, governments are taking numerous regulatory measures that are having an impact on our business and investments. This gives rise to opportunities for E.ON, on the one hand: state requirements and social targets are triggering a wave of investments in technologies in order to reduce greenhouse gases. On the other hand, the political regulation can also come with risks for our existing plants.

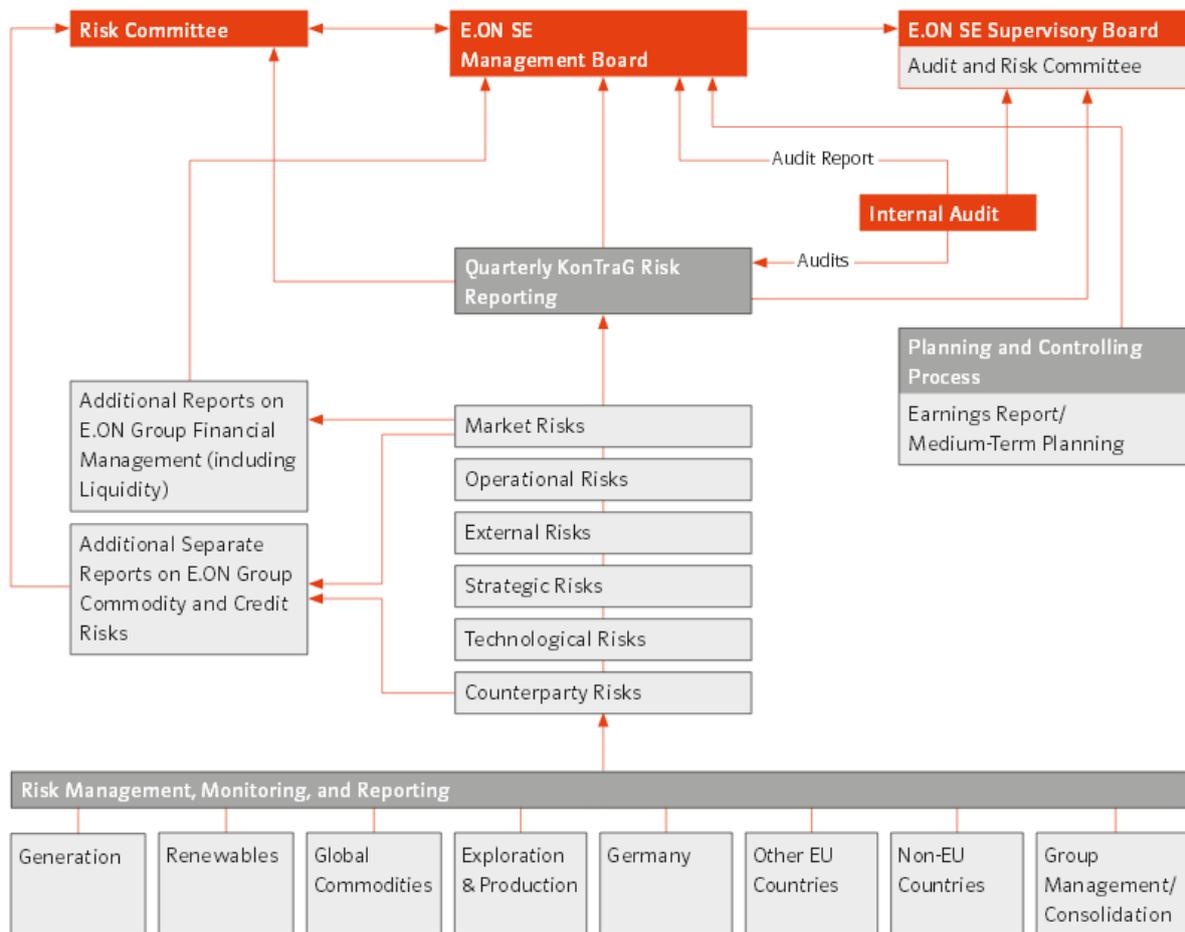
Furthermore, climate change has direct physical effects: the warming of the air close to the ground, for instance, increases the power required to cool buildings. Changed weather conditions can result in scarce water supplies and therefore limit the availability of power plants. We consider changes caused by climate change, such as these, in a large number of risk categories. A detailed explanation of the risk categories can be found in our [2015 Annual Report](#).

Systematic risk management

We address possible effects of changed framework conditions on our processes with systematic risk management. This is in line with the best practice in the industry and shall enable the Group Management to take suitable measures in good time.

The risk management system is embedded in the entire development and process organisation of E.ON. It consists of a large number of components, which are explained in our [Annual Report](#) in detail. The following chart offers an initial overview:

Risk Management System



With this risk management system, we record all fully consolidated Group companies as well as all companies involved via a holding and joint ventures with a book value of more than EUR 50 million. This also includes our holding in Turkey as well as consortia for the exploration and production of oil and gas.

Risk limitation in various dimensions

E.ON is taking various measures to limit risks. As such, we address market risks with hedging transactions, a comprehensive sales controlling and intensive customer management. We limit operative risks through grid management and expansion as well the optimal use of our power plants. In addition, we have integrated the operative and financial effects of environmental risks on our business in a default planning. They are integrated in the crisis and disruption case scenarios that our emergency and crisis management teams create for the Group in the operative subsidiaries. Further measures to limit risks and the current risk situation are explained in the 2015 Annual Report.

Measuring and limiting ESG risks

We not only align our risk instruments towards directly quantifiable risks. Included are also non-financial risks, which can be presented only indirectly, partly or not at all in figures. They are, in particular, risks in the areas of environment, social and governance (ESG), which occur in connection

with our corporate activities, but often have only a longer-term and not an immediate effect. These ESG risks are difficult to assess with the established systems.

ESG aspects play not only a role in our own risk assessments, but are now also a key component of the assessment of analysts and investors. The basis is, for instance, the United Nations Principles for Responsible Investment (UN PRI), an investor initiative in partnership with the environmental programme and the UN Global Compact. Further measures are the so-called equator principles, a voluntary book of rules of banks for the observance of environmental and social standards in project financing. Furthermore, ever more major corporate customers of E.ON are developing own requirements regarding transparency and sustainability of the supply chain. Governments are also calling on companies around the world to measure and disclose their performance in the areas of environment and social.

✓ Reviewed 2015

Our 2012-2015 working programme

We have been regularly drawing up a binding sustainability working programme applicable across the Group since 2005. We thereby provide a clear overview of our targets in the area of sustainability and the planned measures for target achievement. From dialogue with internal and external stakeholders, we gain material suggestions for the enhancement of our working programme.

We are completing our 2012-2015 working programme with the 2015 reporting year. Some targets were reached early in recent years, others no longer seem ambitious enough today and will need to be redefined. Our CO₂ reduction target, for instance, was exceeded thanks to the increasing share of renewable energies. In the area of occupational safety, we managed to strongly exceed early our target of reducing the total number of all accidents of E.ON employees and partner companies recorded.

Due to the split in the future E.ON and Uniper, a fundamental strategic new alignment is taking place. Both companies will develop their own targets for the coming years and communicate them. Still in 2016, they will define their future strategic focuses, targets and time frames. The targets will be guided by the relevant business areas of the two companies and the requirements of their stakeholders. It is already becoming clear that specific CO₂ reduction targets and efficiency gains will remain key areas of work. Health and safety will also continue to play a major role in the two companies across all levels of our current and future value-added chain. With key indicators such as the Net Promoter Score (NPS) – the measurement figure for customer loyalty – we will make our customer focus measurable.

1. CO₂ reduction (power generation)

Reduction of the CO₂ emissions of our power generation in Europe and use of the best technologies in the markets, in which we are active, in order to reduce costs from CO₂ auctioning and to establish a future-enabled generation portfolio that takes into account the changed market conditions

Target

Reduction of the CO₂ emissions by improving the conventional generation portfolio of E.ON and the expansion of renewable energies

Halving the CO₂ intensity of our power generation in Europe by 2025 (compared to the benchmark year of 1990) by improving our conventional generation portfolio and expansion of renewable energies (due to the phasing out of nuclear power in Germany being five years later than originally scheduled)

Assessment criterion and target

- Criterion: CO₂ intensity (t/MWh) of power generation in Europe
- Target: Reduction by 50 per cent by 2025 (benchmark year 1990)

Target				Status 2015
2012	2013	2014	2015	
–	–	–	0,39 t CO ₂ /MWh	<p>Process/project continuing:</p> <p>The CO₂ intensity in Europe has fallen further and is at 0.35 t of CO₂/MWh in 2015. Our original target for 2015 was therefore exceeded. This is mainly thanks to portfolio measures such as the closing of numerous coal power plants. Furthermore, the share of renewable energies in our power generation has increased.</p> <p>Compared to the benchmark year of 1990 (0.63 CO₂/MWh), we reduced our direct CO₂ emissions by about 45 per cent. We may therefore achieve our reduction target for 2025 earlier than planned.</p>

2. CO₂ footprint

Shrinking of the Carbon footprint of the day-to-day business activities of E.ON not directly associated with power generation with the aim of implementing efficiency gains and thereby cutting costs.

Target

Definition of energy efficiency standards for new and existing buildings of E.ON, introduction of a CO₂ target for E.ON's vehicle fleet and reduction of the CO₂ emissions from business trips

Assessment criterion and target

- Criterion: Tonnes of CO₂ (absolute values)
- Target: Reduction by 20 per cent by 2020 (benchmark year 2010)

Target				Status 2015
2012	2013	2014	2015	
0 %	0 %	Approx. 10 %	Approx. 15 %	<p>Process/project continuing:</p> <p>We have set ourselves the target of reducing the CO₂ emissions of our daily business activities not directly linked to power generation compared to 2010 by 20 per cent by 2020. This affects, in particular, CO₂ emissions that result from business trips, the use of our vehicle fleet or the transport of fuels.</p> <p>In the 2015 reporting year, the scope 2 and 3 emissions fell further to 123.1 million t (2014: 127.6 million t of CO₂ equivalents). The reduction on the previous year is, among other things, due to the fall in CO₂ emissions that result from business trips, the transport of fuel and sale of power.</p>

In the future, we will work on increasing our efficiency further and thereby cutting costs. Due to the operative separation of E.ON and Uniper, the CO₂ figures will, however, only be comparable to a limited degree in the future.

3. Water management

Establishment of a water management with the E.ON Group in order to better identify and reduce future water risks for E.ON (approvals, costs, availability, discharge and supply chain)

Target

Development and rollout of Group-wide qualitative framework conditions for sustainable water management along the entire value-added chain of our operative business activities by 2015, including those areas of the supply chain for which significant risks exist (on the basis of requirements of the non-profit investor association CERES); implementation of methods that create for E.ON the requirements for membership in the CEO Water Mandate of the United Nations (UN)

Assessment criterion and target

- Criterion: Compliance with the requirements of the UN CEO Water Mandate
- Target: Compliance by 2015 at 100 per cent

Target				Status 2015
2012	2013	2014	2015	
–	–	–	100 %	<p>Process/project completed:</p> <p>Since December 2015, E.ON has been a member of the UN CEO Water Mandate (UN WM). This means that we are one of a small number of companies whose water management meets all requirements of the mandate. We created a key requirement for the membership with E.ON's Water Management Corporate Policy, which was adopted at the end of 2014.</p>

4. Inclusive business

Exploration of possibilities for inclusive businesses in the energy sector in order to develop business opportunities on a larger scale and to offer people in developing countries sustainable solutions. Inclusive business is a business model that integrates in the value-added chain of companies population strata with little market participation and low incomes (buzzword “base of the pyramid”) with the use of adjusted products.

Target

Support of sustainable energy projects in developing countries (predominantly in rural areas), contributions to research and development, awareness-raising for opportunities and risks of inclusive business

Assessment criterion and target

- Criterion: Number of inclusive business projects supported (financially and technically)
- Target: Three projects by 2015

Target				Status 2015
2012	2013	2014	2015	
0	0	1	2	<p>Process/project continuing:</p> <p>In 2013 we started the E.ON Off Grid Solutions inclusive business project within the framework of our 'agile' innovation initiative in order to enable people in Africa access to energy. In 2014 the first project was implemented in Tanzania. By the end of April 2016, seven further plants came onstream. The project participants supplied about 420 households with power at this time.</p> <p>With the help of the E.ON startup Hydropower Evolutions (HE), we specialised in applying our expertise in sustainable hydropower projects in emerging markets. We are thereby contributing to enabling a clean power generation driven by sustainability criteria in undersupplied regions. In 2015, HE won a contract of the International Finance Corporation (IFC) for the assessment of hydropower projects in Indonesia.</p>

5. Stakeholders

Proactive stakeholder commitment and stakeholder dialogues to anticipate trends, support the local public and ensure social acceptance for the construction of new plants and our business

Target

Improved integration of stakeholders in the business processes of E.ON and stronger consideration of stakeholder matters in the strategy development

Assessment criterion and target

- Criterion: Number of multi-stakeholder dialogues
- Target: Three dialogues per year

Target				Status 2015
2012	2013	2014	2015	
0	1	2	3	Process/project continuing: Examples: <ul style="list-style-type: none"> • At the Datteln power plant site, a multi-stakeholder dialogue in the form of a power plant forum was held. • In Recklinghausen-Suderwich, E.ON held a stakeholder dialogue to accept and consider objections of the population against new plans to lay a district heating grid. The changes presented following the information event were welcomed by the critical voices. • During the planning for the dismantling of a hydropower plant on the river Mörrumsån in Sweden, E.ON cooperated closely with the national government and municipalities on site. Amicable solutions in favour of biodiversity were found in the dialogue. • In addition, 38 individual events were held within the framework of 'E.ON im Dialog'.

6. Occupational safety

Improvement of the performance in the area of safety in order to increase the performance of the employees and to reduce downtimes.

Target

Increase in the number of E.ON companies in harmony with OHSAS 18001 as well as Health & Safety (H&S)-certified contracting parties, standardisation of the processes (including the process optimisation for risky activities, so-called high-risk activities)

Assessment criteria and targets

- Criterion 1: Total number of all accidents recorded (Total Recordable Injury Frequency Index – TRIF) for a) employees and contractual parties of E.ON jointly

Our targets

- Criterion 2: Frequency of accident-related working hours lost (Lost Time Injury Frequency Index – LTIF) for b) E.ON employees and c) contracting parties
- Targets: Reduction a) in the combined TRIFs to 3.0, b) of the LTIF for E.ON employees to 1.0 and c) of the LTIF for contracting parties to 3.0 by 2015

Target				Status 2015 ^{1, 2}
2012	2013	2014	2015	
a) 3,9	a) 3,6	a) 3,2	a) 3,0	Process/Project partly fulfilled: With the combined TRIF (a), we fell below the target range strongly at a level of 2.1. The LTIF for E.ON employees (b) was, however, quite a bit worse at a value of 1.6, whereas the LTIF of third-party companies (c) was far better than the requirement at 1.7. The early fulfilment of our targets for the combined TRIF and for the LTIF partner companies will be taken into account in the fresh alignment of our working programme.
b) 1,6	b) 1,4	b) 1,2	b) 1,0	
c) –	c) –	c) –	c) 3,0	

- 1 The target requirements and values of the indicators TRIF combined and LTIF third-party companies are not the subject of the audit by the auditor PwC.
- 2 Deviating from the general reporting approach, the key indicators of occupational safety include the not fully consolidated companies for which E.ON is responsible for the management.

7. Health protection

Improvement of the mental and physical health of employees to maintain their capacity for work and reduce work-related sickness as well as lost working hours; in this process, the balancing of consequences that result from the demographic development

Target

Improvement of the mental and physical health of the employees in order to maintain their capacity for work and reduce work-related sicknesses and lost hours; in this process, balancing of demographic development

Assessment criterion and target

- Criterion: Participation in health measures
- Target: participation of at least 50 per cent by 2015 for risk groups



Target				Status 2015
2012	2013	2014	2015	
13 %	25 %	38 %	50 %	<p>Process/project delayed:</p> <p>Since 2014, all units of E.ON are called upon to hold an HSE day annually. On this event, they present locally relevant subjects in the areas of nutrition, exercise, addiction prevention or mental health within the framework of presentations, workshops and further formats. In 2015 about half of employees attended the Group-wide HSE day. In addition, our units offer own health-promoting measures from the range of subjects specified. However, they were not taken into account in the key indicator so far.</p> <p>For the health area, we wish to develop and implement further key indicators in the future as well as establish clearly measurable targets for a comprehensive health management.</p> <p>Our aim to improve the mental and physical health of our employees continues to apply. Due to different definitions of risk groups and professional sicknesses in the countries in which we are active, a percentage recording of the risk groups participating is not yet possible for the time being.</p>

8. Gender diversity

Utilise the various skills of the workforce more strongly and also consider and implement the finding that mixed teams are stronger, accordingly for the gender breakdown of teams (gender diversity)

Target

The aim of equal opportunities of both genders when filling management positions in the company. Diversity and equal opportunities have a sustainable positive effect on the company's success.

Assessment criterion and target

- Criterion: Increase in the share of female managers
- Target: Share of 14 per cent of female managers in Germany by 2016

Target				Status 2015
2012	2013	2014	2015	
10,6 %	11,75 %	12,9 %	13,6 %	<p>Process/project fulfilled:</p> <p>We achieved our aim to increase the share of female managers in the management in Germany by the end of 2015 to 13.6 per cent with a rate of 14 per cent.</p> <p>From mentoring programmes to adjusted placement policies through to our networks for the interests of women (catalyst for the improvement of the opportunities of women in companies as well as "Komm, mach MINT" for more women in technical jobs), we rolled out numerous measures in order to support female employees and managers in their development in the future.</p> <p>At Group level, we posted a rate of 16.7 per cent of women in management roles in 2015.¹</p>

1 Key indicator survey in accordance with the consolidated annual financial statements without discontinued activities (regional unit Spain)

9. Procurement (non-fuels)

Consideration of sustainability criteria for supplier selection and rollout of testing processes in procurement in order to identify and reduce non-financial risks. As such, we manage non-financial risks and fulfil the increasing expectations and requirements of our stakeholders, for instance the expectations of investors, (industrial) customers, business partners and non-governmental organisations (NGOs), not to solely observe the price of the goods during purchase decisions.

Target

By 2015, assessment of nearly 100 per cent of our suppliers to be rated as critical (measured by the purchase volume) in the non-fuel area within the framework of our supplier qualification

Additional target (since 2013)

Our targets

Establishment of a supplier management with the aim of developing in 2013 a system for Group-wide control of the strategic partnership with our key suppliers, to increase transparency and implement approaches for a global procurement, which open up our access to new and favourable procurement markets

Assessment criterion and target

- Criterion: Percentage of the suppliers selected
- Target: 100 per cent of suppliers assessed

Target				Status 2015
2012	2013	2014	2015	
60 %	70 %	80 %	100 %	<p>Process/project delayed:</p> <p>As we failed to reach the targets in 2014, we optimised the process for the qualification of new suppliers in 2015. In parallel, we are working on a procedure with which we want to analyse the results of the supplier assessment automatically. To achieve a further standardisation in the Group, the qualification process was rolled out across the Group and has been binding for all Group units since April 2015. In the first quarter of 2015 we started training sessions for the E.ON employees involved. Thanks to these measures, we are gradually approaching the targets set: by the end of 2015, we audited and qualified numerous suppliers. It will, however, take some time until all existing suppliers are recorded; we will set a realistic target for this in our next working programme.</p>

10. Procurement (fuels)

Consideration of sustainability criteria during supplier selection and procurement decisions in order to identify and reduce non-financial risks. We thereby manage non-financial risks and fulfil the increasing expectations and requirements of our stakeholders, for instance of investors, customers, business partners and NGOs.

Target

Development and establishment of the Bettercoal initiative, with the aim of designing the supply chain for coal even more sustainably and standardising and expanding the auditing of coal mines by 2015 together with other major European companies

Assessment criterion and target

- Criterion: Number of audits
- Target: Four audits by 2015

Target				Status 2015
2012	2013	2014	2015	
0	1	1	4	<p>Process/project with a delay:</p> <p>In 2015 three on-site audits were held in coal mines, another one was held in January 2016. The target set for 2015 could therefore be achieved with a slight delay.</p> <p>At the end of 2015 more than 20 coal suppliers also used the so-called self-assessment questionnaire of the Bettercoal initiative.</p>

11. Investments/Divestments

Consideration of sustainability and other risks in investment decisions and sales to reduce risks in the context of environmental liability, need for restructuring or other environmental matters that may affect future cash flows

Target

Integration of sustainability standards in relevant policies, instructions and processes, which are linked to investment decisions and sales

Assessment criterion and target

- Criterion: Degree of integration of sustainability standards
- Target: 100 per cent integration by 2015

Target				Status 2015
2012	2013	2014	2015	
25 %	50 %	75 %	100 %	<p>Process/project not achieved:</p> <p>The development of a policy for ESG (Environment, Social, Governance) risks has been pushed back for the time being due to the planned new orientation.</p>

✓ Reviewed 2015

Binding organizational framework

Clear policies and frameworks provide our employees with orientation and ensure that social and ecological standards are anchored in the work processes. As Group policies, they apply across sites as a rule and into the supply chain even if this is not ultimately in the direct area of influence of E.ON.

Recognised standards as reference frameworks

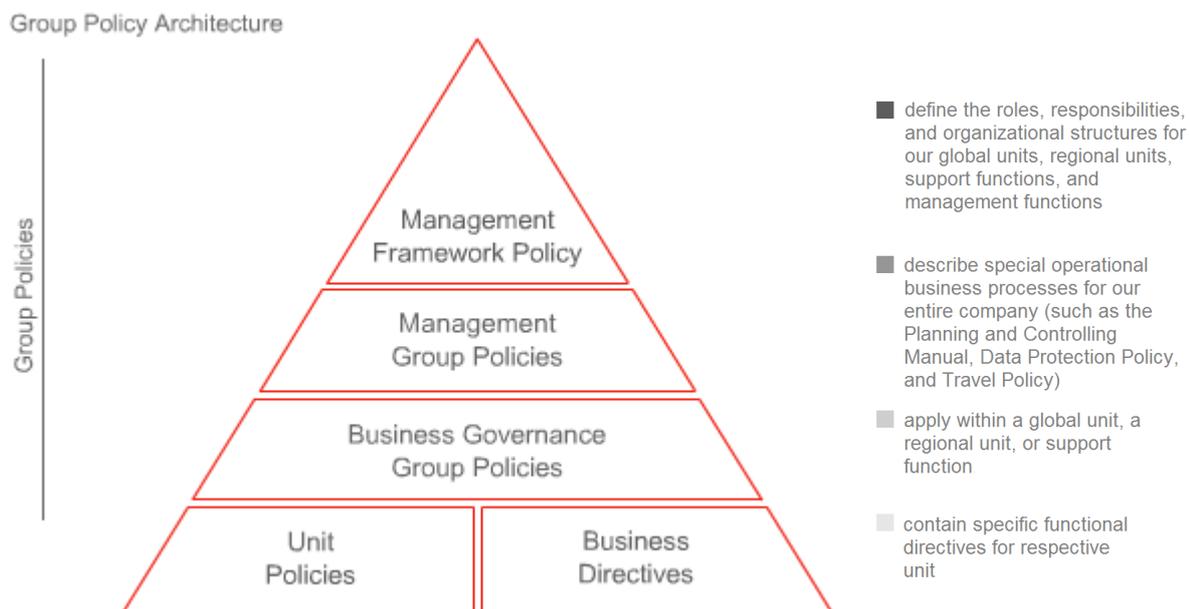
With our standards, we want to comply with internationally recognised ethical, social and ecological principles of business management. We are therefore guided by external rules in their definition and specify them as regards our company processes

External frameworks and obligations of E.ON

<u>E.ON self-obligation of the Board (2006)</u>	We are hereby confirming our social responsibility in the company management.
<u>Commitment to the ten principles of the Global Compact of the United Nations (since 2005)</u>	We are committed to observing human rights, work standards and environmental standards and participate in the fight of corruption.
<u>Luxembourg Declaration (2009)</u>	We are committed to an effective operational health promotion and implementation in accordance with European standards.
<u>Declaration of Seoul (2009)</u>	We are committed to rolling out a culture of prevention for health and safety at work.
<u>Code of responsible conduct for business (2010)</u>	Together with other globally active German companies, we are committed to a success- and value-driven management in the sense of social market economy. This includes fair competition, social partnership, the performance principle and sustainability.
<u>Declaration of compliance with the German Corporate Governance Code (since 2002)</u>	Under Section 161 German Corporation Act to the German Corporate Governance Code, the Board of Directors and Supervisory Board of E.ON SE issue a compliance declaration annually.
<u>Declaration of compliance with the German Sustainability Code (since 2012)</u>	Every year we publish the sustainability performance of E.ON SE in accordance with the criteria of the Council for Sustainable Development (RNE), a specialist committee commissioned by the German federal government.

Internal rules for anchoring sustainability

In binding policies, we define operative framework conditions and minimum standards for our business processes. They have an indicative nature and are verified continuously in order to respond to changed requirements of our stakeholders.



Group policies - as the name indicates - apply across the E.ON Group. This includes all individual companies in which we hold a majority stake, as well as projects and partial holdings in which we bear operating responsibility. Our contracting parties and suppliers are also required to fulfil our minimum standards. In joint ventures with equivalent partners, the Group policies do not apply automatically; however, policies adjusted to the local circumstances are issued on their basis. The policies will be valid from 2016 for both companies, E.ON and Uniper.

The sustainability activities at E.ON are controlled by the following policies in particular:

Internal policies and guidelines

E.ON Code of Conduct (updated in 2013)

Governs the handling of business partners, third parties and state units and provides notes on avoiding conflicts of interest. Furthermore, our code of conduct contains requirements on handling information, property and resources of the company as well as the subject complex of environment, occupational health and safety.

Annexes:

- Annex 1: Compliance check list (updated in 2013) - list of questions on the basis of which it can be verified whether the intended measures are compatible with the integrity lived by E.ON
- Annex 2: Anti-trust law guideline (updated in 2013) - obligation to observe all valid anti-trust law regulations and procedures in the

	<p>event of violations</p> <ul style="list-style-type: none"> • Annex 3: Compensation guideline (updated in 2013) - principles on the accepting and granting of compensation during work with business partners, competitors and state offices
E.ON Commitment to Human Rights (2008)	The E.ON commitment to human rights obligates employees and business partners to create appropriate working conditions, observe ethical business practices and comply with human rights.
Equal Opportunities and Diversity Framework (2006)	This guideline defines the framework for discrimination-free actions and promotion of diversity in the operational environment.
Management Group policy Legal/Compliance (2013; updated in 2016; valid from January 2016)	Group-wide policy on defining the compliance structures, their standard application and on the proof of the implementation
Business Governance Group Policies to Prevent Insider Trading and Intermediary Agreements (updated 2013)	Two Group policies with a special focus on: <ul style="list-style-type: none"> • Informing the employees on insider-law regulations and conduct obligations • Prevention of violations of the ban on corruption in connection with the involvement of agents
Management Group Policy Stakeholder Management (2013; updated in 2015)	Contains a definition of key stakeholder groups (excl. capital market participants), principles for the exchange and role descriptions and task profiles for internal and external communication as well as for sustainability management
Business Governance Group Policy Stakeholder Management (updated in 2014; valid from September 2015)	Definition of responsibilities, processes and instruments as well as standards for the information to be provided; furthermore, rules for the participation in political decision-making processes and the open handling with our stakeholders consistent with the content
Business Governance Group Policy security management (2015)	Defines basic structures and processes for the rolling out and development of an appropriate security management in the E.ON Group
Business Governance Group Policy Procurement (updated in 2015)	Operative principles valid across the Group as well as processes and responsibilities for the non-fuel procurement are anchored in this policy.
Code of Conduct for Suppliers (2015)	Rules binding across the Group regarding human rights, work conditions, pollution as well as ethical and moral business practices. They apply without restriction for non-fuel suppliers; also, all our suppliers of uranium and solid biomass, with the exception of biomass suppliers from Sweden, assure their observance contractually.

<p><u>Biomass Purchasing Amendment to E.ON Responsible Procurement Policy (2010)</u></p>	<p>Here, we define our sustainability requirements for the procurement of biomass, including risk assessment and supplier audits as well as the regulations for joint ventures.</p>
<p><u>Nuclear Fuel Policy and Nuclear Fuel Purchasing Amendment (2014)</u></p>	<p>Our principles on the observance of sustainability criteria for the procurement of uranium along the entire value-added chain are set out in this policy.</p>
<p>Management Group Policy HSE (2013; updated in 2015)</p>	<p>The Group policy HSE (Health, Safety & Environment) defines the relevant structures and processes in the Group: Roles and responsibilities, management concepts and reporting routes.</p> <p>Binding business and process instructions on specific subjects support the targets of the Group policy on a secondary basis.</p>
<p>Business Governance Group Policy HSE management (2013)</p>	<p>Defines the HSE management requirements and instruments such as audits or environmental protection and health and safety management systems (EMAS, ISO 14001 or OHSAS 18001). As a synthesis from the occupational health and safety management and environmental management Group policies existing previously, it harmonises processes and content and contributes to a better integration of the subjects.</p>
<p><u>E.ON Health, Safety and Environment Policy Statement (2013; revised in 2014)</u></p>	<p>In harmony with the corporate strategy, the HSE Group policy statement formally signed by the E.ON SE Board and Works Council officially defines the intentions and alignment of E.ON to achieve a permanent improvement in the HSE area.</p>
<p>Code of Conduct (2013) of SGC and HSE GC</p>	<p>The Code of Conduct defines targets, structure and governance principles for the Sustainability Governance Council (SGC) and the HSE Governance Council (HSE GC).</p>
<p>Water Management Corporate Policy (2014)</p>	<p>Principles adopted by the HSE Governance Council in December 2014 on the integration of fundamental principles of responsible water management in the HSE management systems</p>
<p>Business Governance Group Policy Incident & Crisis Management (updated 2013)</p>	<p>Group-wide policy that defines fundamental structures and processes for event & crisis management. This includes the responsible implementation and care of a corresponding management and the mastering of emergencies and crises within the Group. The main targets are:</p> <ul style="list-style-type: none"> • Protection of human life and the environment • Protection of customers, our employees and external business partners as well as our corporate assets

<p>Business Governance Group Policy Information Security (updated in 2014)</p>	<p>The Group policy describes the Group-wide organisation of information security with which we control risks regarding the confidentiality, availability and integrity of information.</p> <p>Eight new business instructions that came into force on first of December 2014 specify the Group policy regarding a comprehensive approach to the protection of cyber-attacks and give the employees detailed conduct requirements.</p>
<p>Business governance Group Policy Data Protection (2015)</p>	<p>Standard regulation for the establishment of the data protection organisation for E.ON Group companies in Germany. It is used, among other things, to achieve a unified and appropriate data protection standard at domestic Group companies, greater transparency regarding the data protection activities and synergy effects.</p>

✓ Reviewed 2015

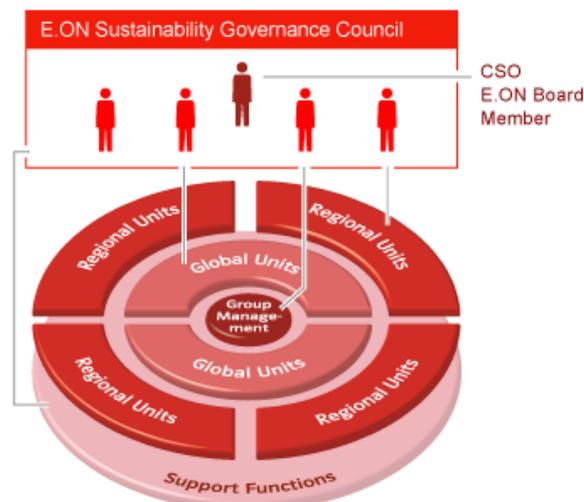
Cross-Group collaboration

The cross-Group sustainability activities of E.ON are the responsibility of the Chief Sustainability Officer (CSO). In this process, he can rely to tried-and-tested organisational structures: Two specialist committees of the top management level support him - the Sustainability Governance Council and the HSE Governance Council. In this process, the Group functions of Corporate Responsibility (CR) as well as Health, Safety & Environment (HSE), which are summarised in one area HSSE (Health, Safety, Security & Environment) & Sustainability, support him. The CSO and chairman of both councils is Johannes Teysen, E.ON SE Chairman of the Board.

The Sustainability Governance Council

The central committee for steering and monitoring the sustainability activities at E.ON is the Sustainability Governance Council (SGC) established in 2013. It has policy competence, decides on the further development of the sustainability activities, monitors the implementation and drives it. The aim and purpose of the council as well as the roles and responsibilities are set out in the SGC Code of Conduct. The SGC meets every other year, where required also more frequently, and reports to the Board every six months. In 2015 a total of two meetings were held: In addition to the subjects of the Bettercoal initiative and sustainable procurement, the content enhancement of the sustainability strategy and its implementation on the basis of the sustainability working programme were discussed intensively. A key point of debate of the meetings is always the revision of the varied Group policies already in place.

Represented in the SGC are the Group Management, the global and regional units as well as the supporting functions of E.ON by one representative each - as a result, the entire range of management functions along the E.ON value-added chain. The members also suggest subjects on request and report to the SGC on implementation progresses and suitable methods in their units. In turn, they act across the Group as ambassadors for the sustainability understanding of E.ON.



From 2016, representatives of the operative business of the three new E.ON business fields are being increasingly included in the SGC at the new E.ON. Thus we want to integrate the subject of sustainability more strongly in the business processes. Within the framework of revising the sustainability programme, we also verify what further tasks and responsibilities the SGC should assume.

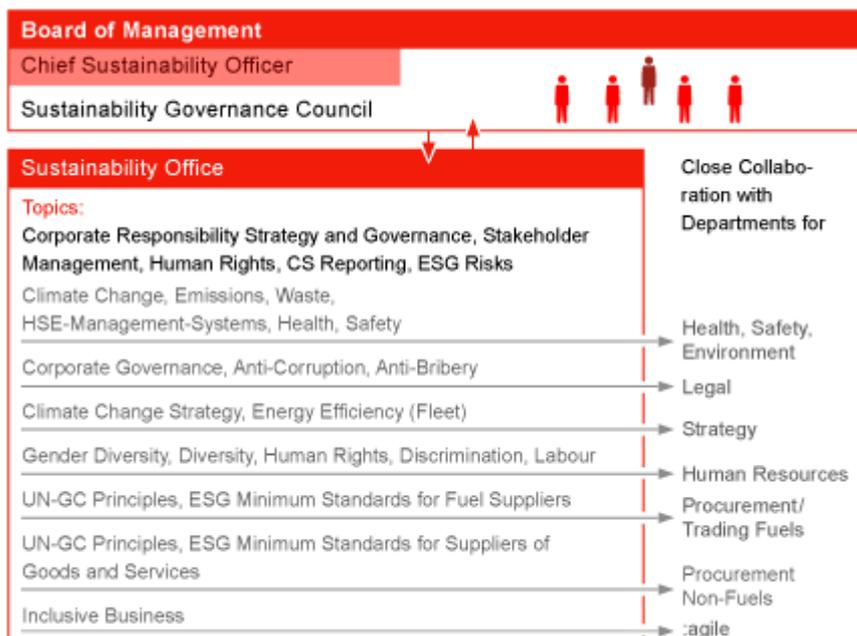
Operationalisation of the sustainable development

Our sustainability commitment is supported by a clear commitment of the E.ON Board. The operationalisation follows the principle of the functional control with a clear distribution of tasks

between the Group Management and globally or regionally acting units. The operating implementation is "on site" with the line functions.

At the level of the Group Management the Sustainability Office oversees the sustainability subjects. It advises the Board and is responsible for the preparation of the SGC meetings. Via the working programme binding across the Group, our CR and HSE units of the Group Management and the operating line functions are closely interconnected with one another.

The open and transparent dialogue with internal and external stakeholders is a further success factor of our sustainability management.



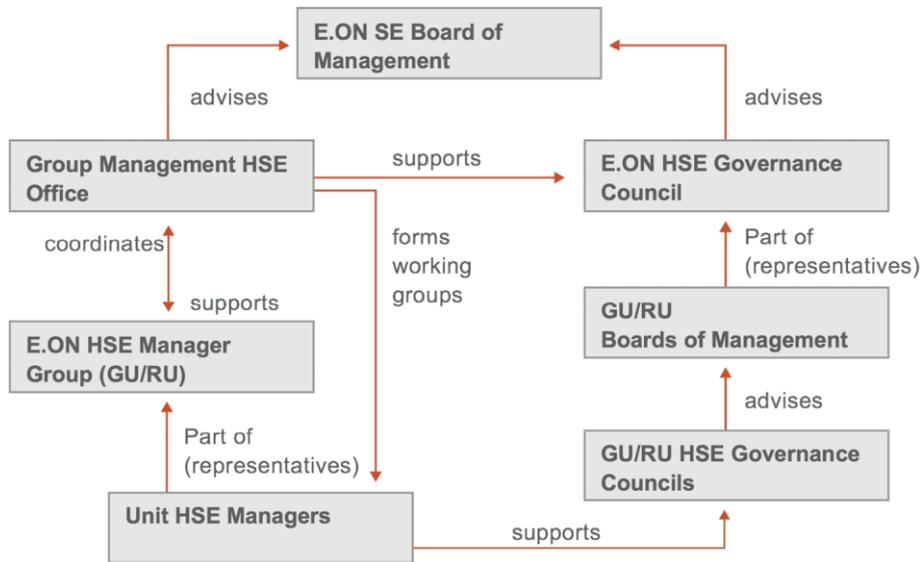
Digression: Our HSE organization

In the HSE area, we look back on an organisational structure that has grown over many years and is set out in the HSE Group policies. For all Group parts, framework requirements apply that were created with the HSE committees and expert teams on site; the latter also control the operative implementation. As well as the SGC, the HSE Governance Council reports directly to the Board and advises it.

The following interactive chart shows how the individual HSE functions and committees interact with one another.

Note:

Please click on one of the HSE functions or committees below to get more information.
The interactive chart is not available on the printed version.



GU = Globale Einheiten (Global Units), RU = Regionale Einheiten (Regional Units)

In countries in which we are not represented by regional units, the global units such as E.ON Generation provide the resources for HSE. They support the corresponding activities on site and ensure that all relevant local laws and requirements as well as all Group-internal regulations are known and that a clear management structure exists.

✓ Reviewed 2015

Understanding and involving stakeholders

E.ON acts in an area of tension between different requirements and interests of social groups (stakeholders) - both globally and regionally. Our top aim is to offer our customers innovative, sustainable solutions and products and to thereby secure our business success. This is the only way we can meet the expectations of our customers, employees, investors and other stakeholders.

We consider maintaining our stakeholder relationships to be part of the risk management: in dialogue, we identify early before decision-making processes possible conflict subjects, but also opportunities for new business areas. This gives us more security for long-term investments and enables us to act quickly and with a view to the future in strategic action areas.

In the following chart, we present our stakeholders and their relevant significance for the Group.

Note:

Please click on one of the stakeholder-groups to get more information.

The interactive chart is not available on the printed version.



Expansion of the dialogues

The constructive and solution-driven dialogue with different stakeholders is part of our day-to-day business processes. To promote a sustainable development, we have made stakeholder management a core process of business management. In our working programme for 2015, we set ourselves the target of carrying out at least 3 dialogue events. We have met this target.

Framework for stakeholder management

Our Group policy stakeholder management governs as a unified framework the handling of employees and external stakeholders (except investors). It applies for so-called management units, i.e. Group Management and global units as well as for regional units, support functions and majority holdings. The tasks and responsibilities are clearly separated between them.

A detailed description of our specific activities within the framework of the stakeholder dialogues and the stakeholder management can be found in the section "[Societal interaction](#)".

Self-Commitment by the E.ON Group

In its 2006 Commitment, the E.ON AG (since November 15, 2012 E.ON SE) Board affirmed the importance of our company's social responsibility:

We behave responsibly towards our colleagues, customers, suppliers, the environment, and the communities where we live and work. We seek to improve lives everywhere we operate, aiming for a healthy, safe and sustainable environment. We consider the needs of the present generation and also anticipate the needs of future generations. Corporate Responsibility (CR) is a fundamental part of the way we do business.

More specifically, at E.ON we:

- Are responsible for providing our markets with a secure, economic and climate-friendly supply of energy.
- Uphold the ten principles of the UN Global Compact on human rights, labor standards, environmental protection, and fighting corruption.
- Are committed to successful long-term development of the communities where we live and work.
- Report our achievements openly, reliably and self-critically. This includes making an appropriate and balanced presentation of our economic, environmental and social activities and achievements in line with the Global Reporting Initiative's current recommendations for sustainability reporting.
- Seek to engage in objective dialog about our activities and about the challenges our industry will face in the future.

Board of Management of E.ON AG (since November 15, 2012 E.ON SE), Düsseldorf, June 2006

Environment 



GRI aspects in the action area

- Emissions
- Energy
- Public policy
- Plant decommissioning

→ [Materiality process](#)

✓ Reviewed 2015

Promoting a climate-friendly future

There is broad consensus among scientists that global warming must be limited to 2°C at the most. Only in this way can risks be contained that are associated with the climate change. Nevertheless, for a long time, a mandatory international framework for climate protection has been lacking. In 2015, there were encouraging signals: At the Paris Climate Summit (COP21) in December, for the first time, 195 states committed themselves to climate protection. The agreement entails the ambitious goal of limiting the Earth's warming to a value clearly under 2°C. In connection with this, there is the issue of what role conventional sources such as coal, oil and gas will play within the scope of Europe's energy supply in the coming decades.

Even before Paris, as a company that supplies energy, we have been aware that a particular responsibility rests with us with regard to climate protection. Both the procurement and generation as well as the transport and consumption of power result in large quantities of climate-impacting gases being released, in particular carbon dioxide (CO₂). Climate change is primarily affected by conventional power generation from fossil fuels; at the same time however, climate change can have negative consequences on the security of supply. For example, extreme weather conditions such as high quantities of precipitation or longer periods of drought can result in interruptions or failures in the operation of our power plants due to a lack of cooling water or floods. Strong storms can impair the operation of wind turbines.

Material aspects

In our [materiality analysis](#) we have analysed the expectations of our key stakeholders. The analysis showed the following key topics of 'climate protection':

Expand renewable energies

The rapid and comprehensive [expansion of renewable energies](#) is the most important cornerstone of climate change and remains a central demand of our stakeholders - this concerns not only E.ON, but

the entire energy industry. To what extent and how quickly we are able to shape and expedite the transformation of the national and international energy supply markets does not only have an effect on climate protection but also on our reputation to a great extent. At the same time, the increasing international expansion of renewable energies holds sales potential for us: Our competence in developing and executing projects and efficiently operating plants is increasingly in demand. Thereby, we can secure an important competitive advantage because our practical experience, which is now quite extensive, makes it possible for us to use technologies that take advantage of renewable energies in an increasingly more efficient and inexpensive manner. In this way, we are actively shaping the energy revolution and creating employment opportunities with prospects for the future.

Achieving efficiency improvements for our customers

In the face of rising energy costs for the end customer over the longer term and strict regulatory requirements, energy efficiency is becoming more and more important. This gives us an important social mission to achieve, but also a future market: Whether an industrial business or final consumer – our customers increasingly ask for innovative concepts and offers that help them to save energy. These include energy-efficient products and services such as energy monitoring or distributed power and heat generation. By opening up new business fields and sales potential, we can contribute to reducing our customers' energy consumption, costs and carbon dioxide emissions at the same time. Particularly in the field of industry, business and the public sector, the savings potential is high. There, we would like to establish ourselves as a long-term partner for issues concerning energy management.

Helping to shape developments regarding climate policy

For companies in the energy industry, decisions regarding climate policy, such as those adopted at the climate conference in Paris, are of crucial significance. They have an effect on the issue concerning what source of energy will be relied on in the future and what framework conditions for investments in low-emission technologies will apply. Therefore, together with national and European industry associations, we call on governments to develop consensual solutions despite differing national interests. Already in October 2014, the European Commission, consisting of state and government heads of EU countries, has given an important signal for a mandatory climate protection programme: The 2030 EU Climate Change and Energy Package aims to achieve a 40 percent reduction of EU greenhouse gas emissions by 2030 compared with a 1990 baseline. Furthermore, we have been actively involved in CO₂ emissions trading (European Emission Trading System – EU ETS) under European climate change legislation since 2005. At this time, however, the system is not fulfilling the intended management function due to the low level of certificate prices. Therefore, we require a functional international framework that offers the necessary incentives for investing in low-emission technologies.

Avoiding carbon-intensive generating technologies in the energy mix

Especially in Germany, but also in other countries, environmental associations, the public and the media are increasingly demanding a quick exit from carbon-intensive power generation technologies such as coal. However, against the background of the accelerated phase-out of nuclear energy in Germany, we believe that we can't get by in the immediate future without coal or gas-fired plants. Doing without these would compromise the target triangle between climate protection, supply security and affordable energy. Opinion polls show that large portions of the population not only place

importance on renewable energies, but also on affordable energy, which can also result from fossil fuel sources, such as coal, under certain circumstances. Therefore, we continue to work on energy improvements for coal and gas-fired stations to reduce our carbon emissions and save costs for fuels and CO₂ certificates. Thereby, we are ensuring the security of supply at the same time.

Management and measures

Our steps toward a more climate-friendly energy supply are primarily managed by two units. Conventional generation and renewables receive support from a number of entities, including the Corporate Responsibility team at Group Management, and the E.ON Competence Center for CO₂. The E.ON Competence Center for CO₂ collects and manages data such as direct and indirect CO₂ emissions or CO₂ certificates within the scope of the European emissions trading system. In this way, it supports us in fulfilling the EU reporting requirements associated with EU ETS as well as in [CO₂ reporting](#).

Take advantage of the growth of renewable energies

It remains a key growth area for E.ON to increase the share of renewable energy sources within the entire scope of our power generation. Since 2007, we have invested EUR 10 billion in corresponding projects. Thereby, there has been a particular focus in expanding and increasing onshore and offshore-wind energy in the gigawatt range as well as solar power. Our global unit, E.ON Climate & Renewables (EC&R), is responsible for the expansion of renewable energies. However, other regional units such as E.ON Germany are participating in this.

With its portfolio, EC&R is one of the leading companies: In the ranking list of independent organisation 4C Offshore for the offshore-wind field, E.ON has just recently moved forward to 2nd place in a European comparison. E.ON in the United States has built up a strong position in the field of onshore wind. Thereby, EC&R continues to work on making renewable energy more competitive, thereby rendering it as inexpensive as possible. At the same time, while expanding renewable energies, [impact on the environment and biodiversity](#) are avoided to the furthest extent possible and maintained at a low level.

Optimising conventional generation fleet

In addition to the expansion of renewable energies, we operate conventional coal and gas-fired power plants as environmentally friendly and efficient as possible. In our own power-plant park, we take advantage of technological improvements and optimum maintenance management in order to reduce energy consumption and the carbon dioxide emissions associated therewith. In conducting dispatch planning and operating our power plants, we treat carbon dioxide emissions as a factor of production which we continually try to use more efficiently, just as we do with other factors of production like capital and fuel. We evaluate its "use" in an economic manner, taking into consideration profitability, supply security and climate protection requirements in comparison with one another. We also take these aspects into account within the scope of our long-term power-plant planning, for investment decisions and within the scope of risk management. As part of our power-plant renewal programme, we have taken around 12 GW of power-plant capacity in the field of coal and gas off the grid by the end of 2015.

Offering energy-efficient solutions for our customers

Distributed power solutions are one of our strategic focuses in Europe. E.ON will continue to invest in this market segment in the years ahead. Our business unit, [E.ON Connecting Energies \(ECT\)](#), is already successfully specialised in distributed and integrated energy solutions and energy-efficiency services. With them, customers from the fields of business, industry and the public sector are able to reduce their energy consumption considerably. At the same time, ECT allows its customers to produce electricity, heat, coldness, air pressure or steam directly on site in a cost-efficient manner. ECT focuses on the markets of Germany, Great Britain, France and Italy. Due to the efficiency measures carried out by ECT, average cost reductions between 20 and 40 percent are achieved – in part, even more. Thereby, it has to do with such various fields of application such as the retail business or shopping centres, assembly plants or production plants, logistics and distribution centres, research centres, hospitals, office and administration or public buildings. In 2015, ECT strengthened strategic partnerships with providers for energy-efficiency solutions and established alliances in Italy and Germany, among other countries. Thereby, we have further expanded our market position in the field of energy efficiency offers for the commercial, public and industrial sector.

Stand up for reliable framework conditions

We are involved in many rounds of talks with representatives from the political realm, associations, industry and nongovernmental organisations (NGOs) for the political framework concerning climate protection. In the run-up of adopting the EU Climate Change and Energy Package, we had campaigned, for example, to raise the climate protection goal to 45 to 50 percent less greenhouse gas emissions by 2030 in order to create an ambitious framework for all energy providers. The EU Climate Change and Energy Package provide the goal to reduce greenhouse gases by 40 percent in comparison to 1990. In addition, it requires to increase the share of renewable energies within the scope of energy consumption to at least 27 percent by 2030 and to sink the level of energy consumption by 27 percent in comparison to the current trend by means of improved energy efficiency. Against the background of the outcome of the Paris Climate Summit, these goals are expected to be renegotiated and may be more ambitious. Therefore, we will continue on our path and continually reduce our carbon dioxide emissions by means of expanding renewable energies and generating conventional power in an efficient manner.

Furthermore, we will campaign for a considerable strengthening of the European emission trade system, seeing that the system still does not yet fulfil the intended management function due to the low certificate prices and lacking investment incentives associated therewith. Only when carbon dioxide emissions have a noteworthy price will there be sufficient incentives to avoid such emissions as well as the required investment security required for these measures. In the process, European commitment alone is not enough: Ultimately, we require international commitment to reduce subventions for fossil energy sources as well as a global CO₂ market that promotes the best technologies for avoiding carbon dioxide.

Targets & Performance Review

A central management instrument in the field of climate protection includes the CO₂ reduction goals defined in our [2012-2015 sustainability work programme](#). In particular, this includes halving the carbon dioxide intensity of our power generation in Europe from a baseline of 0.63 metric tons of carbon dioxide per MWh and increasing the share of renewable energies within the scope of our entire power

production. Furthermore, we intend to reduce the carbon dioxide footprint of our daily business activities that are not directly related to power generation by 20 percent by the year 2020 from a 2010 baseline. For example, this concerns carbon dioxide emissions that result from business trips, E.ON company vehicles, and fuel transport.

Back in 2007 we set the goal of reducing our specific carbon emissions. In 2009, we reinforced this commitment by joining other companies in our industry in a pledge that 95 percent of the power we supply will be zero carbon by 2050.

CO₂ intensity¹ in the E.ON Group		
In t CO₂/MWh	2015	2014
Germany	0,32	0,38
United Kingdom	0,43	0,53
The Netherlands	0,76	0,77
France	0,76	0,71
Italy	0,38	0,47
Other EU countries	0,03	0,16
E.ON Group (only Europe)²	0,35	0,41
Russia	0,55	0,55
E.ON Group³	0,40	0,43

1 Specific carbon emissions are defined as the amount of CO₂ emitted for each MWh of electricity generated.

2 Includes renewables generation in Europe.

3 Includes renewables generation outside Europe (wind power in the United States).

The expansion of our renewables generation and all efficiency measures influence our carbon intensity. This is a key indicator for judging our efforts in the field of climate protection. We ended our sustainability work programme in 2015. Until today, we have reduced the CO₂ intensity of power generation in Europe by almost 45 percent in comparison to the reference year 1990. – In 2015, it was at 0.35 metric tons of carbon dioxide per MWh. By further developing our generation portfolio, we have taken an important step toward the target mark specified in our self-commitment: In 2015, the share of self-generated renewable energies was almost 14 percent.

In 2016, under our new strategy, the conventional power plants and renewable energies (without hydropower) will each make their contribution to climate protection in the new companies E.ON and Uniper. For this, both companies will develop new goals. They will move within the scope of the aforementioned industry commitments and drive on the E.ON goals up until this point in their basic approach. In this way, our goal to expand renewable energies (20 percent of power generation by 2020) will be replaced by a more ambitious goal for the future E.ON.

Expand renewable energies

Since 2007, we have invested more than EUR 10 billion in renewable energies. In 2015, the share of renewable energies was almost 14 percent of our total power generation. With them, we make a considerable contribution to climate protection: Since the founding of the renewable energy sector at E.ON, more than 60 million metric tons of CO₂ have been avoided. For comparison: The city of Berlin emits around 10 million metric tons of CO₂ per year. With its great ecological and economic potential, renewable energies remain a central growth and investment focus for us.

Michael Lewis, CEO of E.ON Climate & Renewables: "We are proud of what has been achieved. We will continue to invest and work hard to make renewable energy competitive thereby making it as inexpensive as possible for our customers."

On a worldwide level, renewable energies must stand their ground in competition with other sources of energy. In order to continue to bring this effort forward, we had made our goal to reduce the investment and operation costs by 25 percent for onshore wind, 40 percent for offshore wind, and 35 for photovoltaic power by 2015 (in comparison with the baseline year 2010). To achieve this, we are focusing mainly on generating cost advantages through the application of new technologies on an industrial scale. In 2015, we reached the goals specified. We will continue to work to retain our leading position in the field of offshore wind power in the future.

More wind yield on account of intelligent planning

An important determining factor for reducing costs for on- and offshore-wind farms entails optimal placement of the turbines. For this reason, in 2015, together with E.ON Technologies, we have successfully implemented a special IT-supported planning instrument in the field of offshore-wind power. With it, we reduced the costs for cabling by approximately 2 percent and increased the wind power yield by around 3 percent. In the future, we would also like to minimise the cost of new onshore wind farms and use the [technology](#) for planning future onshore wind sites globally.

2nd place for wind power at sea

E.ON invests in offshore-wind power on a large scale. The technology is an important cornerstone of the energy revolution and holds great economic potential. By commissioning the offshore wind farms [Amrumbank West](#) and Humber Gateway, we moved forward to second place in a European comparison of offshore wind power operators. Amrumbank West lies 35 kilometres north of Heligoland. With an installed power amounting to 302 MW, the wind farm can supply approximately 300,000 households with renewable energy and avoid more than 740,000 metric tons of CO₂ annually. Humber Gateway lies 8 kilometres off Britain's East Coast near Yorkshire. It has an installed power of 219 megawatts and can provide about 170,000 households thus with climate-friendly power.

Altogether, we have built, in some cases with partner involvement, nine wind farms in the North Sea, Baltic Sea, and Irish Sea. At the end of 2015, our offshore generating capacity stood at 1,052 MW (Accounting View) – 520 MW more than in the previous year. Further expansion is quickly pressing on: Currently we are building the offshore wind farm Rampion with 400 MW of power. It lies in the

English Channel south of Brighton and will save 600,000 metric tons of CO₂ annually after its completion. We are currently executing another project at the Arkona Basin South-East site, northeast of the island of Rügen. For all offshore projects, we place a great deal of importance on compromising the environment as little as possible, thereby maintaining biodiversity.

Establish worldwide in the field of wind power on land

In addition to offshore, E.ON also invests extensively in onshore wind power. Here, since 2007, it has been possible for us to move to 12th place among leading wind power operators. Especially in the USA, we have established a strong position due to the development, implementation and operation of wind farms. As part of a joint venture with General Electric Energy Financial Services, we are building a 200-MW wind farm in Grandview, east of Amarillo, located in Texas. With the Roscoe complex, we have furthermore been operating the largest wind farm in the country since 2008 (a total capacity of 782 MW). It stretches across an area that is half as large as New York City. Furthermore, during the course of the year 2016, we are expecting the investment decision concerning the Afton wind farm (50 MW) in Scotland. At the end of 2015, our total onshore production capacity was at 3,391 MW (Accounting View), nearly constant in comparison to the previous year.

When building wind turbines, the involvement of citizens plays an important role – as is the case with all other projects dealing with renewable energies.

Production of solar power systematically further developed

The expansion of photovoltaics (Photovoltaics – PV) is a growth market for E.ON. Therefore, we systematically research the potential of this technology, with which the radiation power of the sun can be directly transformed into electricity. At the same time, we are expanding our portfolio of PV plants. In 2015, we executed a total of 14 projects in Europe and the USA. By the end of the year, the capacity of the plants reached a value of more than 169 MW in relation to 130 MW in 2014. The geographical focus is – as is it the case with onshore wind power - in the United States. In 2015, we have also further reinforced our commitment there. In August, E.ON completed the Alamo solar park in San Bernardino County located near the city Oro Grande, having a capacity of 20 MW. Immediately after commissioning, the PV power plant was sold to the company Dominion. At Maricopa West in Californian Kern County, we connected a 20 MW PV power plant consisting of 89,000 solar modules to the grid in November. Thereby, we exceeded both the budget as well as the originally planned time frame.

We are expanding our solar activities in Germany as well. Contrary to the public's perception, there is still a large market for PV plants there. In 2015, we have concluded contracts for solar parks in Germany with a total of 11.6 MW. Other solar parks are planned in Germany.

Also homeowners and medium-sized enterprises often use solar energy for generating their own electricity. Economically interesting potential for distributed-energy storage has resulted from this. Since this year we offer a storage system for solar energy Together with SOLARWATT GmbH located in Dresden. It is based on lithium ion technology, can be expanded on a modular basis and has an extremely high degree of effectiveness. Thereby, the operators can increase their own use of their PV plants and continually reduce electricity costs. The system can be comfortably monitored and controlled using the integrated app.

The E.ON Deutschland (EDG) solar team has set the goal of becoming a top player in the solar market, further expanding their expertise in realising individual large-scale plants, as well as expanding the range of offers for private and business customers.

Promoting the energy revolution among customers

In addition to expanding renewable energies, another important cornerstone for the new energy world is the distributed production of power. Thereby, the customer is no longer just a consumer, but plays also an increasing key role as an energy producer. In the future, millions of distributed small plants will be consolidated and photovoltaic modules, key plants or thermal storage systems will be integrated into the energy system.

Therefore, it is one of our strategic focuses to face this important trend and offer our customers distributed-energy solutions. We will continue to invest in this market segment in the coming years. Our business unit E.ON Connecting Energies (ECT) has already successfully specialised in integrated energy solutions in the fields of integrated heat production, energy efficiency, flexibility, virtual power plants and battery storage systems. With this range of solutions, ECT is specifically targeting customers from the fields of business and industry as well as the public sector.

Savings of more than 40 percent achieved

ECT designs and implements individual measures so that customers can reduce their energy and operational costs in a sustainable manner. On the average, due to this, ECT customers have been able to save between 20 and 40 percent of their energy costs during the course of the past years. Thereby, in 2015, we were able to carry out an extensive energy savings programme in the corporate division Turbo at Voith GmbH at their Garching location. Due to improvements in heating energy and a higher level of energy efficiency of ventilation systems and pumps, the customer was able to reduce more than 40 percent of its building technology energy costs. At the same time, CO₂ emissions were dropped by 1,000 metric tons annually.

Expanding the cogeneration of heat and power

Combined heat and power plants (CHP plants) can considerably reduce energy consumption and CO₂ emissions by generating electricity and heat at the same time. We are therefore consistently pushing ahead the expansion of cogeneration technology both by ECT and by the regional units. In this way, ECT alone expanded cogeneration capacities by almost 30 MW of electrical power in 2015. For example, highly efficient CHP plants have been built in the factories belonging to BMW in Dingolfing and Regensburg, which have reduced the carbon emissions from both factories by around 10,000 metric tons annually. For the Italian industrial customer Goglio, ECT has put a gas-powered 4.4 MW cogeneration plant and a 1.6 MW refrigerator into operation in 2015. Due to this, Goglio, a globally leading company in the packaging industry has reduced its electricity costs by 30 percent and has saved 20 percent of its power costs. At the same time, CO₂ emissions are dropped by 6,300 metric tons on an annual basis. ECT built a cogeneration plant at the German production site Groß-Gerau for Procter & Gamble (P&G). With this measure, P&G is sinking its annual carbon dioxide emissions by approximately 3,000 metric tons. A CHP plant also entails the effective use of the process heat generated during production by means of intelligent thermal recovery. Furthermore, the CHP plant at the P&G site is going to be part of the virtual power plant (Virtual Power Plant – VPP) operated by

E.ON, thereby contributing to the overall stability of the energy systems. Another plant with 60 MW of power is going to be hooked to the grid in Marl in 2016.

Virtual power plants

VPPs make distributed-energy solutions easier to plan and manage. VPPs consist of a cluster of smaller generating units – such as wind turbines and (micro-)CHP systems– at different locations that are remotely controlled and dispatched to meet loads if they constituted a single larger unit. Also on the demand side, flexible consumption systems such as electric ovens, refrigerated warehouses or heat pumps can be included in the group. This decreases the need for higher peak power production and the carbon dioxide emissions associated with it.

Virtual power stations open up marketing paths to participants, over the control energy market for example. Since 2013, E.ON has had a VPP platform called the Control Energy Management System (CEMS) for decentralised systems and has integrated several steam and combined-cycle gas turbines (CCGT plants) into it. CEMS enables this capacity to participate in the control energy market, which provides backup power to maintain grid stability in response to unforeseen occurrences, such as when a power station has an equipment failure and has to be taken offline. CEMS not only benefits E.ON as its operator, but also the owners of generating units who receive compensation for their readiness in participating in it with their plants.

At the end of 2013, E.ON put in place a “VPP engine” in Germany to market the output of smaller distributed generating units and to provide their owners with individually tailored solutions. The platform, which has been developed by E.ON in its entirety, consists of IT systems, communications hardware, links to wholesale power trading floors, products, and contracts.

ECT carefully checks the suitability of possible allied participants. In 2015, for example, the suitability of four electric arc furnaces belonging to the customer RW Silicium, one of the producers of metallurgic silicon, could be determined. For this purpose, they were connected with the VPP platform by ECT and pre-qualified for marketing as a potential provider. The electrical loads of the stoves are flexibly managed via the platform. Thereby, RW Silicium was able to reduce the load put on its power system and participated in the market for control energy for power consumption that is too high. The “VPP engine” was also used for the first time in Great Britain in 2015 and should furthermore be introduced in other countries gradually.

Long-term partnerships for integrated energy-saving solutions

ECT is forging long-term strategic partnerships to provide distributed-energy and energy-efficiency solutions to business customers. Among others, partners include METRO Cash & Carry in Germany, the worldwide leading Italian beverage company, Acqua Minerale San Benedetto, or the material manufacturer, FRIATEC located in Mannheim. Through long-term energy partnerships, we help our customers to reduce their energy and operational costs by means of integrated efficiency measures over the term of several years.

We are building similar partnerships with customers in other countries as well. We are working with the Dega Group, a leading developer and operator of commercial and industrial parks in Russia, to design a long-term plan to enhance its energy efficiency. Both partners are building and operating

local power plants to supply the Dega Business Park. In 2015, for example, the industrial park, Noginsk, which is located east of Moscow and where E.ON operates two CHP plants, was inaugurated.

Ensure supply with bridging technologies

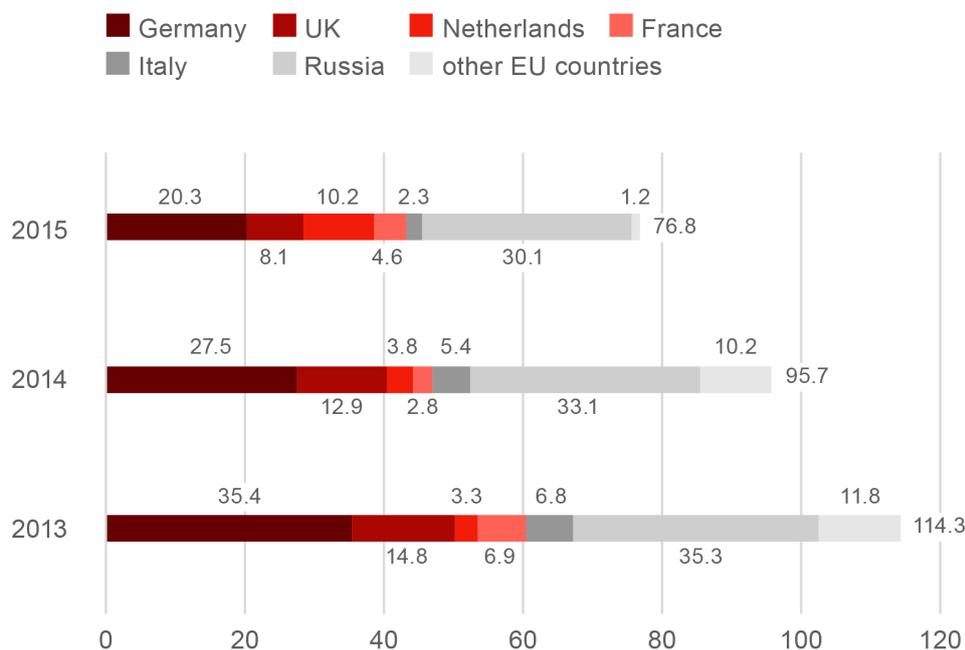
For the time being, generating capacity in Germany and Europe are sufficient to cover the current level of demand for electricity. This is achieved through the use of state-backed renewable energies and the existing conventional generating fleet. Low-carbon dioxide electricity generation using wind and solar power is, however, not reliably available; its fluctuations must be compensated in order to ensure a reliable power supply.

For this reason, E.ON relies on conventional power plants and the storage of energy in various forms. In order to enable an efficient and inexpensive reorganisation of the energy system, flexible conventional plants will still be necessary over the course of the next decades. Modern gas-fired plants are especially suited for this, being able to quickly increase and decrease their level of power, but also with coal and nuclear power plants that have been adjusted with flexible technologies.

Decreasing carbon dioxide emissions from power and heat generation

However, conventional energy generation from coal and gas is responsible for around 96 percent of our direct CO₂ emissions.

Carbon emissions from power and heat generation (in million metric tons)



In 2015, E.ON emitted a total of 76.8 million metric tons of CO₂ from power and heat generation, of which 46.7 million metric tons of CO₂ were emitted in EU countries. In comparison with the previous year, we have shown a considerable decrease by almost 20 percent. This had several causes: In addition to a lower electricity production, also a low-carbon generation mix contributed to this. While share of renewable energies increased, power production from coal and gas continued to decline.

Efficiency increased – excess capacity abolished

Even the most environmentally friendly combined-cycle gas turbine (CCGT) power plants cannot be operated in an economically viable manner currently. This is due to the low wholesale price for electricity, excess capacities leading to under-utilisation, and the low price of carbon certificates. To improve the competitiveness of our generation fleet we are continuing to reorganise our conventional generation portfolio. Besides efficiency improvements, by the end of 2015, we have taken several power-plant units with a capacity of around 12 GW out of operation under our power-plant renewal programme, including the coal-fired power station units Karlshamm, Provence 4, as well as Veltheim 3 and 4.

Datteln: Construction permit granted

Our hard coal-fired power plant Datteln 4 in Germany will also – after commissioning – noticeably improve environmental footprint. With an electrical efficiency of around 45 percent, Datteln 4 is achieving monthly reductions of around 100,000 metric tons of CO₂ compared to old power plants which are going to be replaced with this. Furthermore, seeing that it can be ramped up and down more quickly, Datteln 4 can also prevent network fluctuations. This means the plant can jump into action on windless, cloudy days. Overall, it will also supply district heating to around 100,000 homes. An important milestone was achieved in 2015 with the conclusion of the local discussion meeting in the course of approval procedures. As a result, on 4 March 2016, the district government of Münster issued the temporary planning and building permit.

Degree of efficiency of the coal and CCGT portfolio increased

Within Europe, the average efficiency of our coal-fired and combined-cycle gas turbine (CCGT) power plants when generating electricity is currently 39 percent and 53 percent respectively. It is well above the global average of 33 percent for coal-fired and 45 percent for CCGT power plants. The average efficiency of our plants measured from 2008 through 2015 has improved by 2 percent compared to the year before. This was achieved particularly through the decommissioning of older plants.

Coal and CCGT portfolio rejuvenated

By the end of 2015, the average age of our coal-fired power plants fell from 36.5 to 36 years within the scope of our portfolio rejuvenation. By contrast, the average age of our CCGT power plants, all of which are still in operation, rose from 22 to 25 years.

Using biomass to achieve carbon reductions

Coal-fired power plants can be converted to co-fire biomass with a few changes to the firing process, fuel transportation, and storage. To improve our carbon footprint, we are now using this option at many locations.

Complete conversion to biomass

Our lifecycle analyses show that CO₂ emissions can be reduced by around 80 percent through conversion to biomass firing. This is why we are equipping several of our coal-fired power plants with the necessary technology for pure biomass operation. For this purpose, the Ironbridge power plant in the UK has served as a test site from 2013 until the end of its operating life in 2015. The coal-fired power station, Maasvlakte, which was handed over to the generation fleet in 2015, has been designed from the start for the co-combustion of up to 22 percent of biomass. In this way, up to 1.4 million

metric tons of carbon dioxide emissions can be avoided annually. In addition, with the support of the French government we have begun converting unit 4 of our Provence coal-fired power plant to biomass firing. The wood chips used are sourced from forestry and waste wood. The project includes new facilities for fuel transport and storage, modification of the firing process, upgrading of the steam turbines, the integration of a new, air-cooled generator, and measures to extend the operating life of the power-plant unit by 20 years. After a test phase, the plant with 170 MW of power is going to be hooked to the grid again. It should provide us with valuable technical experience in the large-scale use of biomass as a fuel.

Investment security for more climate protection

Making climate protection advancements demands extensive investment in energy-efficient technologies. This requires an international approach and appropriate framework conditions to offer investors security.

International climate protection framework: positive signals from Paris and Brussels

E.ON supports global efforts to create a policy framework to establish a climate-friendly energy world. Together with national and European industry associations we call on governments to develop a consensual solution despite differing national interests. We consider the Paris Agreement and the 2030 EU Climate Change and Energy Package to be important cornerstones.

Promising preliminary results were highlighted at the 21st Climate Conference in Paris (COP 21) held in December 2015: There, 196 parties communicated a new global agreement that should form a sophisticated climate regime from 2020 on. Furthermore, they have set a limit for the first time; they want to limit the Earth's warming to considerably under 2°C compared to the preindustrial age. After its ratification, the agreement shall apply to industrial, emerging and developing countries alike, imposing climate protection obligations upon them. This includes the demand to design energy supply in the most climate-neutral way possible in the coming decades. It is E.ON's view that decisions made in Paris constitute an important step and must be consequently implemented.

→ [E.ON's expectations on the Paris international climate agreement](#)

An important incentive for the international Paris Climate Protection Agreement was given by the 2030 EU Climate Change and Energy Package. This was adopted in October 2014 by the European Commission, consisting of the state and governmental heads of the EU countries. It aims to achieve a 40 percent reduction in EU greenhouse gas emissions by 2030 compared with a 1990 baseline. Furthermore, in comparison to 2005, the share of renewable energies within the scope of power consumption should be increased by at least 27 percent by 2030. At the same time, energy consumption should be decreased by 27 percent due to optimised efficiency. In March 2016, we signed the "[Statement from the Coalition for Higher Ambition](#)". With this declaration, we together with power companies, NGOs and other organisations are calling upon EU policy to provide a clear, mandatory and, above all, aspiring framework for the implementation that will take place in the coming decades.

Markets for admission rights as important leverage in the field of climate protection

In addition, it is our view that a central component of climate-friendly power in the future is that carbon is "priced" as stipulated in the European Union Emissions Trading System (EU ETS). The Paris Climate Protection Agreement also mentions emissions trade as an important measure for a climate-neutral energy supply.

Since 2005 E.ON has been actively involved in carbon dioxide emissions trading under European climate change legislation. The key advantage of this climate policy tool is that it offers a structure that encompasses all countries and economies. At this time, however, the EU ETS is not performing its

intended function as it does not provide incentives for investment. When the EU ETS was introduced, the European Commission estimated the price of a metric ton of CO₂ would stabilise at around EUR 30. However, it currently costs less than EUR 7 (as of January 2016). This is because there are too many certificates in circulation at present.

In order to achieve a price increase by means of their scarcity, the free assignment of CO₂ emission rights to energy providers was given up in 2013. Since then, we have to buy all emission certificates at auction or procure them by the market. We are only allocated allowances at no cost for a portion of the heat we cogenerate. In 2015, we had to provide certificates for our emissions within the EU amounting to 46.7 million metric tons of CO₂. This amount corresponded to a market value of more than EUR 350 million based on the average CO₂ price.

However, the price increase endeavoured was not achieved. After many years of discussion, in 2015, the EU therefore decided to introduce a so-called market stability reserve from 2019 on. That means: If the entire amount of admission certificates in a single year exceeds a certain threshold, a share of the certificates will be automatically taken from the market and set into a reserve. In the opposite case, the certificates are brought to the market again from the reserve. In principle, we support this measure. In parallel to this, it is estimated that the ambitious European climate goals for 2030 will contribute to the price of admission certificates recovering over the long-term. In this way, the EU emissions trade would get back their control function when upgrading European energy systems. In this way, it would be able to make to provide incentives for investing in low-emission technologies.

Avoiding national unilateral efforts

However, the endeavours to strengthen European emission trade are prevented by the climate-political and industrial-political unilateral efforts made by individual states along with the overlapping regulations at a European level. For example, discussions are currently being held in France, Great Britain, Germany and the Netherlands on additional climate protection instruments at a national level. This could burden companies that take part in emission trade – therefore, we are critically observing related discussions. In the free European emissions rights market that is being strived for, these initiatives lead to emissions being relocated to other countries. An increase in the CO₂ price in one country only leads to greater demand for energy from a different EU country where CO₂ avoidance costs are lower. Therefore, we are expressively pleading against related national instruments.

Collecting carbon data centrally

We have centralised data collection of CO₂ emissions and certificates at the E.ON Competence Service Center CO₂. This improves the quality of our planning and makes our participation in the EU ETS more efficient. The Service Center supports our regional units on issues such as carbon monitoring and verification of the measured values.

Prepared for a CO₂ regime in Turkey

CO₂ emissions monitoring, reporting, and verification regulations based on EU guidelines have been agreed in Turkey. The results have to be reported for the first time in 2016. Group Management is supporting E.ON International Markets in ensuring regulations and methods are implemented correctly in Turkey.

Dealing with green power certificates

In addition to CO₂ emission rights, we also deal with "Renewable Energy Certificates" (RECs). Once again, E.ON Climate & Renewables (EC&R) participated in the trade of RECs on the United States market in 2015. In contrast to Europe, different rules apply there. In Europe, RECs certification will be replaced by an alternative procedure in 2016. Furthermore, we participated in compensation mechanisms using "Certified Emission Reductions" (CER). In 2015, we purchased certificates amounting to around 35,000 metric tons of CO₂ within the scope of projects in China and Tunisia.

Reducing our carbon dioxide footprint

Transparent reporting is an essential part on our path to tomorrow's energy world. With it, we are documenting the credibility of our carbon dioxide reduction goal and are identifying important areas of action. Since 2004, we have been publishing the CO₂ emissions from our power generation at the independent organisation CDP (formerly known as the Carbon Disclosure Project). Since 2005, we have been ascertaining and publishing our CO₂ intensity, a key metric for our CO₂-reduction goal. In addition, this is now the fifth year we have ascertained the total carbon footprint of the E.ON Group.

Excellent climate reporting

In November 2015, E.ON was awarded by CDP as a leader in the DACH region (Germany, Austria, Switzerland) for climate reporting. CDP deemed worthy the quality, the process and the transparency of the data which E. ON publishes as part of the annual CDP Climate Change Report. We received the highest score "100A" and were accepted into the so-called "Leadership Group". Only ten percent of the companies under examination from all industrial sectors were able to manage it into this leadership index, where we are listed as a leading company in the industry. The good outcome was also a result of the close cooperation of the national and international teams made up of our IT experts and specialist employees. The CO₂ data that we have made available has been evaluated by an independent authority.

The annual CDP Climate Change Report can be accessed [here](#).

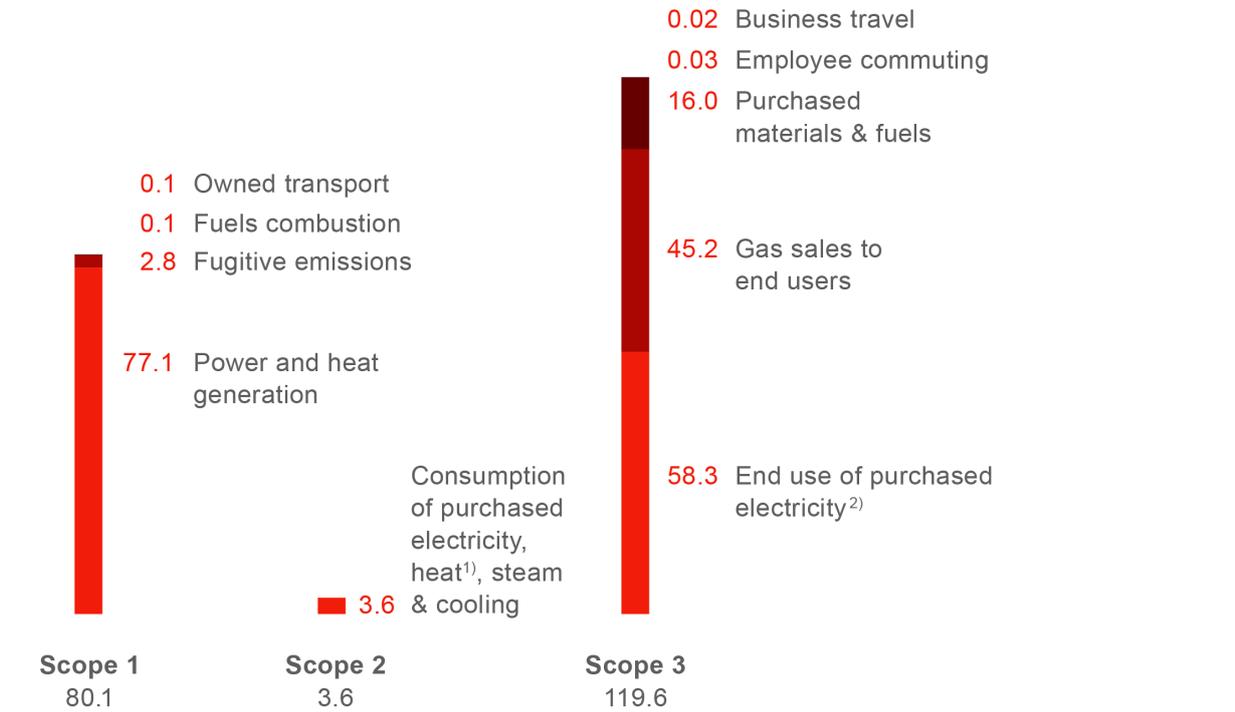
CDP is one of the largest associations of international investors and works as a non-profit organisation. Every year, climate data are gathered by publicly listed companies. Using the data, the investors can ascertain if the company is taking the topic of climate change into consideration in its decisions and structures to a sufficient extent – according to CDP, a prerequisite for this entails a company being prepared for changed sustainability requirements brought forth by the markets and regulators.

Transparency by extensive carbon accounting

When calculating our CO₂ emissions, we include the complete value chain – ranging from our suppliers all the way to our end-consumers. Besides carbon emissions from power and heat generation, we also take into account the carbon emissions resulting from our daily activities not directly related to power and heat generation. At the end of 2015, our entire direct and indirect CO₂ emissions were around 200 million metric tons of CO₂. This "footprint" provides important knowledge on how we can further reduce our carbon emissions – either directly or indirectly.

✓ Reviewed 2015

Carbon Footprint (Total CO₂ equivalents in million metric tons)



- 1 For reasons of materiality, our own consumption of district heating is not factored in, but transmission and distribution losses for power, gas, and heat are. The latter losses are responsible for the largest proportion of our Scope 2 emissions.
- 2 Includes residential, business, and industrial customers.

To make these complex calculations, we use the internationally recognized [WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard](#). Carbon dioxide emissions are by far the most important greenhouse gas (GHG) emissions in power generation. Other GHGs such as sulphur hexafluoride (SF₆) or methane (CH₄) play a less significant role.

Direct emissions from our power generation (Scope 1)

Scope 1 consists of emissions from our own facilities and plants, for example plants for generating power; including the carbon dioxide emissions from methane and nitrous oxide (laughing gas) (see also [GRI Content Index G4 EN15](#)). It accounts for the majority of our carbon dioxide emissions.

✓ Reviewed 2015

Scope 1			
Total CO ₂ -equivalents in million metric tons	2015	2014	2013
Power and heat energy generation	77.1	95.8	114.6
Volatile gases	2.8	2.0	2.5
Fuel combustion	0.1	0.1	0.1
In-house transports	0.1	<0.01	<0.01
Scope 1	80.1	97.9	117.2

In 2015, our Scope 1 emissions amounted to a total of 80.1 million metric tons of CO₂. With around 47 million metric tons of CO₂, the largest part of it can be accounted for in Europe. Developments within our Scope 1 emissions are often subject to cyclical fluctuations due to a change in power demand. In total, our Scope 1 emissions in 2015 as well as during the previous year have further decreased – in comparison to 2014 by around 20 percent. This could be traced back to a low level of power generation. Additionally, it was composed of a low-carbon-dioxide generation mix with a considerably increasing share of renewable energies and nuclear power as well as a reduction in power generation using coal.

Indirect emissions associated with our electricity and heat production (Scope 2)

Scope 2 consists of emissions that we can influence indirectly. These include those that result from the production of electricity we purchase to run our facilities, from the generation of heat and steam, or from losses during the distribution of power and natural gas in our own networks.

✓ Reviewed 2015

Scope 2 ¹			
Total CO ₂ -equivalents in million metric tons	2015	2014	2013
Power generation from electricity, heat, steam and cooling (procured externally)	3.6	3.9	3.5
Scope 2	3.6	3.9	3.5
1 The values for the upstream CO ₂ emissions were calculated by geographical region ("location-based method")			

In 2015, our Scope 2 emissions amounted to 3.6 million metric tons of CO₂ slightly under the level of the previous year (2014: 3.9 million metric tons of CO₂). In comparison to our direct or other indirect emissions, the amount is of little relevance.

According to the "GHG Protocol Scope 2 Guidance" expanded in 2015, the value for the power procurement contained in Scope 2 is determined in two ways. As in previous years, the values for the upstream CO₂ emissions were calculated by geographical region ("location-based"); these values are also shown in the graph and the table. For example, these are based on average emission factors for certain regions. The second method determines the emissions that truly arise due to the contracts of energy suppliers ("Market-based"). According to our estimation, the value for related emissions moves along the same scale seeing that we do not generally have any special contracts for green power supply and these do not reach any level of magnitude.

Other indirect emissions (Scope 3)

Scope 3 consists of other indirect emissions that occur associated with our business activities. Among other things, they accrue due to business trips or the electricity or gas consumption of our customers. The latter causes the largest amount of the Scope 3 emissions.



Scope 3			
Total CO₂-equivalents in million metric tons	2015	2014	2013
Final consumption of procured power	58.3	60.5	69.3
Gas consumption for end customers	45.2	45.6	55.9
Procurement of materials and fuels (including	3.9	3.2	4.4
Losses resulting from transfer and distribution	2.7	3.1	0.5
Supply chain (including coal supply chain)	9.4	11.2	14.6
Employee commuting	0.03	0.03	0.04
Business trips	0.02	0.02	0.02
Scope 3	119.6	124.6^{1,2}	145.0^{2,3}

1 Indicator calculation including activities in Italy.

2 Prior-year figures have been adjusted.

3 Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).

In 2015, our Scope 3 emissions amounted to a total of 119.6 million metric tons of CO₂. They have sunk by about 10 percent in comparison with 2014. Among other things, it is the reduction compared with the previous year can be explained by the drop of carbon dioxide emissions resulting from business trips, the transport of fuels and electricity sales. In principle, the Scope 3 emissions exceed our own emissions by more than 35 million metric tons of CO₂. By contributing that these are reduced, we accomplish an important social task and improve our market opportunities. Therefore, we are developing new products and services with which we support our customers to emit a lower amount of greenhouse gases. Our unit, E.ON Connecting Energies, for example offers customers from the field of trade, industry or the public sector individual energy and CO₂ savings solutions (see [Efficiency and distributed energy solutions](#)).

We set ourselves the target of achieving a 20 percent reduction of our CO₂ emissions resulting from everyday business activities not directly associated with power generation by 2020 in comparison with 2010. Since we have set this goal, Scope 2 and 3 emissions are showing a continuous decline. In the 2015 reporting year, these continued to fall from 127.6 million metric tons of CO₂ equivalents in 2014 to 123.1 million metric tons. We are also working to increase our efficiency further and to lower costs so in future. Due to splitting E.ON and Uniper, however, carbon dioxide figures will only be comparable to a limited extent.



GRI aspect in the action area

- Research & Development
- [Materiality process](#)

✓ Reviewed 2015

Innovations for our energy future

E.ON wants to play an active role in the future of energy. So we want to find relevant technological developments early on and integrate them into our [innovation framework](#). We focus on marketable solutions for renewable, decentralised and conventional power generation along with intelligent energy consumption concepts. Renewable and decentralised power generation are taking a growing share of the market, meaning new technologies need to be integrated in the existing systems in order to guarantee supply reliability. So we are developing digitally integrated products and services for our customers and support them in the efficient climate-friendly, independent production and consumption of energy. We are convinced: Only market-based innovations will help create a future energy supply that is safe, socially balanced and environmentally friendly.

Our company sees a bright future in areas such as supplemental distribution or long-term energy management partnerships, to help build customer loyalty. However, we use these means not only to improve our market position, but also increase profitability as many of the technological innovations can also help save money. They increase the efficiency and life time of our systems and reduce the maintenance requirements. At the same time, we can reduce our [carbon footprint](#) and with it our fuel consumption and CO₂ certificates. Last but not least; successful innovations help will improve our reputation, making E.ON an attractive employer and attracting more talent.

Material aspects

We looked at key stakeholder expectations in our [materiality analysis](#). The field of action 'technological development' generated the following material aspects:

Make power generation more sustainable

The energy world is changing rapidly. [Renewable energy](#) is constantly expanding and our stakeholders are increasingly questioning the need for coal-fired power plants. Investments in conventional power generation technologies need to make a real contribution to a safe,

environmentally friendly and affordable energy supply. The fluctuating energy feeds from wind and solar power generation increase the need for high performance storage technology and flexibility both in generation and consumption. Our research activities are intended to help meet these challenges and secure our competitive advantage and knowledge lead. As part of the process we are working on the continuous improvement of technology in all areas. We want to increase both the energy yield from power generation along with stabilisation of the mains through the intelligent management of energy flows and energy demand. In order to integrate the latest approaches and understand their potential for the future, we are working together with innovative start-ups, research institutes and universities.

Networking and digitising energy processes

Networking and digitisation will make decisive contributions to designing the climate-friendly energy world of the future. Once the successful integration of energy production, storage, distribution and consumption are in place, many small decentralised "Prosumers" (producers and consumers in one) can work together to create a universal stable power supply. Our future business model will be based more on providing customers with affordable, easy-to-use solutions. Thus the implementation of projects focusing on the networking and digitalization of the power sector remains primary focus of research and development. The strong network of energy companies and customers will give us a competitive advantage and a knowledge lead.

Management and measures

The Technology and Innovation (T&I) department is integrated into the Group Management and has centralised control over technological development at E.ON. T&I researches and develops along the entire value chain in four different areas: conventional, renewable and decentralised power production as well as customer-oriented solutions. We can thus move forward with projects at all levels from the lab to market launch. The individual research projects have been broken down into seven Innovation Centres:

- Customer Solutions
- Energy Intelligence
- Generation
- Distribution
- Energy Storage
- Energy Systems
- Exploration & Production

They are directly integrated in the existing business units and are assigned with integrating technological knowledge as efficiently as possible in our value chain.

Discovering the latest trends

In order to strengthen our innovation capacity, we have established further interfaces in the group structure. Scouting and strategic co-investment play a major role here in identifying new business models and products as well as making investments in strategic partnerships with young companies. Since 2012, we have regularly made strategic co-investments in pioneering business models or products, in order to integrate their innovations in E.ON's business and help increase the value of the

company. Every year a select number of new co-investments are added. We invest primarily in start-ups in the middle phase of their development that are active in areas relevant to T&I.

So-called innovation scouts are assigned to uncover technological trends in an early stage and develop new, pioneering business models. In addition they are assigned with protecting E.ON's intellectual property.

Making good ideas marketable

Since 2013, we have supported the development of new business models in their early phases with our "agile" incubator", an internal innovation and enterprise programme. It uses the creative potential of our employees in order to bring ideas from the entire Group to market and thus develop new business ideas beyond the ones we now have. Since 2014, we have also supported external projects, which are developed independent of E.ON.

Integrating customers in research

As part of our structured development process for new products, we have been testing products not yet on the market with a small group of customers in order to determine their market potential since 2014. In the 6- to 24-month test phases the products were improved based on customer feedback. The subsequent development to marketability is then the responsibility of the group unit ordering the tests.

Establishing competencies over the long term

As part of our T&I activities we take part in research projects with universities and research institutions. The E.ON Energy Research Centre at the RWTH University in Aachen plays a key role in the process. We focus primarily on the intelligent grid, customer behaviour and renewable energy. The goal of our research is the long-term accrual of competencies needed to meet the future challenges of the energy world.

Targets & Performance Review

We use our T&I projects to participate in the realization of the operational goals in the sustainability work program. They include the economically advantageous reduction of our CO₂ emissions through efficient, innovative technologies. In the future we will continue with our innovation activities and do our part to help create efficient and climate-friendly power generation.

Investments in research and development

The expenditures on research and development (R&D) are a key indicator for the scope of our innovativeness. In late 2015, investments were EUR 106 million - EUR 7 million more than in the previous year. The increase is due to support for activities in infrastructure and end users, who represent our strategic focus. Such investments now take up almost 60 percent of all R&D funding. We use the funds very precisely to generate large and small innovations to shape the future, but need to keep an eye on the development of the group at the same time.

✓ Reviewed 2015

R&D Expenses (by business unit)			
in Million €	2015	2014	2013
Renewable	4	6	10
Conventional	17	18	23
Infrastructure	27	22	34
End user	35	28	31
All technologies	22	26	21
Total	105	100	119

R&D Expenses (by project typ)			
in Million €	2015	2014	2013
Research and development	78	75	86
Prototypes	24	19	29
University support	4	5	4
Total	106	99	119

Our strategic co-investments make an important contribution to the progress of energy technologies: In December 2015 the 15th investment was finalised. Market launch plans were developed for the majority of the start-ups. The transition of T&I projects to market readiness is often fluent, making it difficult to name a precise figure.

Selected projects 2015

In 2015 E.ON performed various T&I projects for development focuses. A promising project in infrastructure and storage is the development of the first modular large-scale battery storage M5BAT (modular multi-megawatt, multi-technology medium voltage battery storage). Large-scale battery storage is important to the expansion of renewable energy, as it will make a decisive contribution to mains stability. On 12 August 2015 construction began on the M5BAT modular battery storage facility began at the RWTH Aachen. The planned capacity of five megawatts and the high modularity - where various battery technologies are linked together - make the storage system truly unique.

We focus on strategic co-investment with young companies, who have intelligent solutions for the energy market of tomorrow using decentralised and smart energy solutions. We are thus able to provide even greater support to our customers and promote intelligent energy consumption. In 2015 we made an investment in the US start-up Bidgely. Bidgely offers cloud-based energy applications via the Internet and mobile interfaces. Households can thus better manage their energy consumption. For example, customer's mobile devices provide tips for optimising electronic and heating devices. In addition, we invested in Space-Time Insight in 2015. The company is also from the US and develops analytical applications, which provide a graphic visualisation of consumption data in real time. In the first step, we work together on a software solution, which makes it possible to reduce the error rate when reading smart meter data. In 2015 the German start-up digimondo also opened for business. The project develops intelligent, innovative infrastructure for the cities of tomorrow (Smart Cities).

In the renewable energy area, the T&I team in early 2015 supported an international cooperation project testing vibration technology as alternative to classic pile-driving technologies. Anchoring using vibrations under the right conditions is known to be a more environmentally friendly and cost efficient solution. Together with RWE, DONG and Vattenfall, we are testing the vibration method in the construction of wind farms in the North Sea off Cuxhaven. The work is coordinated by the Offshore Wind Accelerator (OWA) research, development and demonstration initiative of the independent organization of experts - Carbon Trust. The results will have a direct impact on our current development projects.



GRI aspects in the action area

- Emissions
- Effluents and waste
- Water
- Biodiversity
- Plant Decommissioning

→ [Materiality process](#)

✓ Reviewed 2015

Foresighted environmental management

Our business as an energy company poses considerable environmental risks, primarily through our operation of conventional power plants. With the combustion of coal and gas, harmful pollutants and significant quantities of CO₂ are released into the air. Waste products from conventional production can also affect the environment if we do not dispose of them properly. Especially radioactive waste resulting from the use of nuclear energy and the dismantling of facilities particularly provides us with challenges.

Raw materials that we use in production processes are not available in unlimited quantities. We can only operate our power plants in the future if we handle these resources carefully and efficiently. We must also keep the potential effect on the environment in mind with the expansion of renewable energy and rule out placing bird and fish species at risk.

Material aspects

In our [materiality analysis](#) we have analysed the expectations of our key stakeholders. In this regard, we lay out the following significant topics in the field of 'environmental protection':

Avoiding impact of conventional power plants on the environment and biodiversity

Our conventional power plants contribute to security of supply by switching to low CO₂ energy generation. Hence, reducing the impact that emerges from the use of coal, oil and natural gas towards the [environment and biodiversity](#) remains a central concern for us. Government and society set high demands. Naturally, we must satisfy these to secure our business activity as well. If we are successful in reducing emissions from our power plants to the required level, we can meet stiffer environmental regulations in advance and proactively counteract stricter requirements. A positive effect on the length and cost of approval procedures is not a negligible concern either. If we do not observe environmental regulations, it may result in fines and withdrawal of our approval.

Environmentally replacing nuclear power plants and safely storing radioactive waste

The disposal of radioactive waste is the most important environmental issue in the coming year for 28 percent of all Germans. In accordance with the amendment to the German Atomic Energy Act that entered in force in August 2011, all remaining nuclear power plants in Germany must be removed from the grid by the end of 2022 at the latest. E.ON operates nuclear power plants in Germany and Sweden. Environmentally-friendly decommissioning of these facilities and the safe handling of radioactive waste is coming more and more into focus for us. We have already gained extensive experience in decommissioning nuclear facilities from our first decommissioning projects. And as we expand our competence in this area, the opportunity to move into new areas of activity opens up to us, for example in offering consulting services in decommissioning.

Responsible use of water (Water management)

Water is an indispensable resource in our work. As the world population grows, and wealth and energy consumption increases, the International Energy Agency (IEA) expects that water demand in the energy sector will increase by 85 percent by 2035. In addition, climate change will affect the availability of water, according to findings by the Intergovernmental Panel on Climate Change (IPCC). Therefore, we must establish a responsible approach of handling water. Only this can ensure that this valuable resource will also be available for our business and our stakeholders in the future. By implementing new, innovative and environmentally friendly technologies for our facilities, we will require not only less resources, but our operating costs will drop as well.

Considering environmental impact in the development of renewable energy and the grid

E.ON will also be developing renewable energy further in the coming years. This requires further expansion of the grid, because locally generated power must be transported from the place of production to the consumer. As we operate distribution networks in seven countries¹, this challenge also affects E.ON. We must develop both of these – the development of renewable energy and the expansion of the grid – as ecologically compatibly as possible. This is the only way that we can ensure public acceptance of these projects. Development of the most environmentally friendly technologies for the construction and operation of renewable generation facilities can also afford us a competitive advantage in an internationally growing field of business and help us deal with increasing regulatory requirements.

Management and measures

Our actions are guided by the precautionary principle endorsed by the United Nations. Hence, we consistently support the concept that environmental damage will not even occur. For E.ON, integrity of people is bound together with protection of the environment. A dedicated department at Group Management is responsible for the foresightful management of our health, safety, and environmental (HSE) performance. The management chapter of this report contains a detailed description of our HSE organization.

1) Including non-consolidated stakes in Turkey and Slovakia

Uniform standards for environmental and climate protection

HSE Management, our business governance group directive that was released in September 2013, requires all E.ON units, both global and regional, to introduce an externally certified environmental management system. In this way, we want to combine group processes and ensure integrated and effective health, safety and environmental (HSE) management within the group.

Part of the “HSE Management” group directive is our “[Declaration of Principles for Health, Safety and the Environment](#)”. In this declaration of principles, we commit ourselves to reducing our ecological footprint in all our areas of activity. We also commit our suppliers to fulfilling our HSE requirements. For example, HSE Management and Performance include criteria that we apply testing under queries for procurement from non-fuel suppliers. Depending on the size of the supplier, we require, among other things, OHSAS 18001, ISO 14001 or EMAS III certificates or we conduct an HSE audit.

Identifying and avoiding environmental incidents

We monitor, inspect and maintain our facilities in accordance with our environmental management, so as to prevent environmentally relevant incidents as much as possible. However, if such incidents should occur, such as pollution by spillage, our environmental and crisis management will ensure that the impact will be reduced as much as possible. With “Prevent!”, our online-based event management system, we have documented such incidents centrally since 2012 and develop risk minimisation measures on this basis.

Systematically identifying and allowing for environmental risks

Aspects of environmental protection such as biodiversity and water scarcity play an important role in the development, planning and implementation of our generation projects. As required by environmental management standards, we continually collect and evaluate all relevant environmental factors. These vary by type of facility: with biogas facilities, we must primarily deal with air and noise emissions, and with renewable energy such as wind turbines and power lines, with surface use and biodiversity aspects.

In the planning of facilities, all project managers are responsible for taking into consideration the results of environmental impact assessments (EIAs). They are supported at every phase of the project – from construction and commissioning to operation – by our HSE experts. Regular meetings of the HSE managers facilitate the exchange of experiences and best practices.

Decommissioning of nuclear power plants and storage of radioactive waste

The goal of E.ON Nuclear Power is to make a significant contribution to climate-friendly, reliable and affordable electricity generation in Germany and to ensure safe and reliable decommissioning of existing facilities. We have extensive experience in the dismantling of nuclear facilities under related projects at the Würgassen and Stade sites. We will bring this expertise to future decommissioning of other facilities.

Secure provisional storage of all radioactive waste from operations and decommissioning must be ensured until the provision of necessary final storage facilities by the federal government. We fulfil this requirement under the strict requirements of existing regulations. We are monitored by the appropriate regulatory agencies in this regard.

Provisions for environmental protection measures

Before all else, our provisions for environmental protection measures ensure that we have enough funds for possible sanitation and water protection measures and remediation of contaminated sites. In 2015 our short-term provisions for environmental-protection measures and similar commitments amounted to EUR 76 million (2014: 75 Mio Euro); long-term provisions amounted to EUR 775 million (2014: EUR 796 million).

Extensive water management

E.ON has been a member of the “UN CEO Water Mandate” (UN WM) since December 2015. We belong to an easily manageable number of companies whose water management complies with the requirements of the mandate. The UN WM is an internationally recognised voluntary association and a network that seeks to improve water usage worldwide. With E.ON’s Water Management Corporate Policy, which was approved at the end of 2014, we established an important requirement for membership. The policy complements our HSE basic requirements for fundamental principles of responsible water management.

Targets & Performance Review

For E.ON, environmental and climate protection go hand in hand. Our goals for reducing CO₂ emissions that we have set in our climate protection field of implementation also play into environmental protection. Furthermore, we have set the following goal for our 2012-2015 operational programme: we want to establish comprehensive water management along our value chain to meet requirements for membership in the “UN CEO Water Mandate” by 2015. We were able to reach this goal on schedule.

Environmental incidents in the E.ON Group

The effectiveness of our externally certified environmental management system can be recognised in, among other things, the extent that we have been successful in avoiding environmentally-related incidents in the E.ON Group. We divide environmentally relevant incidents into four categories: “severe”, “moderate”, “minor” and “inconsequential”, based on certain features. Severe and moderate environmentally related incidents are subject to reporting within 24 hours. They must meet at least one of the established criteria. Examples of serious incidents include irreparable damage to protected habitats or clean-up costs exceeding EUR 1.5 million.

In 2015 there were zero serious incidents and twenty-nine moderately serious incidents at E.ON. The number of moderate incidents increased in comparison with the previous year, in which there were only 16 incidents in this category. In addition, there were 120 minor incidents and 375 inconsequential incidents. The number of inconsequential accidents decreased slightly; 391 incidents were recorded in this category in 2014.

The steep decline in incidents with inconsequential impact – in 2014 there were still about 21,191 incidents in this category – can be attributed to the fact that gas leaks in the distribution network in Romania in 2015 were not included in the calculation. Such incidents often occur due to the steel piping still being used. This was not included in the calculation so that better comparability with other incidents in this category could be established. It should be noted that although the number of

moderate incidents in Sweden has increased, clearly less incidents with minor impact were reported. This can presumably be attributed to a modified classification of incidents in Sweden.

Just as in 2014, there were no category one to seven incidents at our nuclear power plants in 2015, based on the seven-level International Nuclear Event Scale (INES).

Avoiding environmental impacts

We want to keep the impact of our activities on the environment as low as possible, or completely avoid them. Naturally, E.ON complies with European, national and regional environmental regulations. This is why we have defined environmental standards that apply to the entire E.ON Group - and we also require our business partners and contractors to comply with them. Our business-governance Group policy [Health, Safety & Environment \(HSE\) Management](#) is an effective framework for this. In 2015, the unified management system for health, safety and the environment (HSE) for all 16 German companies was certified under OHSAS 18001 and under the international environmental management standard ISO 14001: this applies a general HSE policy to much more than 200 sites in Germany pursuing general HSE targets. Under this, all environmental management processes will be transparent and uniform for all employees.

New technologies reduce emissions

Legislators, environmental organisations and the public constantly set higher and higher requirements for energy producers to reduce the emission of pollutants. We work constantly on [developing new technologies](#) to reduce the emissions of our facilities below legal requirements. For example, in 2015 we developed a high-tech ultrafiltration technology that removes even very small pollutants from waste water. This is not possible with conventional water waste treatment facilities.

Also, in 2015 we tested a catalyst at the Staudinger plant that will further reduce not just emissions of nitrogen oxides but also mercury. New European legislation sets limits for the first time on [mercury emissions](#) from large coal-fired plants throughout Europe. Consequently, domestic limits will also be stricter, starting in 2019. This is why we are developing the respective technical measures for reduction of our mercury emissions.

Facility efficiency as the key to environmental protection

An important measure within our environmental management is resource efficiency in the building and operation of our facilities. We optimise existing power plants and conceive new highly efficient facilities with lower fuel consumption. We strive for high electrical efficiency. This value shows how much electric power can be produced from fuel. A good example of this is our new coal-fired power plant Maasvlakte 3 outside Rotterdam in the Netherlands, which entered service in 2015. It is one of the most modern coal-filtered plants in Europe and is up to 47 percent more efficient than other coal-fired plants, which globally reach an efficiency level of only 33 percent. Moreover, Maasvlakte allows burning of up to 22 percent biomass instead of coal. This allows avoidance of up to 1.4 million metric tons of CO₂.

Maintaining natural habitats

As operators of power plants and distribution networks, we need to ensure that our business activities do not jeopardise species and habitat diversity. We consistently comply with the requirements of authorities and involve environmental experts when necessary. We conduct extensive environmental impact assessments for new construction and operation and implement targeted projects and measures for maintaining biodiversity. For example, during the construction of the Datteln coal-fired

plant we are conducting not only regular environmental monitoring, but also compensating for the intervention in nature caused by the new plant with measures such as afforestation.

We are aware that all our plants take up tracts of land where nature is no longer present in its previous form. We must ensure, especially with facilities near nature reserves, that they have no negative effects on the neighbouring or bordering nature reserves, and continually monitor their effect. The following table displays selected German production sites of E.ON located less than 10 km from reserves (for conventional power plants), less than 5 km (for wind parks) and less than 2 km (for pumped storage power plants). Impact on protected areas is to be expected at these facilities due to their physical proximity and the type of operations.

✓ Reviewed 2015

Sites¹ near nature reserves²

Site	Area (ha)	Distance (km)	FFH identifier ²⁾
Nuclear power facilities			
Grafenrheinfeld Nuclear Power Plant	39.0	0.2	DE-6127-371
Isar 2 Nuclear Power Plant (Bavaria)	35.8	0.8	DE-7439-371
Brokdorf Nuclear Power Plant (Schleswig-Holstein)	31.4	0.3	DE-2323-392
Grohnde Community Nuclear Power Plant (Lower Saxony)	37.7	2.2	DE-3922-301
Power plants (coal, gas, oil)			
Scholven B+C Power Plant	74.2	7.0	DE-4307-301
Buer Combined Cycle Power Plant (at Scholven site)	74.2	7.0	DE-4307-301
Zweckel Steam Plant	2.0	5.8	DE-4307-301
Schkopau Power Plant	23.6	0.8	DE-4537-301
Kirchmöser Power Plant	4.5	1.1	DE-3542-305
Staudinger Bl. 4+5 Power Plant	83.0	1.3	DE-5919-304
Wilhelmshaven Power Plant	71.0	2.4	DE-2312-331
Heyden Power Plant	42.8	3.7	DE-3619-301
Kiel Community Power Plant	13.8	1.6	DE-1727-322
Hydroelectric power plants (pumped storage)			
Waldeck I (Edersee water)	5.5	–	DE-4819-301, DE-4820-401, DE-4822-304, DE-4820-308
Waldeck II (Edersee water)	30.8	–	DE-4720-304
Langenprozelten (Sindersbach water)	30.0	–	DE-6022-371

Wind parks Onshore			
Edersleben/Riethnordhausen Wind Park	270.9	1.4	DE-4533-301
Frauenhagen Wind Park	39.6	0.4	DE-2950-303
Ketzin Wind Park	114.4	1.5	DE-3542-304
Losten Wind Park	17.2	2.4	DE-2234-302
Miltzow Wind Park	127.1	1.9	DE-1846-303
Mutzschen Wind Park	56.9	0.9	DE-4644-302
Naundorf Wind Park	67.1	2.7	DE-4644-302
Schortewitz Wind Park	91.3	3.4	DE-4337-301
Dargelütz Wind Park	95.8	6.7	DE-2437-301
Treue Wind Park	52.8	5.0	DE-3732-303

- 1 including active German production sites where E.ON holds majority shares in which E.ON is the operator of the facility under the Federal Pollution Act (BImSchG)
- 2 Protected areas as per Directive 92/43/EEC of 21 May 1992 on the Conservation of Natural Habitats and Wild Fauna and Flora (the Flora-Fauna-Habitat (FFH) Directive)

River power plants were not included in the consideration because they seal no green areas and it has been shown that these provide new habitats for flora and fauna, and so are conducive to protection of nature. Also, we have implemented numerous measures in the concession areas of our hydroelectric plants in 2015 to improve biodiversity in the aquatic environment. Among other efforts, we have refurbished or newly installed upstream fish migration systems similar to nature to improve access for fish migration on the respective rivers. We have also created new spawning grounds in the Lech River, and thus begun to reactivate a so-called Auenbach back to the Isar. This will engender new habitats and retreats, showing that hydroelectric power and protection of the environment go hand in hand, and rivers can sustainably be used for climate-friendly hydroelectric power.

Commitment to biodiversity along our networks

Impact on nature is also exerted by the operation of distribution networks that transport electric power to our customers. For example, this happens through the erection and operation of power lines, which may pass through forests and lead to habitat changes in flora and fauna. In addition, overhead lines present a hazard for birds. For this reason, the employees of our regional supply companies undertake a variety of measures to preserve species and habitat diversity, despite their creating or resulting in possible limitations to existing networks. For example, in 2015 E.DIS implemented site-specific measures for the protection of large birds on new and existing overhead power lines, as in previous years. These include technical protection measures such as insulation and marking of lines to prevent collisions, and thus fatal flashovers, between birds and the lines. In addition, breeding and nesting places for white storks and ospreys have been provided at the expense of E.DIS and mounted on masts. E.DIS works closely with the Wildlife Protection Society of Germany (NABU) in this.

Alternative management concepts even accord an ecological added benefit for animals, plants and habitats under high tension lines. Bayernwerk continued its [grazing project](#) in 2015: the paths under

the lines are kept in their natural growth state by grazing. This not only contributes to a secure network operation, but also to ecological diversity.

Environmentally friendly expansion of renewable energy

Compared with conventional generation systems, renewable energy is tied to reduced CO₂ and pollutant emissions. Nonetheless, we must take into consideration environmental requirements and maintaining biodiversity in the construction and operation of these facilities.

One example is the pile foundation in the construction of offshore wind parks; here it is a case of largely reducing the noise that is produced by pile driving in the marine environment – otherwise, sensitive animals such as porpoises and fish may be disturbed or even injured. We made enormous technical and financial efforts to meet the strict limits set by the authorities during the construction of the [Amrumbank West](#) wind park, which came on line in October 2015: among other things, we divided the project into several phases in coordination with another E.ON project to perform no pile driving when there were large numbers of porpoises in the protected area adjacent to the wind park. Furthermore, a technically optimised noise reduction system was used in series. In relation to this, E.ON conducted a research project in cooperation with the Technical University of Brunswick called “Triad”.

For the planned Arkona Becken Southeast offshore wind park to be constructed in the Baltic Sea, we undertook basic environmental monitoring before construction between the beginning of 2014 and the beginning of 2016. We started a further required environmental monitoring process in relation to this in March 2016. It will accompany the seven year construction and ensuing operational phase. We are carrying out the research in cooperation with the Spanish energy company Iberdrola, which is currently building the adjacent offshore wind park Wikinger. In this way, we ensure that there is no doubling up of the use of ships and aircraft during monitoring and the environment is not unnecessarily burdened.

Offshore and onshore wind facilities will operate with a greater amount of gear, transformer and hydraulic oil. Every facility is provided with its own catch area so as to avoid contamination of ground and water from oil leakage. With additional measures, we seek to react appropriately to emergencies such as an unplanned discharge of oil from leakage. We conducted specific measures related to this in 2015 in several countries: special emergency plans were developed in the UK and the USA, and employees trained accordingly. We successfully tested the use of biodegradable oil in replacement for existing hydraulic oils in Sweden. It is biodegradable and not toxic to aquatic organisms. These best practice measures are first tested in individual countries before they are utilized in operations elsewhere, if necessary.

Maximum safety during operation, decommissioning, dismantling and disposal

We bring a high level of responsibility in the operation and decommissioning of our nuclear power plants and the related storage of radioactive waste – we are aware of this. Security is our top priority in both the operation of our nuclear power plants and the decommissioning of our facilities and disposal of the resulting radioactive waste.

E.ON Nuclear Power – Preussen Elektra from 2016 on – operates eight nuclear power plants in Germany, of which we removed three of the facilities operated by E. ON (Isar 1, Unterweser and Grafenrheinfeld) from the grid due to legal regulations; these are currently in shutdown status. We plan – subject to the result of the constitutional complaint against the 13th amendment to the Atomic Energy Act – to directly dismantle these facilities and have submitted the required applications for this. The approval process is still underway. Upon completion of the decommissioning of the Würgassen nuclear power plant in North Rhine-Westphalia in August 2014, the Stade nuclear power plant was well advanced in its decommissioning.

Our facilities at Brokdorf, Grohnde and Isar 2 will be gradually removed from the grid by 2022, subject to the constitutional complaint. They will be operated with highest reliability and in substantial autonomy by Preussen Elektra until the end of their active life in 2022. Furthermore, we held a majority interest in another facility in Sweden in 2015.

Safe operation of our facilities up to the last day

In 2014, we were able to successfully complete the nuclear decommissioning of our former nuclear power plant in Würgassen, which was shut down for economic reasons in 1997. The Stade nuclear power plant was also removed from operations for economic reasons in 2003, and has been decommissioned since 2005. The Stade facility is currently in the final phase of its decommissioning. With these successful decommissioning projects, we have developed extensive decommissioning experience that will be very helpful in the forthcoming projects.

Our expertise is also sought after by other nuclear plant operators: We provide our knowledge to third parties through respective consulting services. In May 2015, we were represented for the first time at the 46th Annual Meeting on Nuclear Technology (AMNT) and presented our competence in decommissioning of nuclear power plants. We introduced solutions for current challenges in nuclear technology at lectures.

Safe disposal of radioactive waste

Radioactive waste is generated by the use and decommissioning of our nuclear power plants. We distinguish between radioactive waste with negligible heat generation (low and intermediate level waste) and heat-generating, highly active waste.

Waste with negligible heat generation makes up the greater part of the radioactive waste in terms of mass and volume, but contains less than one percent of the total radioactivity of a nuclear power plant. It results from both the operation and the decommissioning of the facility. A distinction is made

between liquid (e.g., resins, concentrates, sludges) and solid waste (e.g., metals, rubble, filters and clothing). In contrast, heat-generating, high-level waste contains more than 99 percent of the total activity of a nuclear plant. It consists mainly of the fission products of uranium in the fuel elements that arise in the nuclear fission in the nuclear reactor.

Our goal: minimising waste

Residue processing ensures a reduction in volume of radioactive waste to a minimum. At the same time, that portion of the residue that can be fed back into the recycling loop is increased. We manage this by avoiding waste and, for example, materials – as far as possible – by not bringing it into the control area or by avoiding contamination. We also reduce the amounts by the sorting of residue that isn't contaminated, or by decontamination. We also test whether material can be reused in another control area or recovered as residue. When the material is handled and prepared for storage and disposal, volume-reducing handling steps and procedures for use are applied.

In order to, for example, reduce the volume of radioactive waste with negligible heat generation, liquid waste is dehydrated and dried. Combustible waste is burned and remaining ash and filter dust is disposed of as radioactive waste. Also, large volume non-combustible waste is packed using high-pressure volume reducing procedures.

Process for disposal and storage of radioactive waste

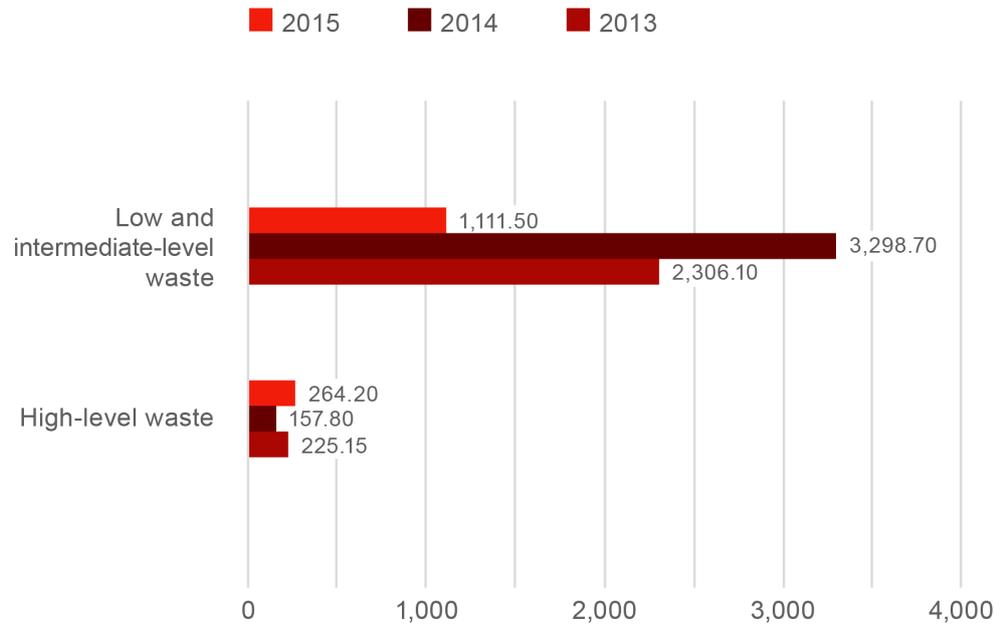
The storage of waste with negligible heat generation is handled separately from highly-active waste in interim storage specially constructed for this purpose. The first type of waste is conditioned for permanent storage and packed before being placed in interim storage. In Germany, there are multiregional storage areas (Gorleben and Ahaus storage areas), the Mitterteich interim facility for Bavarian plants, and local interim facilities at several nuclear plant sites (such as the sites of the Stade, Würgassen and Unterweser power plants).

The Konrad radioactive waste repository for radioactive waste with no heat generation is currently under construction and shall not be operational before 2022, according the authorities responsible for the construction and operation of this repository, the Federal Office for Radiation Protection.

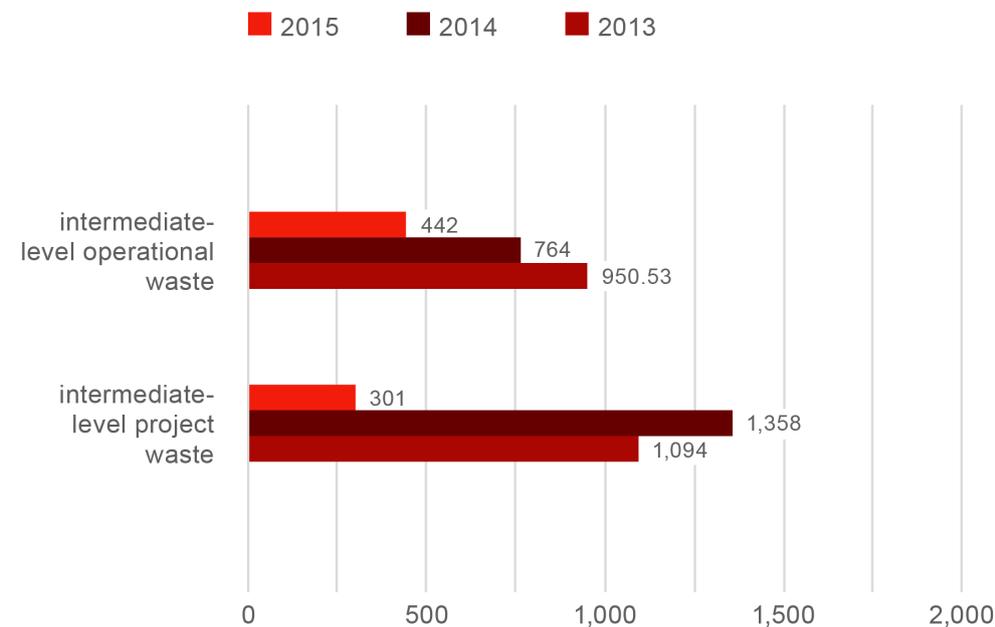
With the entry in force of the ban on delivery of irradiated fuel for processing (sect. 9a, para. 1 of the Atomic Energy Act), starting 1 July 2005 spent fuel is stored in previously constructed site interim storage facilities at its respective power plant site. The fuel will remain there until a final repository for highly radioactive waste is made available in Germany. It is as of yet impossible to reliably estimate when this will be the case. The responsibility for this lies with the federal government.

Detailed information on the management of radioactive waste, our decommissioning activities and security measures related to nuclear power plants can be found at the Nuclear Energy website, and starting in May 2016 on the [PreussenElektra](#) site.

Nuclear waste (metric tons)



Moderately nuclear waste (metric tons)



There was a sharp decrease in the quantity of low and moderately radioactive waste in 2015: in comparison with the previous year, 2,187 less metric tons of low and moderately radioactive waste accumulated; this corresponds to a drop of 66.3 percent. 301 metric tons of moderately radioactive

Decommissioning of nuclear power stations
and storage of radioactive waste

waste – some 40.5 percent – occurred during the decommissioning of our facilities (project-based business) and not in the operation of the nuclear power plants. The sharp decrease noted in comparison with the previous year is primarily due to the complete decommissioning of the Würgassen nuclear power plant, which was already completed in 2014. So no further waste accumulated in 2015. Presumably, this value will increase again in the coming years due to the upcoming decommissioning projects.

The increase of highly radioactive waste by 106 metric tons to 264.2 metric tons is primarily due to the decision made in 2015 to take the Swedish Oskarshamn 2 reactor permanently out of operation and not restart it. Consequently, all fuel elements of the reactor have been designated as highly radioactive waste.

Responsibility for a valuable resource

Water is an important resource for E.ON: We use it in our power plants as cooling water, process water for steam production, and in flue-gas scrubbers. Hence, it stands to reason for us to observe the legal and environmental framework for the withdrawal and discharge of water. We are developing various measures to ensure high water quality to counter risks like flooding and reduce fresh water consumption by our business. We began developing and introducing systematic water management in 2013. We introduced measures and minimum standards in this regard by 2015 that meet the requirements of the “[UN CEO Water Mandate](#)” (UN WM). Based on this, we were accepted as a member of the UN WM in 2015.

Elements of our comprehensive water management

We formed our own core team in 2014 to satisfy the UN WM. It consists of experts in [health, safety](#) and the environment (HSE) and employees in each area in which water represents an important resource. This includes, among others, E.ON International Energy (EIE) and Wasserkraft as well as E.ON UK. The team analysed in which sectors our water management still had to be improved, and introduced the necessary measures. On 23 December 2015, the process was successfully completed and membership in the UN WM was officially confirmed by the UN.

Hence, E.ON belongs to the limited number of 145 companies worldwide that are members of UN WM. Only five companies in Germany – and no other power companies – publicly recognize and are committed to anchor the following six key elements of the UN WM to their water management:

1. Operations

We want to use water sustainably and efficiently in our operations. This includes reducing our consumption of fresh water and ensuring high quality water at our facilities. E.ON is constantly working on new technologies such as filtration processes that reduce emissions into water to a minimum. In addition, we analyse site specific water risks and take measures accordingly. We raise the awareness of our employees for the sustainable use of water, for example via the intranet.

2. Supply chain and protection of watersheds

Our suppliers are also careful in handling water resources. As part of our group-wide “Principles of Responsible Procurement”, we require our suppliers to ensure responsible use of the environment. So when qualifying new suppliers in the non-fuels area we ask whether the supplier monitors its consumption of fresh water.

3. Shared commitment

As a member of the UN CEO Water Mandate, we share our expertise with others and participate in cross-industry water-related projects. Thus, E.ON is involved as a partner of the [International Hydropower Association](#) (IHA). The IHA has developed the Hydropower Sustainability Assessment Protocol (HSAP) together with the World Bank and non-governmental organisations. With this protocol, hydroelectric projects can be assessed in detail based on various sustainability criteria. It shall become a worldwide standard for

sustainability performance of hydroelectric plants and projects in the future. As one of the first companies, we have had two of our hydroelectric facilities analysed based on HSAP – most recently at the Semla site in Sweden.

4. Political frameworks

We want to work with partners that identify with water issues in the political agenda. Our units work for this in their respective countries. For example, in Germany E.ON Wasserkraft together with Rhein-Main-Donau AG invited residents of Main and representatives of counties and authorities to an energy policy dialogue at a communal forum in Lower Franconia. An exchange of opinions like this is important in our view, so as to develop mutual understanding for the various interests and enable synergies between the use of water power and water ecology goals.

5. Social Commitment

We promote the sustainable use of water with relevant campaigns and dialogue with local communities. Through the E.ON Start-up Hydropower Evolutions (HE), we have specialised in bringing our expertise in sustainable hydro power projects to emerging markets. HE was able to win a tender with the international development bank International Finance Corporation (IFC) for the evaluation of hydro power projects in Indonesia.

6. Transparency towards our stakeholders

Our reports regarding our measures and services related to water management are transparent. We have published comprehensive information on our water use ever since 2011, as part of the [CDP Water Disclosure program](#). On behalf of investors, this program surveys major corporations on their water risks. Detailed water data by E.ON can be found in our response. We also intend to make our water management system more transparent by involving ratings and rankings, and further raising our stakeholders' awareness of our performance in this area. For the results from 2015 see our external recognition page.

We have also anchored these six key elements in our “E.ON’s Water Management Corporate Policy”, issued in 2014.

Measurement methods to determine water availability

Together with other major energy companies, from the beginning E.ON has participated in the development of Global Water Tools (GWT), which was initiated in 2011 by the World Business Council for Sustainable Development (WBCSD). E.ON has been using the GWT since 2012 to evaluate how water availability will develop for all relevant production plants by 2025. The relevant production plants are our conventional production plants – coal, gas, nuclear and hydroelectric – that account for most of our water usage. We did not include renewables generation as it only accounts for an extremely small percentage – less than one percent – of our water consumption.

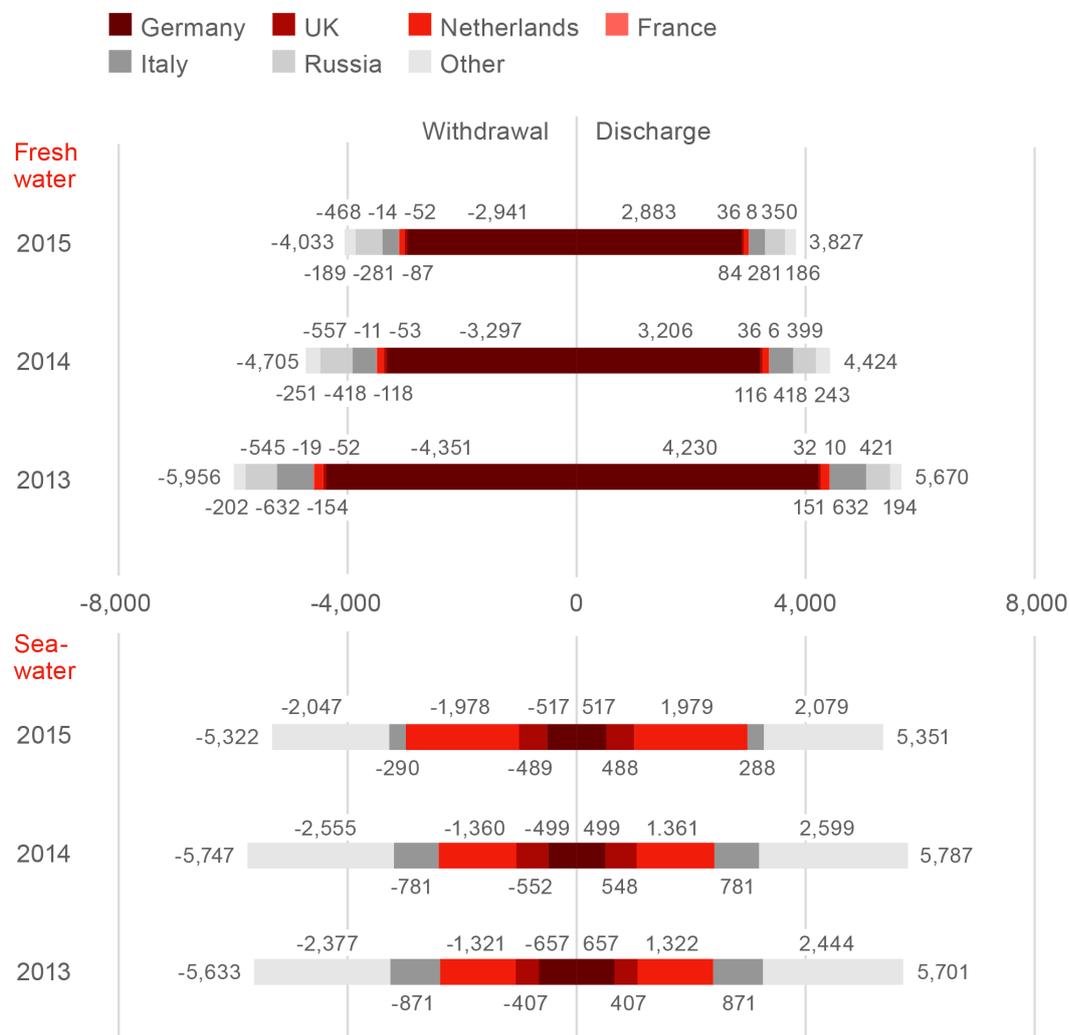
Out of the total of 212 facilities¹ that we evaluated in our analysis, about 20 percent are located in areas with scarce water resources. According to the systematic applied by the World Resources Institute (WRI), regions with scarce water resources are those in which less than 1000 m³ of water from renewable fresh water reserves is available per person per year; those in which 1700 m³ are available are considered sufficient. With the aim of raising awareness of water risks, we shared our findings with the Operational Excellence teams at our generating units.

Total water withdrawal and discharges 2015

We have continually improved our water indicators in recent years. We have combined our water data in a general water balance sheet since 2013. This provides an overview, by country, of the amount of fresh water and seawater we withdrew and discharged.

✓ Reviewed 2015

Water consumption by country¹ (in million m³)



1) The term fresh water refers to the following types of water: Groundwater, surface water, and municipal water.

1 incl. the divested facilities/power plants in Spain and Italy, as the analysis had already been performed before the divestments

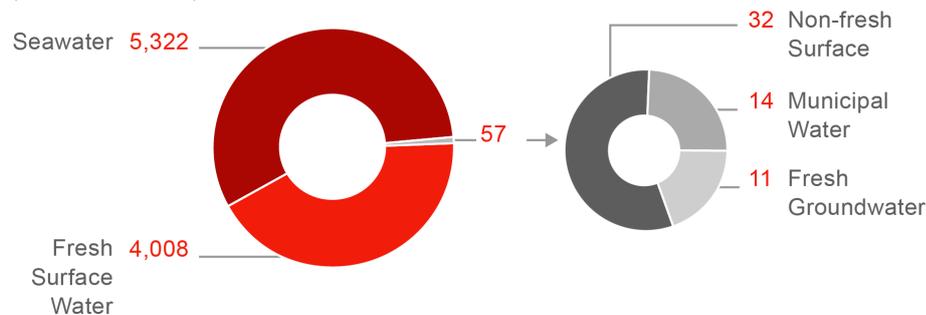
The volume of fresh water withdrawn in 2015 compared with the previous year dropped by 672 million m³, or 14.3 percent. The amount of fresh water discharged dropped by 596 million m³, or 13.5 percent, in the same period. Fresh water withdrawal of a total of 4,033 million m³ is matched with fresh water discharge of 3,827 m³. We were able to reduce fresh water usage by the Group by 76 million m³ – which equals 27 percent – to about 206 million m³ compared to the previous year. Most of the fresh water – 3,792 million m³ or about 94 percent – was drawn from rivers. 3,691 million m³, or 97.3 percent, of that was discharged into rivers. 216 million m³ of the extracted fresh water came from lakes. Out of this amount, 95 million m³ or 43.8 percent was discharged into lakes.

And the volume of sea water withdrawn also fell by 425 million m³, or 7.4 percent, in 2015. During the same period we discharged 437 million m³, equal to 7.5 percent, less salt water than in 2014.

✓ Reviewed 2015

Water withdrawal by source (in million m³)

(Total: 9,378m³)



The figures for our water withdrawal by source supplement the figures for our fresh water and seawater consumption as well as those for our withdrawal of non-fresh surface water and waste water. Total water withdrawal was 9,387 million m³ in 2015. Compared with 2014, the amount dropped by 1,109 million m³, or 10.6 percent.

The drop in fresh and sea water usage, as well as total water withdrawal, can be attributed primarily to the lower electricity production from coal-fired and nuclear power plants. Among other things, this was due to power plant shutdowns such as the coal-fired plant at Veltheim in Germany, and the sale of the entire generating fleet in Italy in the middle of the year.

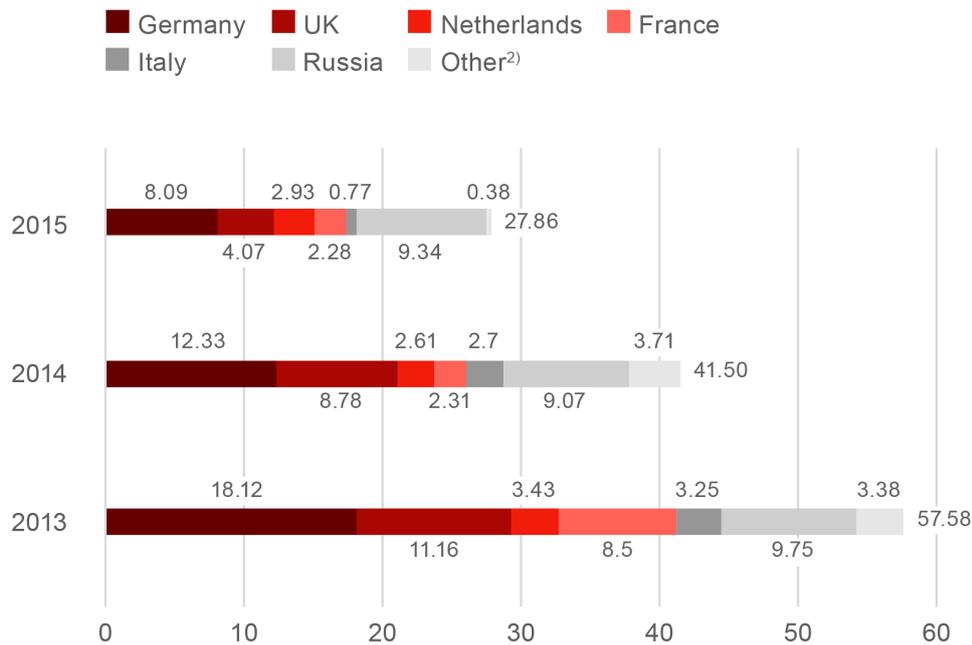
Environmental indicators

Air emissions

Sulphur dioxide emissions

The combustion of sulphurous coal is the primary source of SO₂ emissions. Two ways we can reduce our SO₂ emissions are by improving desulfurization equipment and by increasing the proportion of natural gas in our energy mix.

SO₂-emissions¹ (in kilotons)



1 Percentages are rounded, which can result in their sum deviating slightly from 100.

2 2013 and 2014: Sweden, Czech Republic, Hungary and Spain; 2015: Sweden, Czech Republic and Hungary (Indicator calculation excluding discontinued operations in Spain)

At 27.9 kt, the total discharged quantity of SO₂ in 2015 was 13.6 kt, or 33 percent lower than for the previous year. This drop is primarily due to lower power generation by coal-fired plants resulting from closures and sales, conversion of coal-fired plants and a total of 12 percent less energy production by E.ON.

Specific SO₂-Emissions by energy unit dropped from 0.19 kg/MWh in 2014 to 0.15 kg/MWh in 2015.

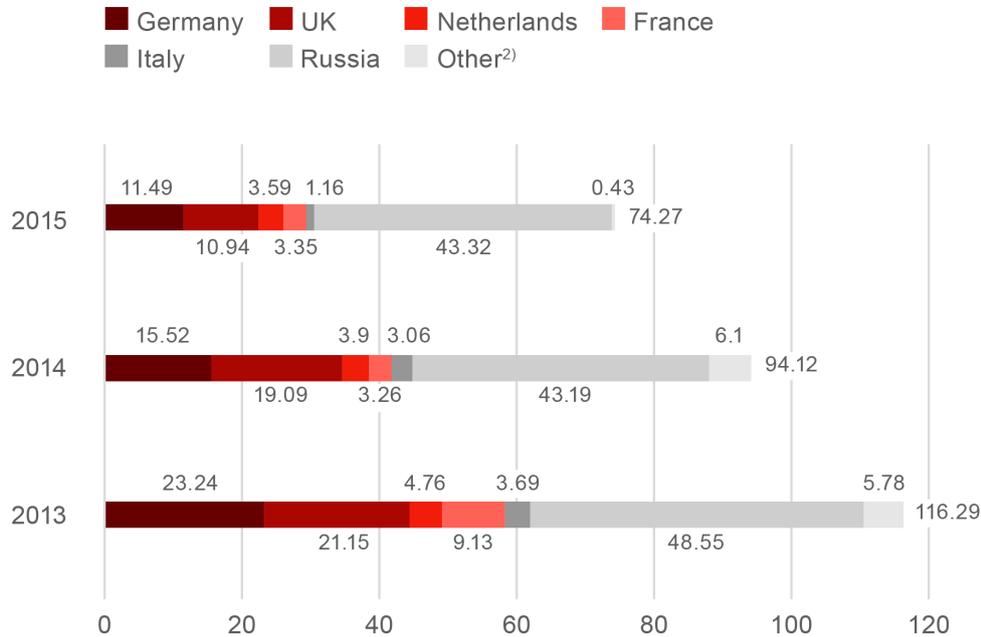
Nitrogen oxide emissions

Nitrogen oxide (NO_x) is mainly generated from the combustion of nitrogen contained in the air at high temperatures. For example, the combustion of gas or coal in our power plants is connected with NO_x emissions. This gives us a special responsibility to achieve further reductions in NO_x emissions.

Our new power plants, and several of those that joined our portfolio in 2009, are fitted with advanced

NO_x-abatement equipment. We have been able to register a drop in NO_x emissions since 2009, which has been increased by the changes in our power plant portfolio.

NO_x-emissions¹ (in kilotons)



1 Percentages are rounded, which can result in their sum deviating slightly from 100.

2 2013 and 2014: Sweden, Czech Republic, Hungary and Spain; 2015: Sweden, Czech Republic and Hungary (Indicator calculation excluding discontinued operations in Spain)

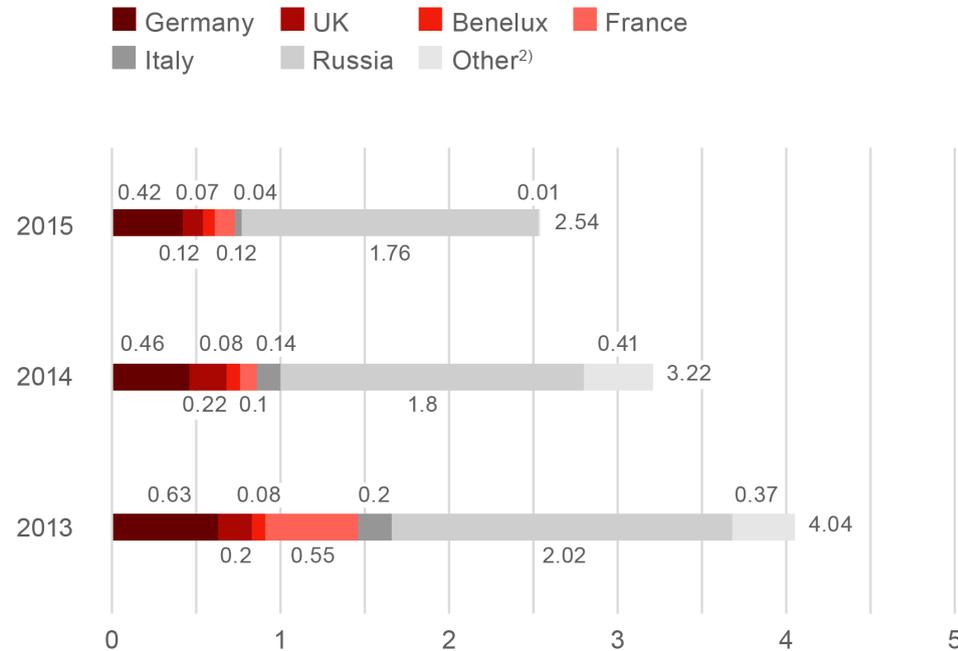
NO_x emissions dropped in 2015 from 94.1 kt in the previous year to 74.3 kt. This represents a decrease of 19.9 percent. This development can be primarily attributed to lower overall power generation, and in particular to the drop in power generation from fossil fuels like coal and natural gas. Also, in 2015 we completed the sale of our generation operations in Spain. Hence, emissions from the generation fleet in Spain are no longer included in reporting for 2015.

Specific NO_x emissions dropped to 0.39 kg/KWh in 2015; they were still at 0.44 kg/KWh in the previous year.

Particulate emissions

Coal-fired power plants emit dust particles, despite highly sophisticated filters. These particulate emissions amounted across the group to 2.54 kilotons in 2015.

Particulate emissions¹ (in kilotons)



1 Percentages are rounded, which can result in their sum deviating slightly from 100.

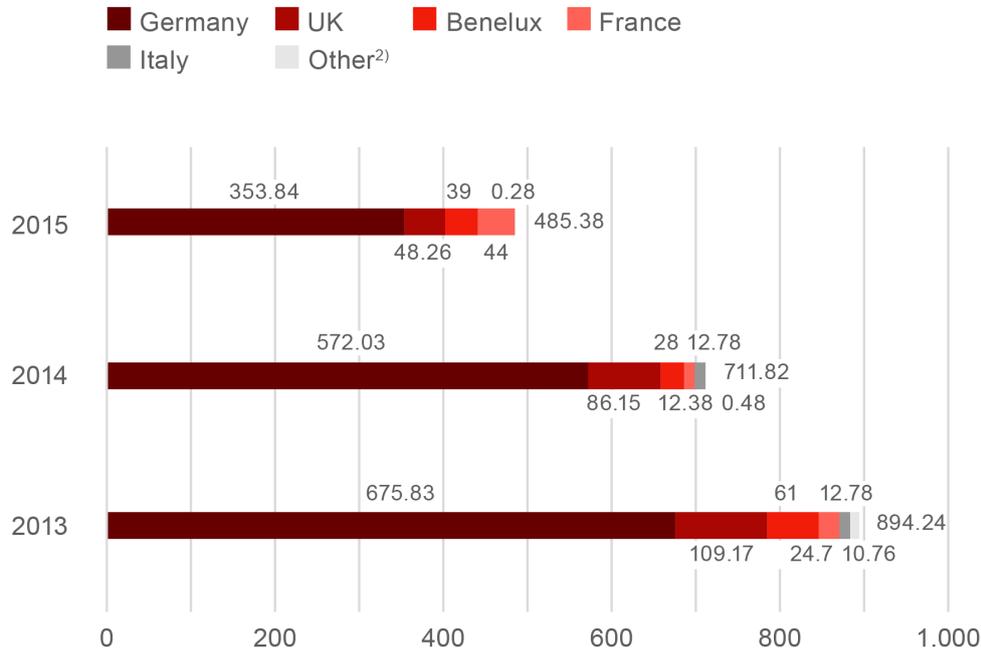
2 2013 and 2014: Sweden, Czech Republic, Hungary and Spain; 2015: Sweden, Czech Republic and Hungary (Indicator calculation excluding discontinued operations in Spain)

Our particulate emissions declined by around 0.7 kilotons, or 21 percent, year on year. This figure can also be attributed to lower overall power generation and particularly the decline in power production from coal-fired plants. Also, in 2015 we concluded the sale of our generation operations in Spain. Hence, emissions from the generation fleet in Spain are no longer included in reporting for 2015.

Mercury emissions

Coal-fired power plants also emit small amounts of mercury. New European legislation sets limits for the first time on mercury emissions from large coal-fired power plants throughout Europe. Hence, we are developing the respective technical measures to reduce our mercury emissions.

Mercury emissions¹ (in kilogram)



1 Percentages are rounded, which can result in their sum deviating slightly from 100.

2 2013 and 2014: Sweden, Czech Republic, Hungary and Spain; 2015: Sweden, Czech Republic and Hungary (Indicator calculation excluding discontinued operations in Spain)

In 2014, our mercury emissions compared to 2013 declined by 226.4 kilograms or to 485.4 kg, amounting to a reduction of 31.8 percent. This decline is primarily attributable to the reduction in the energy we generated and in the amount of coal we burned coupled with an increase in the share of renewables in our energy mix. Also, in 2015 we concluded the sale of our generation operations in Spain. Hence, emissions from the generation fleet in Spain are no longer included in reporting for 2015.

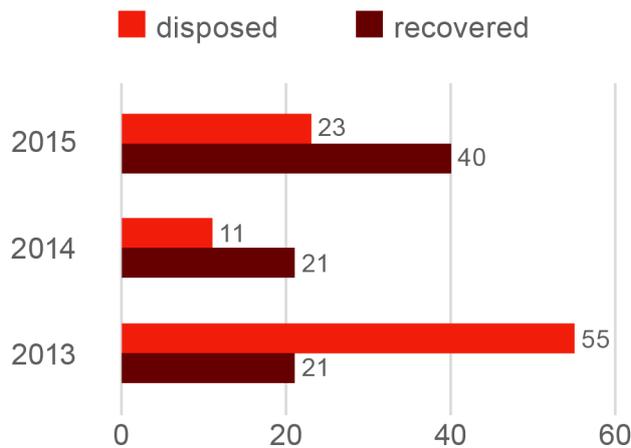
Waste

Waste is produced by E.ON both in operational and project-related business. When considering the total amount of waste, we further distinguish between waste for disposal and waste for recovery.

Hazardous waste

The total amount of hazardous waste rose to 63 kt in 2015, and has almost doubled in comparison with the previous year.

Hazardous waste (in kilotons)



The amount of both disposed and recovered waste clearly increased in 2015 compared with the previous year: in total, we were able to recover 40 kt of hazardous waste produced. We disposed of 23 kt in accordance with local laws.

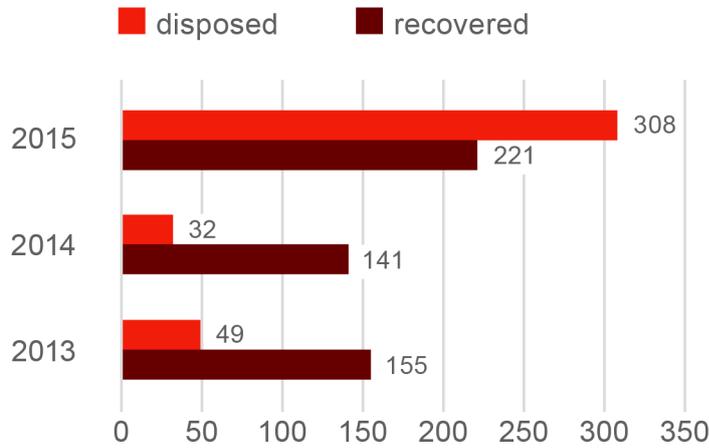
The waste that was recycled was produced primarily in operations. The increase over the previous year can be attributed to, among other things, the fact that hazardous waste from the network business in Germany was included in the calculation for the first time. Previously – up through 2014 – the construction of the German grid was the responsibility of service providers, who arranged for the disposal of hazardous waste for E.ON.

The clear increase in the amount of disposed waste comes from project-related business. More waste was produced in 2015 than in 2014 due to the shutdown of power plants. The waste temporarily stored initially at the sites was disposed of in 2015, as required by regulations.

Non-hazardous waste

The amount of non-hazardous waste increased in 2015 in comparison with 2014, by 356 kt to 529 kt.

Non-hazardous waste (in kilotons)



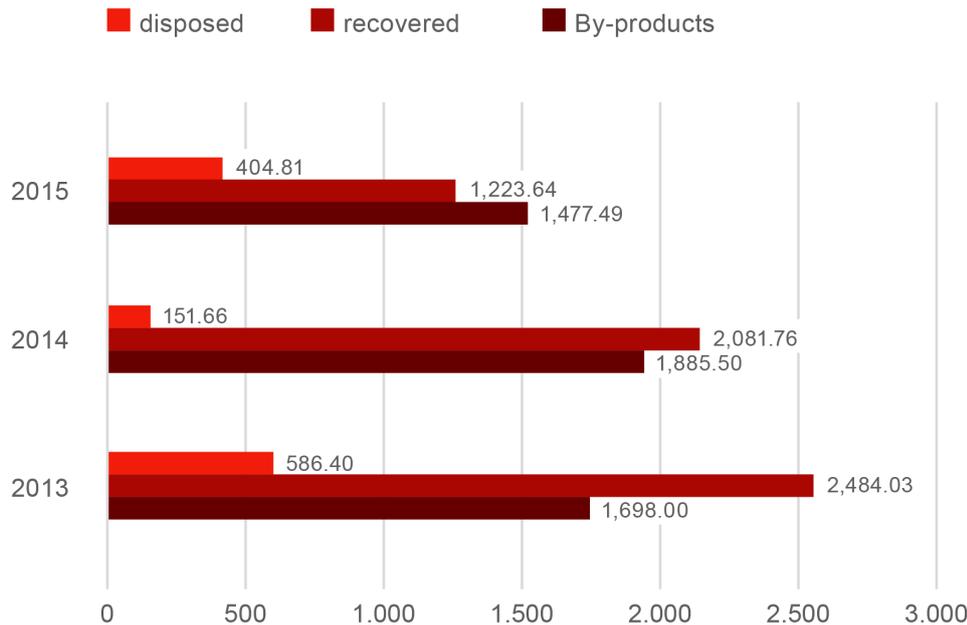
The amount of disposed and recovered waste was significantly higher in 2015 than in the previous year. The amount of non-hazardous waste for disposal increased by 276 kt to a total of 308 kt. This represents an increase of 858 percent. The amount of non-hazardous waste for recovery grew by 80 kt or 57 percent to 221 kt.

The reason for the increase in disposed and recovered non-hazardous waste was primarily the decommissioning of coal-fired plants like Kingsnorth in the UK and the new construction and replacement of lines in Germany (both project-based business).

Ash and slag

Ash and slag fall in especially significant quantities in the combustion of coal. The amount of ash and slag in 2015, including by-products, totalled 3,105.9 kt. They fell by 983 kt or 24 percent compared with the previous year. It is our goal to recycle as much of this waste as possible.

Ash and slag (in kilotons)



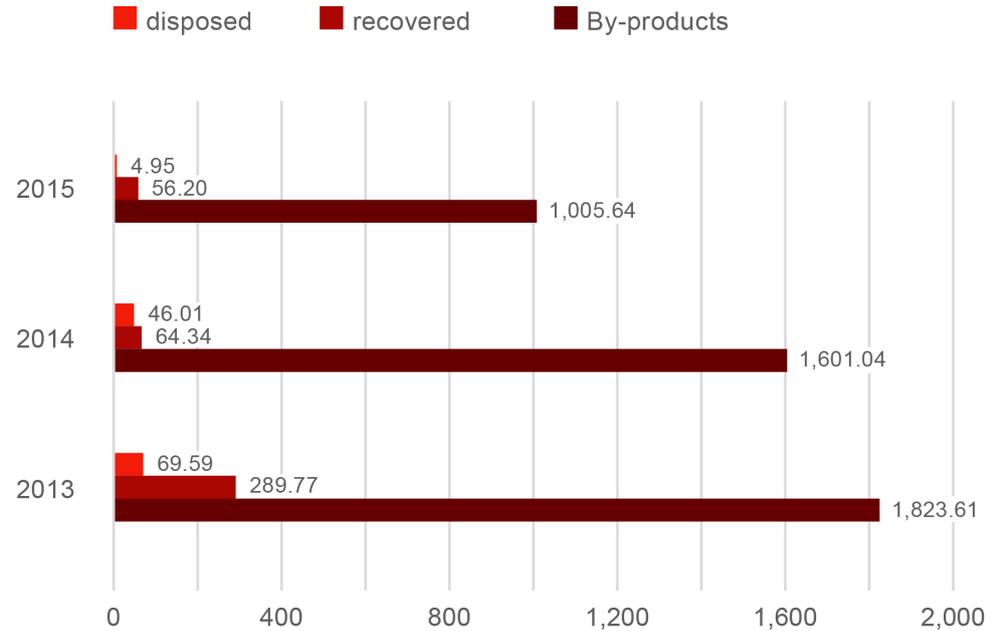
The amount of ash and slag disposed of in 2015 increased by 253.2 kt to 404.8 kt compared to the previous year. Unlike in 2014, our gas and coal-fired plants in Russia were running again at full capacity. This explains the increase in the amount of disposed ash and slag in operations from 2014 to 2015. However, this dropped by 181.6 metric tons compared with 2013.

BauMineral, a wholly owned subsidiary of E.ON, processes the flying ash and its by-products in a way that a portion of it can be recycled for road construction, for example. Both flying ash and its by-products saw great market demand in 2015 in Germany. The flying ash stored from previous years in silos was completely sold. The silos that were empty at that point could be filled with the new flying ash from 2015. However, the amount stored in the silos in 2015 was not reported as either recovered ash and slag or as a by-product, and so does not appear in the balance sheet. This explains why the amount of recovered ash and slag for 2015 declined by 858.1 kt or 70.1 percent. The same applies for the drop in by-products by 378 kt or 20.4 percent.

Gypsum by-product

We produce great quantities of gypsum as a by-product of flue gas desulphurisation in our coal-fired plants. It is harmless and can be recycled as building material. Under anti-pollution laws, power plants are equipped with flue gas cleaning devices that remove environmentally hazardous materials from flue gases. However, these materials are hardly removed environmentally neutrally. We collaborate with BauMineral in processing residue from flue gas desulphurisation in our coal-fired plants in Germany, Belgium and the Netherlands. For example, BauMineral distributes flying ash, bottom ash and gypsum. Products such as clinker and ready-mix concrete are produced from the residue.

Gypsum (in kilotons)



The quantity of gypsum accumulated for disposal dropped in 2015 compared to the previous year by 41.1 kt, or 89.2 percent. At the same time, 8.1 kt or 12.6 percent less gypsum was recovered. Including by-products, the total quantity of accumulated gypsum fell by 644.6 kt; this represents a decline of 37.7 percent.

The drop in resulting gypsum can be explained by the lower production quantity of electricity and gas, as well as by the shutdown and sale of power plants. In addition, the Spanish plant fleet produced the percentually greatest amount of gypsum. This was sold in 2014 and no longer counted in the balance sheet for 2015.

Social 



GRI aspects in the action area

- Training and education
- Diversity and equal opportunity

→ [Materiality process](#)

✓ Reviewed 2015

Enhancing competence - promoting diversity

Human resources management of E.ON is faced with diverse challenges: The increasing shortage of skilled workers in Europe will in the medium term affect our chances to attract qualified employees. Already now, there are numerous options available to specialists and executives. Therefore, we are called upon to create an attractive environment for our employees. For this reason we for instance invest in extensive training opportunities and offer flexible working models. In order to stay up with the competition for the best employees in the long term, the digitalisation of personnel processes is becoming more and more important. It provides numerous possibilities to simplify and optimise the recruitment of new employees or the talent management.

Workforces nowadays represent a dynamic mix of different cultures, age groups, ethnic groups, lifestyles and genders. This diversity is reflected in the society, which we, as a company, are part of. We have to adapt to changed framework conditions of an increasingly diverse market and use the opportunities arising from it. For this reason we must implement various measures in order to promote diversity and equal opportunities at E.ON. When doing this, we naturally take into consideration the statutory requirements and the “Law for equal participation of women and men in executive positions in the private business and in public services”, which has become effective in Germany in 2015. It shall contribute to increasing the proportion of women in executive positions and initiating of a culture change in our company.

Material aspects

In our [materiality analysis](#) we have analysed the expectations of our key stakeholders. The following topics relevant for the area of “workforce challenge” resulted from this:

Further developing of the employees, unfolding the potential

The energy of our employees is E.ON's most valuable resource. Their expertise, their motivation and reliability are the prerequisites for opening new growth areas in the future as well as existing in an established core business at the same time. Our objective is to always appoint the right person to the right position in the Group with the aid of a target-oriented talent management and to make the employees qualified for new positions. We want to create the conditions they need in order to fulfil their potential in the best way possible. When doing this, we increasingly rely on digital solutions: They help us in finding new employees, in making talents and ideas more visible in our company and supporting our employees in a most optimal way. With the aid of a successful talent management we aim to position E.ON as an attractive employer on the market for skilled employees and thus to develop new talent sources.

Support diversity and equal opportunities

Diversity and equal opportunities represent the main prerequisites for innovation and are essential for E.ON's success on a market that is characterised by many changes. The most recent studies show that the company achieves higher yields than the industry average thanks to a diverse workforce. We would also like to profit from diverse views, cultures, nationalities, genders and experiences in the future as well. In this process, supporting the diversity and equal opportunities remains a most important objective of our HR work.

Management and measures

The following topics are addressed by E.ON in the strategic HR work as an answer to various challenges in the HR sector:

Systematically promote the talents

Our Group-wide talent management offers our specialists and executives-to-be attractive perspectives in the Group and makes it possible for us to identify the potential of our employees early enough and further develop them in a target-oriented manner. With the aid of various development programmes for talents and the "E.ON Graduate Programme" we can meet our staffing needs well into the future. Engineers, experts for finance and acquisition are prepared in our "High Potential Programme" to acquisition of international management positions in a target-oriented manner. The "Talent Development Programme" on the other hand, supports talents across all business segments. In the talent management, we increasingly rely on digital solutions: The most recent examples hereof are the introduction of our "Talent Management Suite (TMS)" and "Executive and Talent Portal 2015". We measure our success by the fact whether we succeeded with primarily occupying positions with our own talents and also achieving an increasing diversity in our company. In order to keep a view of the potential of our talents in different units, we use so-called talent scorecards. Among other things, these cards document the results of the annual, Group-wide "Management Review Process", in which we assess our executive officers and identify talents.

Educating and further developing of employees

Educating and further developing of our employees is a cornerstone of our personnel management. We are particularly proud of our "E.ON Graduate Program", in which we train our junior staff in an intense and diverse 24-month programme. During this programme, our employees go through three to

six stations in various business units and departments and are thus able to familiarise themselves with E.ON from various perspectives.

During this educating and further developing process, we want to support our employees in gaining new momentum. This can be done through e.g. temporary assignments abroad. This is supported by the guideline “International Transfer Policy”. In 2015, 107 of our employees used the opportunity of collecting new experiences abroad. On average, the duration of their residence abroad amounts to between two and three years.

Directly addressing the potential applicants

We continuously invest with the objective of positioning E.ON as an attractive employer: In this way we want to create conditions of winning qualified and motivated employees and establish a permanent relationship between them and us. Our recruiting is international and target-oriented so that we can find the people who are perfectly suitable for us and fulfil all our requirements. We are also looking for suitable candidates in social networks: This offers us the possibility of establishing direct contact with them. An example thereof is our career channel on Facebook, existing since January 2014. Here we offer many employees an insight into their activities and present exciting projects.

Promoting equal chances for both genders

We open up targeted career opportunities for women in our Group. This is regulated by the Placement Policy implemented across the entire Group in 2011. Furthermore, we also rely upon various mentoring programmes: Within the frame of the female mentoring programme, an experienced manager is assigned to every participant, who advises, coaches and supports the candidate with respect to her career - in addition to an executive officer. Female junior employees are in this way prepared to assume executive positions in a target-oriented manner. Even our offers for better reconciliation of professional and private life (Life Balance) - e.g. in a form of a flexible working model, home-office or places in kindergarten - contribute to offering all our employees equal chances of making a successful career.

A balanced gender distribution plays an important role for us even in the education of our future specialists. Among other things, we want to employ as many female graduates as possible for our “E.ON Graduate Programme” (EGP). In order to achieve this goal, we are committed to convincing women to select a profession which is related to science and technology as early as possible. In this process we cooperate with external partners such as the German Federal Ministry of Education and Research. The Ministry has established a Germany-wide initiative with “Come, join us”, the goal of which is employing more women in technical professions. E.ON has been a partner to this initiative ever since 2011. Furthermore, we also cooperate with the Career Centre Femtec with respect to this topic.

The success of our measures is obvious from an increasing number of women both among the trainees selected in the EGP and among the new employees in the Group in year 2015. It amounted to some 41 percent in year 2015. In year 2014 it amounted to only 38 percent. In total, we were able to employ 10 percent more women in year 2015 than in year 2014.

Establishing barrier liberty in daily work routine

About 80 million people in Europe have a visible or less visible disability. The topic “Inclusion” - which refers to promoting equality for disabled people in Germany - becomes increasingly important in our company, and naturally, throughout the E.ON Group. We want to make our employees and managers aware of differences and establish framework conditions for creating a daily work routine without any barriers for all employees. Examples of these measures are a workshop for interaction with deaf colleagues or “talking elevators” for blind employees. Contact persons for all questions posed by people with disabilities are our representatives for severely disabled persons in the individual business units on site.

All employees of E.ON must be treated with dignity, respect and appreciation. For these reasons, we have just revised our integration agreement. A topic within this process is also the barrier liberty of our IT.

Furthermore, there are numerous Group-internal networks for e.g. employees with migration background, on the topic of religion or sexual orientation. Examples hereof are: BAM (Black Asian Minority, LGBT (Lesbian, Gay, Bisexual, Transgender Network etc.).

“Transforming HR” supports new strategy

Within the scope of implementation of our efficiency enhancement programme “E.ON 2.0”, we have realigned our personnel organisation in 2015 to a thorough transformation process (“Transforming HR”). We have brought together our personnel functions in a centralised manner into five centres of competence. Each of which represents core areas of human organisation such as talent management or HR controlling and control Group-wide core processes and tools, which are used as part of operational HR work. Among other things, this includes the following: Recruitment process and Performance Management process.

The reorganisation of the Group, in which the present-day business will continue in two sustainable enterprises, is effectively supported by our HR organisation. E.ON management and employee representatives agreed on a Joint Statement and Framework Agreement for implementing our new strategy. In it, E.ON makes the following commitments:

- no employee reductions in conjunction with the spinoff
- collective agreements to remain unchanged
- pensions will be unaffected
- ongoing professional development and training
- ongoing consultation and coordination during the transition, both at a European and national level.

Targets & Performance Review

We have set ourselves the goal of detecting new talents more quickly and supporting them more efficiently in the future with the aid of digital talent management tools and communication media. Furthermore, we want to give our employees the opportunity of assuming managerial responsibility for most various topics in a timely manner.

Tasks of the further development

The expenditure for training in the E.ON Group in 2015 amounted to EUR 1,017 per employee¹, measured in the average total workforce. With reference to the full-time equivalent, this is equivalent to EUR 1,052, which is 8 Euros more than in the previous year. The average number of training days of classroom training was in 2015 approximately 1.4 days per employee, also based on the average total workforce².

Implementation of woman's quota in Germany

E.ON SE and other E.ON companies in Germany, such as, e.g. Hansewerk, E.ON Technologies, EGC and ReVus, are subject to "Law for equal participation of women and men in executive positions in private companies and in public services" which has come into effect on 1 May 2015 in Germany. Every company has its own goals and deadlines to increase the percentage of women in executive positions. Furthermore, the law gives specifications for the publication of the results. Appointing of women to 15.8% of executive positions throughout the Group was our goal for 2015. The proportion of female executives in management should amount to 14 percent in Germany by the end of 2016. Our progress with respect to the increase of the woman's quota at E.ON is described in Section "[Diversity and equal opportunities](#)". The exact structure of our Supervisory Board can be found in our most [recent annual report](#) on pages 216 and 217.

1 In year 2015, the calculation basis of the full-time equivalent was converted into the number of employees of the average total workforce. This conversion has been implemented due to the fact that the reporting in the area of further training was made on employees' basis - in this way for instance, the participants are paid and not the full-time equivalent resulting from this.

2 Russia, France and nuclear societies are not taken into consideration. This value only applies to internal and external seminars included in the central Learning Management System, where the processing duration of online-based learning methods (approximately 60 percent of all participants) was not recorded.

Promoting talent, enhancing development

With the aid of an efficient personnel management, we want to find suitable employees and talent for our company, to win them over for us and continuously develop their skills. With the aid of various measures we ensure that qualified employees are at our disposal in the long term.

Education at E.ON

Vocational training of young people is of great importance for us. In 2015, 331 young people began their apprenticeships at German E.ON locations (previous year: 342), and 385 of a total of 441 graduates were taken on in subsequent employment. A German vocational training model is not offered in this form in other countries. However, we also offer similar career-building programmes in other European countries as well, such as, for instance, Great Britain.

The changes in the energy sector should in future be reflected already in training. Therefore, the content of the training, for instance, is increasingly focused on industrial and technical professions and more than ever, on renewable energies and thus on our new strategies. In 2016, we will offer for the first time a commercial training station abroad as well, with the aid of our “E.ON abroad” programme. In addition, as part of tariff negotiations with the unions we agreed that all graduates completing training in 2015 would be taken on for at least 12 months fixed-term, and at least 120 graduates in permanent jobs. With a total of 179 permanent acquisitions, we could even exceed this figure in the reporting year. A large number of permanent acquisitions should be pronounced in the year 2016.

Furthermore, we have been contributing to a German-wide training agreement with the aid of the E.ON Education Initiative ever since 2003. In 2015, we supported some 550 young people during the process of transition from school into their professional life. This has been carried out e.g. in the form of school projects, education preparatory courses and internships with partners. Our programme for refugees is also included therein.

E.ON Graduate Program for college graduates

E.ON Graduate Program (EGP) plays an important role for us during training and development of high-qualified college graduates. The trainees work in different business areas and functions for several months each, from engineering to IT, finance, distribution and corporate development and HR, and attend various seminars. In this way they can familiarise with various business units in Germany and abroad.

In 2015, 80 promising talents started the graduate programme- coming, among others, from Great Britain, Germany, India, Turkey, Indonesia and Czech Republic. Although the portion of female students amounts to only 10 to 20 percent in many technical studies, we were able to realise a women's share of 41 percent in year 2015.

Identify talent and develop it systematically

Support and further development of our employees is a central task of executive officers at E.ON. An important basis for this is E.ON's new advanced training course which integrates formal learning

processes more thoroughly in the work routine. Furthermore, we support the executive staff when performing this task with the aid of a systematic talent management.

New competence model “grow@E.ON”

The changes on the energy market represent new challenges for our personnel management as well. In order to reach our goals and be successful in the future as well, we define inter-divisional and transnational competences for executives and employees and comprise them into a global competence model. The new model that carries the working title “grow@E.ON” should ensure transparency of expectations we define for our employees and executives, and provide help to their personal development. Topics such as customer orientation and responsibility are still the main focus thereof.

“grow@E.ON” also represents a basis for selection and development processes of our employees and for our programme for talent promotion. We want to provide experiential value for our managers and employees and ensure the highest quality standards. That is why we adapt appropriate instruments, such as the competency-based development talks or the follow-up formats for internal and external assessment centres. The first pilot projects for staffing and staff development with the new title “grow@E.ON” are currently launched in various units and countries such as Germany, UK and Sweden. The findings from the pilot projects will then be integrated in the final model, which will be rolled out during the year 2016.

New training approach integrates learning processes into everyday work

The integration of learning processes into the daily work routine is still a fundamental principle of our activities in the training. The increasing digitalisation of the learning has a major influence on this development.

The so-called 70/20/10 model was the focus thereof in year 2015. According thereto, only about 10 percent of the knowledge about formal learning processes - such as for instance, during structured training - are learnt. The remaining 90 percent, the so-called “informal learning”, accounts for interaction with others (20 percent) and collection of experiences (70 percent). Through a wide range of part-time programs, courses, workshops and self-study materials and with the aid of raising awareness of opportunities for informal learning, we promote a self-reliant learning culture. Executives and employees should be able to organise their training themselves in terms of content, duration, location, pace and method.

Supporting processes of change through CoC Global Learning

In 2015, we, among other things, placed a particular focus on supporting our employees and executives in better identification, understanding and management of human aspects of processes of change. Various offers were developed for this purpose, which facilitate an independent learning process. Intranet-based Change Cube, which best summarises the self-help tools already available in the E.ON Group for the change management is a part thereof. The tools are tested, up-to-date, easy to use and placed at the disposal of all executives, superiors and employees. The introduction of the Change Cube was accompanied by the so-called “Change Unplugged” short-term events. In the form of a marketplace, the participants were informed about methods, tools and offers about how one can master change processes himself while assisting employees and their team. In addition, the format

offered the opportunity to get together with other executives and HR colleagues and exchange experiences.

New system for the talent management

In order to optimise our personnel processes and our talent management, we implement new systems and programmes on a regular basis. The most recent example hereof is the talent management suite (TMS) introduced in 2015. This integrated software solution facilitates various HR processes which relate to attracting and professional development of talents. They are: employee recruitment, talent nomination, annual assessment of our managers, including variable compensation, succession planning and staffing management positions. This new solution improves the data quality and provides an overview for the employees of the data which have been stored at our company.

Executive and talent portal provides a transparent overview

The executive and talent portal supports our executive officers and talents during their professional development. The portal represents an information platform for E.ON executive officers and talents, but also for all our HR colleagues who are responsible for these target groups. It offers a transparent overview of all relevant HR services: For example, a learning curriculum with special seminars and trainings, information about the new global staffing process and a calculation tool for the compensation. In close cooperation with the product and process experts from the education and further training departments, the Business Services Centre (BSC) works in Berlin continually to update and improve the content. The portal has been online since November 2014 and recorded steadily increasing numbers of users.

New process for global staffing of executive positions

In 2015, we successfully filled top management positions over 29 percent across business units and over 9 percent across countries. In 2015, we introduced a revised, Group-wide process of staffing executive positions in order to optimise the allocation of executive positions even further. The key element of the process is a placement conference, where representatives of different areas of the company at least every other week discuss the free leadership and possible candidates. The transparency of the decision-making process is increased thereby. Furthermore, the equal opportunity is promoted in the list. The final decision as which applicant will be appointed at the selected position is a task of the respective executive officer.


Central criteria

Various criteria, such as, for instance, the duration of the employment and the fluctuation ratio, show us whether our employees feel sufficiently supported in their professional further training and whether they are satisfied in this respect with E.ON as their employer.

Turnover Rate		
in %	2015	2014
Generation Conventional	2.7	2.2
Generation Renewables	6.4	4.9
Global Commodities	4.1	3.3
Exploration & Production	2.4	5.9
Region Germany	1.4	1.5
Other EU-Countries	4.0	3.9
Non EU-Countries	6.0	5.6
Holding Services/ Others ¹	5.5	3.9
E.ON Group	3.7	3.3
1 including E.ON Business Services		

Average Length of Service ¹			
In years	2015	+/- %	2014
Generation Conventional	18.0	-2.4 %	18.4
Generation Renewables	11.5	-10.0 %	12.8
Global Commodities	9.7	0.8 %	9.6
Exploration & Production	3.7	26.7 %	2.9
Region Germany	17.6	-0.3 %	17.7
Other EU-Countries ²	13.5	-2.1 %	13.7
Non EU-Countries ³	9.2	-0.3 %	9.2
Holding Services/ Others ⁴	10.7	7.9 %	9.9
E.ON Group	14.0	-2.1 %	14.3
1 Including Board Members/Managing Directors and apprentices.			
2 Figures include: UK, Sweden, Hungary, Czechia, Slovakia, Romania, Netherlands, France, SG ECT, Italy			
3 Figures include: Russia			
4 Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EBG			

Diversity and equal opportunities

Studies have shown that teams with very different members are particularly innovative and can find new solutions more easily. We want to use this potential to the advantage of E.ON. For this reason we welcome and expressly promote the diversity of our staff - in all dimensions. We want to make sure that differences are appreciated in our company: All employees should have equal chances of development and success at E.ON, irrespective of their background or gender.

Putting diversity policy into practice also means taking legal provisions, standards and the recommendations of international initiatives into account. We support programmes which are implemented to promote more diversity and equal opportunities at work. For many years we are signatories of the “Charter of Diversity” and, since 2015, for example, also a member of Catalyst, the leading non-profit organisation for the improvement of opportunities for women in business.

Promotion of gender equality

We are convinced that we can benefit of well-balanced teams in many ways. Therefore, we aim at a higher rate of women in the management and supervisory bodies. At the corporate level and in Germany we were able to make further progress in 2015 in this respect. Thus, E.ON Group increased its share of women in executive positions to 16.7% in year 2015. The Group-wide annual target of 15.8% was exceeded thereby. The proportion of female executives in management should amount to 14 percent in Germany by the end of 2016. With a share of women in the amount of 14%, we have already achieved this goal at the end of 2015.

✓ Reviewed 2015

Ratio of Women among Management ¹		
	2015	2014
E.ON Germany	14.0%	12.6%
E.ON Group	16.7%	15.8%
1 Including Board Members/Managing Directors		

On 1 May 2015, the “Law for equal participation of women and men in executive positions in the private business and in public services” has become effective in Germany. It should contribute to the significant increase of the proportion of women in executive positions and initiating of a culture change in our company. Even the E.ON SE is subject to this law and undertakes in this respect to achieve the specific goals: First of all, we will take into consideration the statutory women’s quota of 30 percent - applicable as from 1 January 2016 - for the Supervisory Board of E.ON SE when appointing people thereto in the future. We aim at a women’s quota of 23 and 17 percent for the first and second managerial level. The respective actual value is currently 20 and 15 percent. These goals for the first and second managerial level should be achieved by 30 June 2017 at the latest.

Against the backdrop of the fundamental structural measures implemented in the company, the Supervisory Board approved a short-term target proportion of women of 0 percent for the

Management Board with an implementation deadline until 31 December 2016. The current status is thus held for the time being. However, the Supervisory Board intends to adopt a resolution by the end of 2016, according to which at least one position in the Management Board will be occupied by a woman.

Promoting careers of women: E.ON new member of Catalyst

We are a new member of the non-profit organisation Catalyst since 2015: We are part of a global community, the aim of which is to improve the framework conditions for women in business. With our membership, we have access to tools, events and services pertaining predominantly to gender-specific issues. The membership will help us to further develop the theme of diversity at E.ON can and remove possible obstacles.

“Female Mentoring Programme” for female junior staff

In March 2015, E.ON Germany launched a new Female mentoring programme with 20 participants from different business units. The aim of the 18-month mentoring programme is to specifically prepare young female talents to take on executive positions. Each talent has an experienced top executive as a mentor on her side. The mentors should guide the career of female talents, in addition to their respective leadership, as advisors, coaches and support. In personal meetings for example, valuable career advice can be exchanged, personal development measures discussed and last, but not the least, possible next career steps planned.

More chances for foreign professionals in Sweden

It is currently difficult for many companies in Sweden to find competent and qualified personnel. At the same time, academics with foreign university degrees and work experience in foreign countries have little chance of finding a job in Sweden: On average, a foreign academic needs five to eight years to gain a foothold on the Swedish labour market. Therefore, E.ON Sweden has launched an initiative “Finally a Job” (Äntligen Jobb). Äntligen Jobb gives unemployed academics who are not born in Sweden, internships. E.ON Sweden would like to meet the shortage with the aid of this internship initiative. The internship takes eight weeks and can be extended to six months at the most. In 2015, within the framework of this initiative, we have provided jobs for 38 trainees, and 10 of them have become permanently employed with E.ON.

✓ Reviewed 2015

Personal key performance indicators

Employees ¹ E.ON Group as of December 31st			
In years	2015	+/- %	2014
Generation Conventional	6,216	-17%	7,491
Generation Renewables	1,573	-9%	1,723
Global Commodities	1,320	-4%	1,371
Exploration & Production	236	0%	236
Region Germany	11,465	-1%	11,627
Other EU-Countries ²	24,992	0%	25,048
Non EU-Countries ³	4,970	-6%	5,300
Holding Services/ Others ⁴	5,718	-5%	6,015
E.ON Group	56,490	-4%	58,811

1 Excluding Board Members/Managing Directors (2015: 173) and apprentices (2015: 1,254).
 2 Figures include: UK, Sweden, Hungary, Czechia, Slovakia, Romania, Netherlands, France, SG ECT, Italy
 3 Figures include: Russia
 4 Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EFM, EBG

As at 31 December 2015, E-ON Group employs 56,490 employees worldwide in fully consolidated companies. The number of employees has thus decreased by 3.9 percent compared to late 2014. It includes 1,254 trainees and 173 Board members and executives.

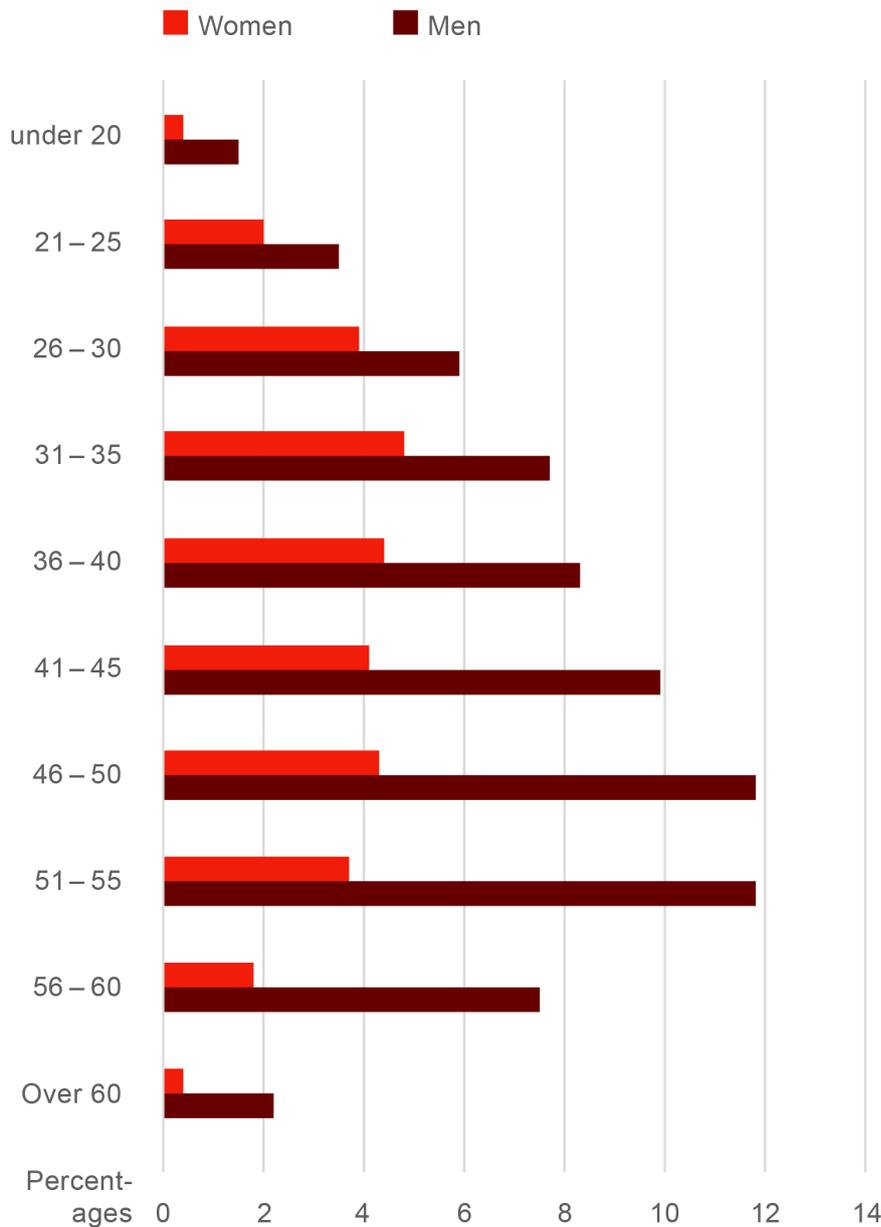
The [2015 Annual Report](#) contains further information about the changes.

Employees ¹ by region as of December 31st		
	2015	2014
Germany	21,481	22,290
United Kingdom	10,730	10,708
Romania	6,175	6,523
Russia	5,025	5,343
Hungary	4,928	4,704
Sweden	3,225	3,229
Czech Republic	2,426	2,460
France	608	703
Other ²	1,892	2,851

1 Excluding Board Members/Managing Directors (2015: 173) and apprentices (2015: 1.254).
 2 Including Italy, Netherlands, Poland, USA and several other countries.

35,009 employees, or 62 percent of all staff, were working outside Germany, unchanged compared to late 2013.

Age profile 2015 (Total Workforce¹)



¹ Including Board Members/Managing Directors and apprentices

The average age across the E.ON Group was at year's end 42 years and is comparable to that in other DAX 30 companies. The age structure of E.ON employees reflects the demographic development of the labour force potential: In year 2015, approximately 17 percent were less than 30 years old, 55 percent were between 31 and 50 years old and some 28 percent were older than 50.

E.ON is well prepared for the demographic change and has already taken steps to address the demographic changes such as in the area of health care, recruitment, promotion and training.

Number of Nationalities		
	2015	2014
E.ON-Group	103	103

Die Belegschaft des E.ON Konzerns setzt sich aus weltweit über 100 Nationalitäten zusammen mit Vertretern aus Afghanistan bis Zimbabwe.

Ratio of Women among Total Workforce ¹		
	2015	2014
Generation Conventional	13%	12%
Generation Renewables	19%	19%
Global Commodities	32%	32%
Exploration & Production	36%	34%
Region Germany	27%	28%
Other EU-Countries ²	34%	33%
Non EU-Countries ³	30%	30%
Holding Services/ Others ⁴	38%	41%
E.ON Group	29.9%	28.9%

1 Including Board Members/Managing Directors and apprentices.

2 Figures include: UK, Sweden, Hungary, Czechia, Slovakia, Romania, Netherlands, France, SG ECT, Italy

3 Figures include: Russia

4 Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EBG

The proportion of women in our personnel has increased from last-year's 29% to 30%.

Apprentices in Germany as of December 31st				
	Headcount		Ratio	
	2015	2014	2015	2014
Generation Conventional	297	352	7.5%	7.1%
Generation Renewables	56	58	6.6%	6.6%
Global Commodities	-	16	0.0%	1.4%
Region Germany	812	883	6.8%	7.2%
Holding Services/ Others ¹	89	91	2.0%	2.2%
E.ON Group	1,254	1,400	5.5%	5.9%

1 Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EFM, EBG

The absolute number of trainees and training quota has been reduced as opposed to the previous year. Declining recruitment figures resulting from production and the transfer of training from fully consolidated into non-consolidated companies are responsible for this. With a very high acceptance rate (385 of 441 = 87%) of skilled trainees, E.ON counteracts the shortage.

Number of Employees (Total Workforce ¹) with a Severe Disability of Group Companies located in Germany		
	2015	2014
Generation Conventional	286	387
Generation Renewables	69	91
Global Commodities	24	25
Region Germany	715	751
Other EU-Countries ²	3	4
Holding Services/ Others ³	172	205
E.ON Group	1.269	1.463
thereof number of apprentices with severe disabilities		
	2015	2014
Generation Conventional	2	3
Generation Renewables	0	0
Global Commodities	0	0
Region Germany	4	6
Other EU-Countries ²	0	0
Holding Services/ Others ³	2	0
E.ON Group	8	9
Proportion of employees with severe disability		
	2015	2014
Generation Conventional	7.2%	7.4%
Generation Renewables	10.2%	13.8%
Global Commodities	1.6%	2.2%
Region Germany	6.2%	6.1%
Other EU-Countries ²	1.5%	1.6%
Holding Services/ Others ³	4.1%	5.2%
E.ON Group	5.8%	6.2%
1	Excluding Board Members/Managing Directors	
2	Figures include: SG ECT	
3	Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EFM, EBG	

In 2015, German E.ON companies employed 1,269 severely disabled persons or persons with a similar disability. The absolute and relative number of severely disabled persons have been reduced as opposed to the previous year 2014. However, due to the fact that the average number of employees has also been reduced, the number of severely disabled employees decreased only slightly, from 6.2 to 5.8 percent.

Ratio of E.ON Total Workforce ¹ with part-time or permanent Employment Contracts				
	2015		2014	
	part-time	permanent	part-time	permanent
Generation Conventional	11%	97%	5%	97%
Generation Renewables	5%	95%	5%	96%
Global Commodities	9%	92%	7%	91%
Exploration & Production	2%	100%	2%	100%
Region Germany	8%	93%	7%	94%
Other EU Countries ²	9%	98%	9%	98%
Non EU-Countries ³	1%	95%	0%	90%
Holding Services/ Others ⁴	11%	91%	11%	90%
E.ON Group	8%	95%	7%	95%

1 Including Board Members, Managing Directors and apprentices.
 2 Figures include: UK, Sweden, Hungary, Czechia, Slovakia, Romania, Netherlands, France, SG ECT, Italy
 3 Figures include: Russia
 4 Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EFM, EBG

In total, 4,904 people at the year's end were employed on a part-time basis in the E.ON Group, thereof 3,252 women (66 percent). The number of employees on a part-time basis has increased as opposed to the previous year (2014: part-time employees 4,413, thereof women 3,202), as well as the percentage (from 7% to 8%). The reason for the heavy increase of the number of part-time employees in the segment of production is a collective agreement on working hour reduction to 97% as opposed to full-time employees, for prevention of personnel reduction in the Power Plant Group West.

1	Including Board Members, Managing Directors and apprentices.
2	Figures include: UK, Sweden, Hungary, Czechia, Slovakia, Romania, Netherlands, France, SG ECT, Italy
3	Figures include: Russia
4	Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EFM, EBG

Information about the health rate, you can find in the chapter "[Health promotion](#)".



GRI aspect in the action area

- Occupational health and safety

→ Materiality process

✓ Reviewed 2015

High standards for health and safety

None of our business activities should present a risk to people's health and safety. E.ON builds and operates conventional as well as renewable power generation facilities, distributes electricity via lines, and transports and stores natural gas – all activities that require extensive safety precautions. For that reason, effectively and strategically aligned HSE (health, safety and environment) management is our top priority.

Nevertheless, accidents do occur, for example when performing maintenance on gas and electric lines. Accordingly, our mission is to further incorporate our standardised safety standards in all regional units and among our partner companies, and to ensure that every incident is consistently reported. In addition, we are facing the challenge of maintaining the long-term health and performance level of a continually ageing work force while also taking into account continuous change and increasing requirements placed on our employees' flexibility.

Material aspects

In our materiality analysis, we took a close look at the core expectations of our stakeholders. From this emerged the following key topics pertaining to the area of "Health and safety":

Ensuring occupational safety

One million work-related accidents occur annually in Germany alone. For those affected, these accidents are often associated with a high degree of personal pain and sometimes permanently impaired health. However, accidents also have far-reaching consequences for our business processes. For this reason, minimum safety standards are a top priority in our industry. They are a prerequisite for granting operating permits and in many business relationships, they are crucial when it comes to signing a contract. Besides a possible loss in reputation, accidents often result in costs due to property damage or downtimes. In addition, they entail tedious investigations or result in high insurance premiums. Employee absences and accident-related damage to facilities and equipment

can also considerably delay the construction and operation of our plants, or even bring them to a standstill.

Maintaining and promoting health

For E.ON, the health of its employees is a valuable asset. A health-promoting work environment enables our employees to work and be efficient over the long term, and to further increase their potential. Sound health management also contributes to our reputation and our appeal as an employer. For that reason, our health programme takes into account physical as well as mental stress that may result from changes in a work environment, due to restructuring for example, or from conflicts at the workplace.

Management and measures

According to our principle of “Zero tolerance for accidents,” we are following a preventive HSE management approach. By means of regularly compiled key performance indicators, we continue to enhance forward-looking, preventive concepts for accident prevention and health promotion. In addition, we rely on centralised processes to manage HSE activities and to support management units at the Group management level. A detailed description of the organisational structure, including the various committees and their interactions, is provided in the “Management” section.

Creating the framework using binding, Group-wide guidelines

Clear, standardised principles are a key factor for success in HSE management and we ensure they are implemented by means of Group-wide guidelines. The Group policy “HSE Management” that went into effect in 2013 and the subsequent business directives define minimum requirements as well as reporting channels; they also describe suitable measures to prevent physical and mental problems in carrying out day-to-day work. Integrated in this policy is our “Policy statement on health, safety, and the environment” that conveys our aspiration to proactively improve our employees’ health and to prevent safety hazards. In the course of implementing the Group policy, we will institute in all E.ON units¹⁾ an externally certified occupational health and safety protection management system according to the international OHSAS 18001 standard.

Since 2009, we have publicly strengthened our commitment to maintaining high safety and health management standards by signing the “Luxembourg Declaration on Workplace Health Promotion in the European Union” as well as the “Düsseldorf Statement” of the Seoul Declaration on Health and Safety at Work.

Proactive measures for process optimisation

Another control tool that we use to continually improve occupational safety at E.ON pertains to our HSE Improvement Plans (HSE IP), which we introduced in 2010. They contain concrete targets set for one year and for every management unit – from the global to regional levels as well as the supporting functions. Their implementation status is reviewed on a regular basis. In fact, we began integrating accident-related guidelines and targets pertaining to health promotion starting in 2013.

1) “Exceptions are possible if the business risk of the management units is low for routine and non-routine activities/work processes.” (“HSE Management” Business Governance Group Guideline; p. 7)

The implementation of the individual HSE IP targets and the Total Recordable Injury Frequency Index (TRIF) has served as a basis for calculating the variable compensation of managers since 2014. Also taken into account are the results of HSE audits and any fatal work accidents. Since HSE is directly represented at the Board level at E.ON, the status of HSE objectives also has an impact on the annual bonuses given to CEOs of our global and regional units.

Our golden rule for ensuring safe conduct

By means of the Group-wide “Safety F1RST!” campaign, we established three core rules of conduct for employees at all responsibility levels:

- **Rule No.1:** We take care of our colleagues
Everybody working for or with E.ON speaks up about safety and health, and keeps the work environment safe and healthy.
- **Rule No.2:** We stop unsafe work
Everybody working for or with E.ON intervenes in unsafe or unhealthy situations.
- **Rule No.3:** We learn from near hits and mistakes
Everybody working for or with E.ON reports all dangerous situations, dangerous actions, near misses, and accidents. We're prepared to learn and do things better.

These rules have become firmly embedded in the Group in the meantime. Easily comprehensible cartoons and videos as well as the high-visibility “Safety F1RST” logo help us to remind our employees of these on a regular basis.

Our HSE courses and training

Knowledge is a key component when it comes to the safety and health of our workers. For that reason, we enable our employees to participate in numerous HSE training sessions and course programs. These have been offered since 2014 by the Centre of Competence for Global Learning in a Group-wide, standardised continuing education catalogue and organised by the Business Service Centre for Global Learning in Berlin.

Better HSE results through systematic evaluations

In 2015, E.ON implemented the “Incident Management” business directive. It sets minimum requirements for reporting incidents and their subsequent investigations; it also ensures that knowledge gained from these are passed on in a standardised process. This not only helps us to quickly institute risk reduction measures, but to also develop long-term approaches, identify priority measures, and thereby improve our HSE performance.

By means of our “Prevent!” event management system instituted in 2013, we record high-risk events and accidents involving employees of E.ON and partner companies, and forward these to the responsible departments. Serious accidents are reported within 24 and 72 hours respectively, depending on the type of incident, via the system to Group management. We analyse the accidents and thereupon institute targeted prevention measures. The system is currently being used in our regional units in Italy, Sweden, Romania, the Czech Republic, Slovakia, and Great Britain, as well as in our global units, namely Generation, Technologies, E.ON Business Services and E.ON Connecting Energies.

Standards in our supply chain

The topic of contractor management also holds a key role in our HSE management. Our E.ON mission statement pertaining to health, safety and the environment and the “HSE Management” Group policy specifically include our contractors. In addition, we revised the “Procurement” Group policy in 2015 and thereby elaborated our processes pertaining to the identification of HSE risks. In this way, we ensure that prior to making a purchase, we check whether there are any HSE risks associated with a service and what they are (i.e., a product, whose purchase is tied to a service, such as setting up a generator). Depending on the identified risk, a new supplier must go through a qualification process and identified shortcomings must be corrected.

We also support our partner companies by giving them an opportunity to participate in courses or training, or we require them – depending on their respective activity – to pass certain classes. Our management units have also developed country-specific concepts and set up their own training centres where they train their partners.

Targets & Performance Review

We want to continually improve our performance in the area of health and safety. Therefore our 2012-2015 sustainability work programme set clear, quantifiable targets; once achieved, we review them using standardised performance indicators.

Progress and improvement potential concerning safety

Among others, we set the target to decrease the total number of all recorded accidents (Total Recordable Injury Frequency Index –TRIF) involving E.ON employees and contractors to 3.0 per 1 million work hours. We clearly exceeded this target with a figure of 2.1. We were also able to significantly decrease the number of accident-related lost work hours (Lost Time Injury Frequency Index – LTIF) over the last few years and also exceeded our specified objective – a figure of 3.0 – here, too. In 2015 the LTIF for our contractors was 1.7 per one million work hours. Unfortunately, we missed our LTIF objective for E.ON employees. We did make continual progress here over the last years; yet with 1.6 points, our internal LTIF was above the target of 1.0 set in the work program.

Health objective reached

In the area of health protection, we had set a centralised, measurable objective. By 2015, we wanted 50 percent of our employees working in high-risk areas of activity to participate in health-related measures. Since 2014, all E.ON units are urged to conduct an HSE Day. On this occasion, they present locally relevant topics on nutrition, exercise, addiction prevention, and mental health within the scope of presentations, workshops, and other formats. In 2015, about half of the employees participated in the Group-wide HSE Day. In addition, our units offer their own health-promoting measures that fall within the aforementioned range of topics. However, these have not been taken into account to date in the performance indicator.

In regard to health, we want to develop and implement other performance indicators in the future, and we want to establish clearly measureable targets so that we can have a standardised health management program.

Group-wide HSE self-review introduced

In 2015, all E.ON units generated so-called management reviews as part of our “HSE Improvement” plans; with these, they systematically evaluated the effectiveness of their HSE management systems and determined their HSE performance. The insights gained were documented in a standardised manner and forwarded to Group management in the form of a self-assessment. The acquired findings are to be used to develop new measures within the scope of the “HSE Improvement” plans for 2016.

Preventing work accidents with foresight

The following principle applies to the entire Group. Our business activities shall not jeopardize our employees, the employees of our partner companies, or the general public. To ensure this happens, we pursue a preventive approach in the areas of health, safety, and environment (HSE), and this framework is provided by the “HSE Management” Group policy. It requires all regional units¹⁾ to implement management systems according to the international OHSAS 18001 standard. In 2015, approximately 85 percent of E.ON’s units, which are subjected to a corresponding operations risk, especially production-related units such as grid operations and power generation, instituted an externally certified management system according to this standard. The units of other business areas are still in the preparation phase for certification.

In 2015, the standardised HSE management system of all 16 E.ON companies in Germany were OHSAS 18001-certified. As a result, an overall HSE policy, with which shared HSE objectives can be pursued, now applies to more than 200 business locations in Germany.

Raising awareness for safety topics

In 2015, all E.ON units introduced programmes as part of our “HSE Improvement” plans to increase awareness regarding safe work practices at the interface between technicians and the first management level. In prior workshops, we had identified the interaction and communication between technicians and their direct supervisors as a central factor requiring improvement. In addition, we ran various Group-wide campaigns to make managers and employees aware of safety and health protection.

On 10 March 2015 and for the second time to date, we held an E.ON-wide “Safety Hour” and tied it in to the success of the first one run last year. Our managers showed employees the benefits and significance of our HSE management and provided an outlook regarding planned activities to improve safety and health protection. We also held the annual Group-wide “Safety Day” in September 2015. It serves to generate interest and awareness among our employees for these topics by means of tangible demonstrations as well as presentations and workshops, among other things. As part of the event, we also reminded all employees about our golden rules for safety-oriented behaviour.

The “Safety F1RST!” campaign was accompanied in 2015 by many different activities in the units, which included for example:

- Introduction of a conduct-based system entitled “SafetyCHECK” regarding a last-minute risk assessment in all of E.ON’s companies in Germany
- Driver safety training and instructions for completing the vehicle accident reporting form (Czech Republic)

1) “Exceptions are possible if the business risk of the management units is low for routine and non-routine activities/work processes.” (Business Governance Group Guideline “HSE Management”; p. 7)

- A four-week-long communications campaign called “Tools for Life” was delivered across Community Energy with the aim to prevent hand injuries and to influence a change in behaviour (Great Britain)

Audits for technical facilities and management systems

On a regular basis, we use audits to review whether the implemented HSE management systems of our global and regional units are effective and comply with the standards. In 2015, audits were done on HSE management systems of the global Generation Unit in France by E.ON Hydro in Germany, on E.ON Germany (Bayernwerk AG), and on E.ON District Heating in Sweden, as well as the regional unit in Romania. After investigating fatal work accidents in the previous years, we also evaluated the work conditions and HSE management systems at locations in Russia and Germany.

These audits did not reveal any serious systematic deficiencies, although some areas requiring improvement were identified. These pertained among other things to implementing risk assessments, supplier management, and construction site organisation, and can be partially attributed to local framework conditions. However, the organisational units could confirm that the findings of prior HSE audits and accident investigations were implemented. Additional HSE audits are already being prepared for 2016.

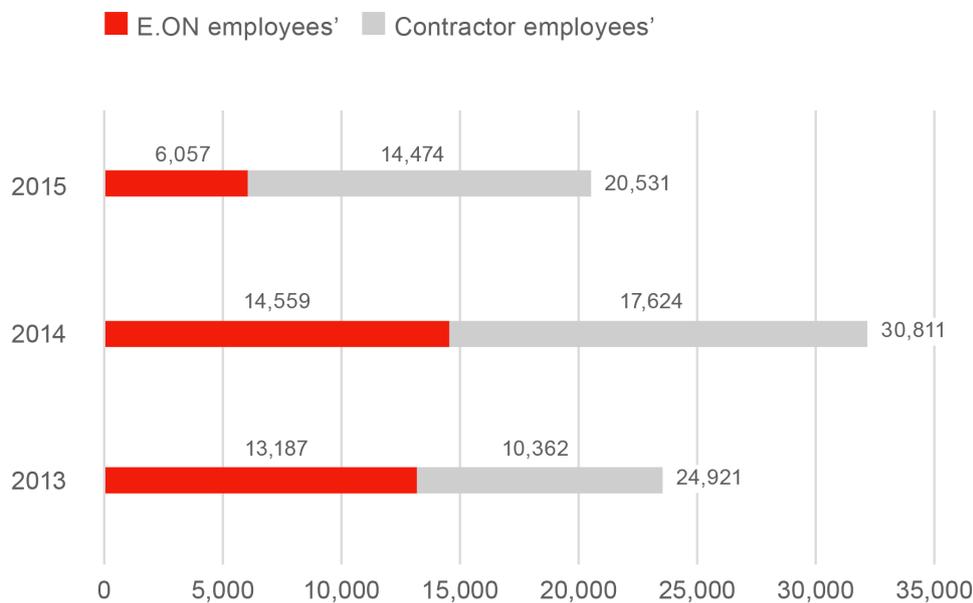
Reporting, analysing, and improving

We evaluate our performance in health and safety by means of performance indicators and continually collect data pertaining to lost work hours and accidents. In this way, we can see where we have to focus our efforts. The collected accident data also enables us to research causes and analyse risks in a comprehensive manner.

Number of near-misses

Besides collecting reportable accidents, we also rely on documenting near-misses that could have resulted in injuries. In 2015, the number of reported near-misses dropped 30,811 in the previous year to 20,531. Of these, 6,057 involved E.ON employees and 14,474 pertained to subcontracted companies. The drop in recorded near-misses is tied especially to the completion of several large-scale projects, which decreased the number of high-risk activities.

Near-misses¹



¹ Unlike our other sustainability reporting, our safety reporting includes companies in which E.ON holds less than a 50 percent stake but over which E.ON has operational control.

Breakdown of E.ON employees' and contractors' TRIF

To date, a key parameter for evaluating our occupational safety performance is the "Total Recordable Injury Frequency Index" (TRIF), which measures the total number of all recorded accidents (not including accidents requiring first aid). The TRIF that we have used since 2010 not only takes into account the number of injuries along with lost work hours, but also accidents that resulted in limited work hours, or those after which employees received medical treatment, but did not miss any work. We have included contractors who work for us and their employees (combined TRIF) since 2011..

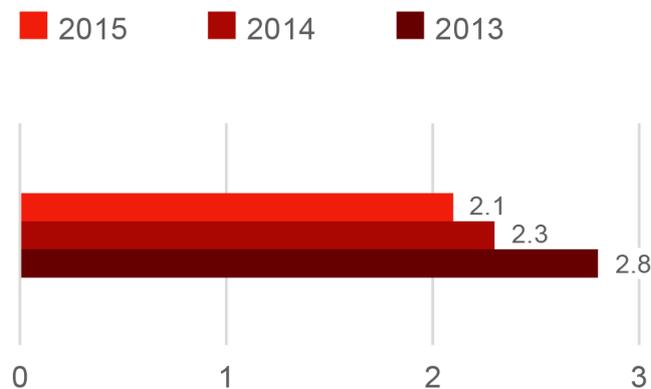
TRIF combined ^{1, 2}	
	2015
Generation	2.3
Renewables	3.6
Global Commodities	0.7
Exploration & Production	1.3
German	3.0
Other EU countries	3.5
Russia	0.7
Group Management/Other ³	1.0
E.ON Group	2.1

1 Total Recordable Injury Frequency: Number of occupational accidents and illnesses, including fatalities, accidents at work and on the way to work with and without lost time, requiring medical treatment, with continued work at a replacement location and/or in a restricted way, per million hours of work.

2 Unlike our other sustainability reporting, our safety reporting includes companies in which E.ON holds less than a 50 percent stake but over which E.ON has operational control.

3 E.ON SE, E.ON Business Service, E.ON Technologies, E.ON Connecting Energies

E.ON employees' and contractors' TRIF ^{1, 2}



- 1 Total Recordable Injury Frequency: Number of occupational accidents and illnesses, including fatalities, accidents at work and on the way to work with and without lost time, requiring medical treatment, with continued work at a replacement location and/or in a restricted way, per million hours of work.
- 2 Unlike our other sustainability reporting, our safety reporting includes companies in which E.ON holds less than a 50 percent stake but over which E.ON has operational control.

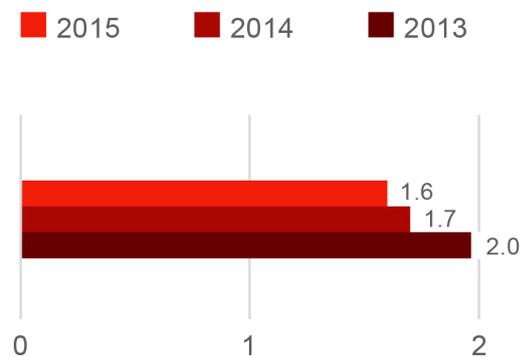
In 2011, we made it our goal to decrease the combined TRIF to 3.0 Group-wide by 2015. In the meantime, we have clearly exceeded this figure. Compared to the previous year, it further improved from 2.3 to 2.1 in 2015. The TRIF remained stable at a very good level of 2.0 (2014: 2.0) among E.ON employees; among our contractual partners, the corresponding figure of 2.3 was even better than in the prior year (2014: 2.7).

✓ Reviewed 2015

E.ON employees' LTIF

We record the frequency of lost-time work accidents using the “Lost Time Injury Frequency Index” (LTIF). Our plan was to decrease this performance indicator for E.ON employees to 1.0 per 1 million work hours by 2015. Although we continue to post a continuous decline in the LTIF among E.ON employees, we were unfortunately unable to achieve our objective. In 2015, the LTIF improved from 1.7 to 1.6. The absolute number of reported employee accidents associated with missed days improved from 177 in 2014 to 163 in 2015. In the same period, the number of hours worked decreased so that the LTIF improved only slightly.

E.ON employees' LTIF ^{1,2}

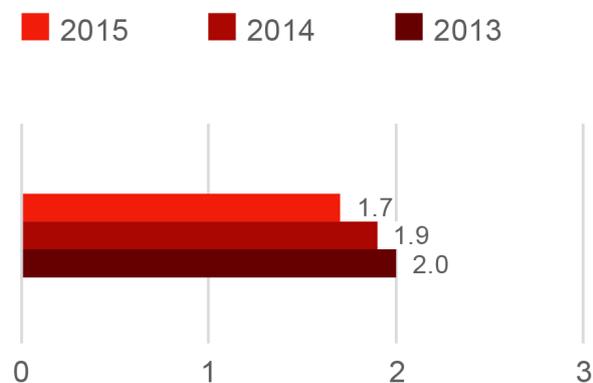


- 1 Lost Time Injury Frequency: Work-related accidents with lost time per 1 million working hours
- 2 Unlike our other sustainability reporting, our safety reporting includes companies in which E.ON holds less than a 50 percent stake but over which E.ON has operational control.

Contractor employees' LTIF

We have been collecting LTIF figures for contractors since 2009. In 2011, we set our goal to decrease their accident frequency per 1 million workhours to 3.0 by 2015.

Contractor employees' LTIF ^{1,2}



- 1 Lost Time Injury Frequency: Work-related accidents with lost time per 1 million working hours
- 2 Unlike our other sustainability reporting, our safety reporting includes companies in which E.ON holds less than a 50 percent stake but over which E.ON has operational control.

We clearly exceeded this target; in fact, in 2015, the LTIF for our contractors improved from 1.9 to 1.7. Our contractors saw the absolute number of reported accidents associated with lost time, fall from 153 in 2014 to 120 in 2015. In the same period, the number of hours worked also decreased. Therefore, the drop in LTIF was relatively lower.

Fatal accidents among E.ON employees and contractors

Despite the high occupational safety standards in the Group, there were two fatal accidents in 2015. One of the fatalities occurred at one of E.ON's partner companies in the Czech Republic. A domestic junction box had become unstable and fell on an employee during excavation work for a cable connection. The second fatality involved a subcontractor of our regional unit in Great Britain. Upon unloading heavy district heating pipes at a storage facility, a pipe struck an employee. We very much regret every single fatality and therefore work very hard to improve our occupational safety culture. Besides investigations conducted by authorities, independent teams of experts contracted by Group management analyse the exact cause of a given accident. From their findings, we develop measures to prevent such accidents from reoccurring.

Being active for healthy employees

We believe that it is of great importance that our employees do not jeopardize their health in any way when performing their work. In addition, they are to have the opportunity at any time to discuss physical or mental problems openly and confidentially. In 2015, corporate management and the Group works council in Germany signed the "Health" Group Works Agreement. In signing it, E.ON commits to ensuring that it provides a healthy work environment and to promoting the health of every single employee in an optimised manner. As part of the Works Agreement, four equally ranked areas of activity were defined: Corporate Health Management, Addiction Prevention and Intervention, Corporate Integration Management, and Employee Counselling.

Focus on mental health

As in years past, our employees' mental health was again the focus of our corporate health management program. Disability days due to mental stress are occurring with greater frequency in countries like Germany. Among other things, these may be caused by the workplace and the work environment. In addition to awareness campaigns and training for employees and managers, we conducted a risk assessment for mental stress in 2015. To this end, we used a survey that was distributed in various companies and locations in Germany, to analyse whether our employees' work conditions are mentally stressful. Based on the findings, we developed various measures of which many have already been implemented. Plans call for conducting the risk assessment in 2016 in other areas using this systematic analysis.

Health rate at a glance

The health rate provides information about the percentage of days worked in relation to the agreed upon work time. At 96.7 percent, the figure remained at a high level again in 2015.

Health rate¹			
in %		2015	2014
Generation Conventional		96.3	96.3
Generation Renewables		97.8	97.3
Global Commodities		98.5	98.1
Exploration & Production		98.5	98.9
Region Germany		96.3	96.3
Other EU-Countries ²		96.6	96.8
Non EU-Countries ³		97.4	96.0
Holding Services/ Others ⁴		97.0	97.3
E.ON Group		96.7	96.6

1 Including Board Members, Managing Directors and apprentices.

2 Figures include: UK, Sweden, Hungary, Czechia, Slovakia, Romania, Netherlands, France, SG ECT, Italy

3 Figures include: Russia

4 Figures include E.ON SE, EBS, ETG, E.ON Risk Consulting, EFM, EBG

On-site health promotion programmes

In 2015, many employees and managers Group-wide participated in programmes to promote awareness for physical health and psychological issues. The respective activities and campaigns in the various regions were selected based on need. For example, new challenges are emerging due to demographic changes. Employees must work longer and more flexibly, and must still be efficient. This is only possible in a work environment that promotes health.

In 2015, following health-promoting measures were conducted, among other things, in the individual regions:

- Introduction of “E.ON Life” – an interactive online platform that provides information and advice on health-related topics, such as mental health, nutrition, and sleep (Great Britain)
- Pilot project in regard to dealing proactively with alcohol and drug addiction (Sweden)
- Development and implementation of new tools to assist managers in dealing with stress (Hungary)

In 2015 as in years past, all units Group-wide were encouraged to participate in an HSE Day that focused on the topic of “Health.” In addition, our HSE experts held an international knowledge-sharing workshop that was based on a health-related survey among all management units in the Group. Attendees presented best-practice measures and agreed on developing Group-wide indicators pertaining to health.

External counselling via the Employee Assistance Program

By signing the “Health” Group Works Agreement in 2015, we also committed all E.ON companies in Germany to offer their employees counselling services. Since 2013, employees of administrative units and most of the associated regional supply companies of the regional unit Germany have already had access to the Employee Assistance Programme (EAP), which is an independent external counselling service. It operates on a strictly confidential basis and may be used by managers and employees. They receive counselling in personal meetings with qualified experts in regard to personal, work-, or health-related issues and problems. If therapy is needed, the experts promptly refer the respective employees to the appropriate specialists, therapists, or treatment centres.

In the meantime, the EAP is also available in Great Britain, Sweden, the Czech Republic, and Hungary. Other global and regional units offer their employees comparable assistance programs.

Risk-identification training for employees

Generally, E.ON’s objective is to generate awareness among its managers so that they can correctly identify absentee patterns and address discrepancies directly. Since 2013, the Centre of Competence for Global Learning (CoC for Global Learning) has offered managers an e-learning tool, among other things, on the topic of “Mental health in the work environment” to assist them. In 2015, a total of 1,400 training sessions were conducted for managers on this topic. In addition, the Group offers online courses and training on other topics, such as “stress management,” “health management,” and “drugs and alcohol.”

Protection for travel and overseas assignments

Due to the globalisation of the workplace, many E.ON employees nowadays are required to travel for work-related reasons or to take on longer assignments or projects abroad. Our responsibility is to prepare them systematically and to protect them against health- and safety-related risks. For that reason, we introduced a structured management process and established binding regulations in the “International protection for employees” business directive. The COC for Global Learning also conducted various courses and training on the topic of “Safe travelling” in 2015. A total of 40 employees have participated in online training.

Epidemics represent a special challenge to the health of our employees. For that reason, travel medicine is becoming more significant in occupational health-related counselling Group-wide. The “fitness examination for activities in the tropics, subtropics, and other work locations with particular climatic conditions and infection hazards” is an integral part of our occupational health office’s care services. In addition, when sent overseas, our employees can turn to an international service provider, including its global assistance centre and teams of international, multilingual experts, for assistance.



GRI aspect in the action area

- Local communities
- [Materiality process](#)

✓ Reviewed 2015

Engaging in dialogue, promoting acceptance

The energy transformation, which is widely supported by society, requires a large number of infrastructure projects, both large and small. These projects must not only be approved by the authorities but must also be designed in consensus with [our stakeholders](#). Citizens, municipalities, environmental organisations and authorities quite frequently raise ecological, health or financial concerns about the expansion or conversion of energy grids and power plants.

This process involves interests and expectations which are frequently different and which sometimes conflict with each other; while our shareholders, for example, expect maximum returns, environmental groups require the projects to be as environmentally sound as possible. We must have as good a knowledge as possible of the various requirements of our stakeholders and use this to develop and represent our own positions. We perform this task in a difficult market environment characterised by regulatory interventions and rapid technological change.

As a business enterprise and energy supplier, we consider that we have a responsibility to lay the foundation for prosperity and economic development and to improve the local infrastructure. We aim to also fulfil this responsibility under the altered framework of today's energy landscape.

Material aspects

In our [materiality analysis](#), we have analysed the expectations of our key stakeholders. This showed the following key issue for the 'Societal interaction' action area:

Promoting acceptance of our projects

Around 93% of the population in Germany supports the development of [Renewable Energies](#). However, the percentage who are agreeable to having corresponding plants in their own neighbourhood is much lower (at 68%). Acceptance is once again significantly less in the case of [conventional energy generation](#) plants (at 7-25% only). One of our key tasks, therefore, is still to

ensure that our business activities are understood and accepted by the population and politicians in municipalities, regions or countries ("license to build and operate"). To this end, we must contact regional interest groups and make them part of our planning and approval processes.

Open and transparent dialogue helps us to identify the concerns of local residents in good time, take these into account where possible and thus ensure greater planning reliability for our construction projects. Public confidence suffers, in contrast, where participation is not transparent. As a result, not only is our reputation harmed, but the construction of new plants can also be delayed. Criticism by the general public and media also lessens our appeal as an employer. Our regional commitment is consequently also a supra-regional priority for E.ON.

Control and measures

We will only be able to help reshape the energy supply of the future by working closely with local communities.

Bringing together different interests at dialogue forums

When we plan to build plants, we make increasing use of dialogue forums and policy conversations in an effort to include affected stakeholders near our facilities in our building and planning processes. The forums are conducted by our regional units. We use the results to review our local strategy. One current example is our power plant forum in Datteln where we are currently building one of the most modern and efficient hard coal power plants in the world. Here, regional stakeholders have roundtable discussions with E.ON in its role as operator. All participants have the same rights and obligations in the dialogue process. They meet several times a year to discuss their different viewpoints and concerns as well as to share facts. The results of these discussions are included in our further work and published in press releases, in a newsletter, and on the website.

Employees deployed as E.ON ambassadors

As part of our "E.ON in Dialogue" communications campaign launched in 2006, employees are deployed specifically as E.ON ambassadors. At conventions, trade fairs and other well-attended events they answer questions from stakeholders and collect suggestions and complaints.

Clear rules for dialogue

In our dialogue with stakeholders, the aim is to have communication that is open, fast, substantively consistent and appropriate to the target audience. Our Group Policy on Stakeholder Management has been the standard framework since 2013 for dealing with relevant stakeholder groups (excluding investors). This policy sets forth principles for internal and external communication and assigns clear tasks and responsibilities. Group Management is responsible for determining E.ON's position and talking points on issues that affect the company as a whole and for establishing the scope of possible activities. The real drivers of dialogue with our external stakeholders locally are the regional units, since they have the best knowledge of the needs and preconditions in their operating territory. In individual cases, the global units also engage in dialogue with stakeholders.

Investing in non-profit projects locally

Our regional units are involved in what are in some cases long-standing partnerships to support local projects (Community Involvement). These focus primarily on energy and environmental education, climate protection and energy access. Another key element in our social responsibility is the involvement of our employees (Employee Involvement) in volunteering, in areas such as [Education and Culture](#). In 2015 our social investments, however, decreased again. More precise information concerning this can be found in the chapter "[Further measures and performance \(Societal interaction\)](#)".

Targets & Performance Review

We believe we will also continue to be able to provide our customers with energy and related services well into the future, that we will remain a reliable and attractive employer for our workforce, and that we will live up to our environmental and social responsibilities. One way we do this is by engaging our local stakeholders in constructive dialogue at a local, national, and European level.

In 2015, we held 38 individual events, on 95 days in all, as part of "E.ON in Dialogue". This allowed us to achieve the goal we had set ourselves in our 2012-2015 [sustainability work programme](#) in terms of involving our stakeholders.

Involving our stakeholders

We interact with our stakeholders in a variety of ways depending on the target group and issue. These range from simply providing information to integrating stakeholders in decision-making processes or directly involving them in projects.



Depending on the issue, various E.ON departments are involved in this process: from Corporate Responsibility (CR) and Health, Safety & Environment (HSE), to Political Affairs, and including Investor Relations, Sales, Procurement, and Human Resources.

Dialogue forums and information events: A variety of interests at the same table

In the case of power plant projects, we involve our stakeholders in decision-making processes. To do this, we hold public forums in which regional stakeholders have roundtable discussions with us in our role as operator. All participants have the same rights and obligations in the dialogue process. The different perspectives, interests, concerns and facts can be exchanged openly.

We also used this procedural template in the construction of the district heating pipelines Datteln-Recklinghausen. Numerous residents from Recklingen-Suderwich used the forum to express opposition to the plans for aboveground installation of the pipes. We responded to the residents' concerns, reviewed our plans in this area once more and finally made plans to bury the pipes. The new plans were then presented to the residents at an information event and were received very positively. An additional discussion meeting was subsequently scheduled for final agreement of the revised construction plans. That meeting was successfully concluded after just one day without any objections.

Our Schleswig-Holstein Netz subsidiary also initiated a successful dialogue project in 2015. The goal was to involve owners of the affected areas and residents early on in the construction of high voltage lines between Heide und Strübbel that was planned for 2017. Schleswig-Holstein Netz firstly informed the mayors of the affected communities, the officials in charge, and the chief administrative officer [Landrat] of the plans and what was to happen next. The dialogue was then extended to citizens of Wesselburen, Wöhrden and Heide. In all, over 100 interested parties came to the meetings and used the detailed plans to discuss the many issues surrounding the connection project.

Citizens' involvement in Swedish wind farms

Our regional unit in Sweden has gained extensive experience in involving stakeholders in new construction projects. E.ON Sverige invited interested parties to attend discussion evenings at the

sites of Örserum near Jönköping as well as Midsommarberget and Högklippen in Northern Sweden. All residents, local sports associations, companies and NGOs within a 3 km radius received a personal letter inviting them to attend, and the events were also announced in the newspapers. The discussions centred around questions regarding the routing of power lines, opportunities to obtain low-priced wind power, and compensation for residents adjacent to the wind farms. Stakeholders were also informed through posters and leaflets. Extensive consultation documents were available for inspection on the internet.

Citizens invest in Bavarian wind farm

A new construction projects in which our stakeholders can participate directly was launched in mid-March of last year: The Citizens' Wind Farm in Gerolsbach. The farm was implemented by E.ON subsidiary Bayernwerk along with the municipality of Gerolsbach and a local civic energy cooperative. Citizens had the opportunity of acquiring a financial interest in the wind farm. The minimum amount was EUR 1,000 and there was no maximum limit. Citizens who invest in the project receive 3% fixed interest as well as a share in the profits of the wind farm. This allows them to contribute directly to the energy transformation and profit from the wind farm's earnings. The three wind farms should generate capacity of 7.2 MW in total. This will enable them to supply around 16 million kilowatt hours of power annually to around 4,600 households. The aim in the future is to further expand the business model of direct financial participation by citizens.

Involving international experts

Besides local stakeholders, we also involve renowned international experts when planning projects. As part of a renovation project, at the end of 2014 we arranged for our Swedish hydropower plant Semla to be assessed by the [International Hydropower Association](#) (IHA). In accordance with the Hydropower Sustainability Assessment Protocol (HSAP) this also involved a site visit and extensive discussions with stakeholders. As a result of the assessment, the sustainability performance of our power plant was certified as being "above average".

We will be able to use the knowledge gained during the assessment to further improve our hydropower plants. To build on the results we intend to continue our collaboration with IHA and use the HSAP as a strategic tool to review the sustainability performance of major hydropower plant projects. Our goal is the long-term integration of the HSAP in our standard project management processes.

E.ON in Dialogue initiative

Our employees were also deployed in 2015 at conventions, trade fairs and other well-attended events, as part of the "E.ON in Dialogue" communications campaign, in an effort to meet and discuss issues with stakeholders. In this campaign, which was initiated as far back as 2006, "E.ON ambassadors" field questions, suggestions and complaints from stakeholders and explain key aspects connected with the energy transition.

Approximately 165 employees were involved as E.ON ambassadors in the campaign on 95 service days. They proactively engaged in dialogue with visitors at 38 external events, explaining E.ON's position regarding current energy policy questions and providing information about interconnected technical and economic issues. In addition, in 2015 we participated for the first time with E.ON in

Dialogue at an event abroad – the EWEA Offshore in Copenhagen. We had close to 20,000 visitors to our dialogue booths.

The most discussed issue was the future of energy supply. Direct discussion with booth visitors gave us valuable information on current trends, hot topics, and attitudes among the population.

For the first time in 2014, we organised micro-conferences as part of the "E.ON in Dialogue" campaign. This initiative was further extended in 2015: We organised a total of 55 events of this kind at the Hanover trade fair and the International Consumer Electronics Fair. At our "E.ON in Dialogue" booth, 24 speakers shared their thoughts with the public on topics including practical experience in setting up offshore wind farms, power-to-gas demonstration plants and the challenges involved in optimal design of distributed heat and power generation.

Additional customer feedback channels

The program we launched in the UK in 2013 entitled the Customer Immersion Program has been used since 2015 in all our regions. The program allows our customers to raise their concerns using various different formats such as personal conversations and online chats.

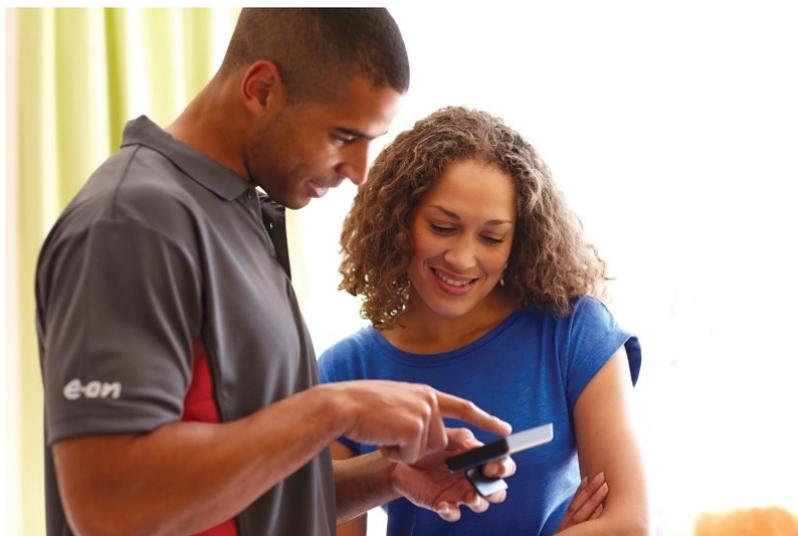
In 2015, we strengthened the activities through our Facebook, Twitter and Google+ social media channels. The number of our Facebook and Twitter followers went up during the reporting year from 20,000 and 15,000 respectively to 51,500 and 23,500. Through Twitter we mainly reach political, media, association, and scientific representatives. Facebook allows us to engage directly with interested parties, for example regarding our offshore wind farms, new storage technologies, or the transformation of the energy sector. Our regional sales units in particular, such as E.ON Energie Deutschland, place our customers and their concerns firmly centre-stage on their Facebook pages.

Systematic surveys in materiality processes

In our systematic materiality processes, we ask our stakeholders for their opinion on the impacts of our business activities and our performance. Based on the results, we review our action areas and determine the topics of our reporting.

Governance & Integrity





GRI aspects in the action area

- Customer privacy
- Product and service labelling

→ [Materiality process](#)

✓ Reviewed 2015

Focusing on customer satisfaction

In 2015, we supplied electricity and natural gas to customers in 10 countries. Their trust and satisfaction are essential to the success of our business. That is why we listen very closely to our customers and take the concerns they have, which reach us in a variety of ways, very seriously. This helps us understand what they value about our company and what areas we still need to improve on. The feedback we get from our customers clearly shows us a number of things: The main thing they expect is reliable, expert advice as well as individualised options - all at a reasonable price.

As digitisation becomes more prevalent, there is also a growing demand from customers to control and manage their energy consumption more and more independently. As an energy supplier we have a responsibility to offer corresponding innovative solutions, while at the same time ensuring that these solutions meet the highest requirements in terms of data protection.

Material aspects

In our [materiality analysis](#) we have analysed the expectations of our key stakeholders. The analysis showed the following key topics of relevance to 'customer orientation':

Promoting customer satisfaction with high service quality

A reliable power and gas supply is one of our basic everyday needs. There are numerous providers competing in this market to win consumers. [Satisfied, loyal customers](#) are therefore fundamental to our competitiveness in the power and gas business. We survey our customers on a regular basis and systematically analyse their responses: this allows us to better gear our products and services to their needs and develop innovative new offerings.

Making prices easy to read and fair

[Stable and transparent prices](#) are the basis for customer trust and loyalty. Our customers expect us to pass lower market prices for electricity and gas on to them. However, our ability to influence end-

customer prices is only limited: taxes and levies (such as premiums for renewables feed-in) impact prices in the individual countries to varying degrees. Going forward, we will also continuously work on our competitiveness in an effort to provide our customers with energy that is as inexpensive as possible. Fair and transparent prices also make it less likely for us to be challenged and protect us from litigation and more stringent statutory regulations.

Digitising the energy sector and ensuring data protection

The energy industry is undergoing a period of structural change. This is evident, for instance, in the first draft published in Germany in September 2015 of an act to digitise the energy sector. The increase in digitisation affords both us and our customers a huge variety of new opportunities. Smart metering systems allow consumers and companies to better manage their energy consumption and increase their energy efficiency, and we have an opportunity to develop new business models and create new areas of activity for our employees. With digitisation, though, there are also new data protection requirements since individual consumption data is being captured increasingly. It is therefore a key priority for us to ensure the data belonging to our customers, partners and employees is handled responsibly and in a legally-compliant manner.

Management and measures

Our customers and their needs are our top priority across all of our markets. This applies to the entire company and this orientation is systematically enhanced by our corporate strategy. According to this strategy, we will align our future performance more strongly than before to the needs of our customers.

Structurally anchoring the focus on customer satisfaction

In recent years, we have made good progress in systematically gearing our corporate culture and management processes toward improving customer satisfaction. The overarching objectives are set by the E.ON *Board* and are part of performance agreements made with our managers.

In 2014, we introduced the Center of Competence Customer Experience (CoC Customer Experience) which serves as a Group-wide platform for sharing best practices and offers support and advice to Group Management and to the global units regarding changes affecting our customers' interests. We will continue to further develop our corporate culture going forward in an effort to improve customer satisfaction with our products. We use the "Net Promoter Score" (NPS) to measure progress in this area. The NPS measures the willingness of our customers to recommend E.ON to their family and friends and is considered a significant measure of customer loyalty throughout the Group. It helps us to find out what is important to our customers and how we will have to change to ensure that their needs are our top priority. The NPS enables us to understand how we can enhance our customer experience and compare our performance with that of our competitors. So far, we have successfully introduced the NPS in Germany, the UK, Sweden, the Czech Republic, Italy, the Netherlands, Hungary and Romania.

Business units with no direct customer contact also have a significant impact on customer satisfaction through the role they play in designing our products and services. We also use an internal NPS programme (iNPS) to foster a customer-centric culture among our employees throughout the Group.

Promoting customer satisfaction Group-wide

We wanted to make a Group-wide effort to understand the needs of our customers even better and to optimise our performance. That's why in 2015 we established the Chief Markets Office (CMO), which works to improve cooperation and coordination between the different areas responsible for customer satisfaction. In addition, at the beginning of 2014 we launched the "CustomerFirst" programme, set to run for an initial term of three years. It aims to get regional units to join in efforts in developing flexible customer solutions to actively tackle current market challenges and ultimately implement those solutions in their respective markets.

We also encourage all regional units to participate in the [Customer Immersion Program](#). The objective of the customer immersion programme is to build on the momentum of our strategy and give our leaders direct exposure to customers. The purpose of these sessions is not to drive immediate action but to generate understanding of and engagement in our customers.

These sessions, and the discussions that they have provoked, have gone a long way to bringing the customer into our decision making processes. The flexibility of the approach also means that we can adapt the methodology to best suit the business needs across all regional unites.

Developing customer-centric solutions in the regional units

In Europe, our 10 regional units are responsible for developing offerings which are focused on the needs of our customers. For instance, the apps which consumers use to monitor their individual electricity consumption are tailored to the specific circumstances of the country in question. Our regional units supply energy products and services to residential customers and provide all-inclusive service packages to small and medium-sized enterprises (SMEs). In some European countries they also offer efficient custom-tailored solutions to industrial and commercial (I&C) customers or serve as the sales partners of regional and municipal utilities.

Targets & Performance Review

Our aim is to attract customers with intelligent and customised solutions that will make us their preferred energy partner. In so doing, we seek to increase customer satisfaction and customers' willingness to recommend us to their family and friends, which we measure using the "Net Promoter Score" (NPS). By 2018, we want to be a performance leader in all our markets in comparison to the competition, as measured by top-down NPS results.

Our regional units set their own specific NPS targets in consultation with Group Management and implement their own measures themselves. They report progress towards these targets to the Board of Management on a quarterly basis. In 2015, we also introduced NPS in our network business, which has already resulted in positive feedback from our customers. Prior to that, in 2014, we had increased the incentives for our executives by making a portion of their variable compensation available to all senior managers based on the NPS score of the respective country in which their unit operates.

Enhancing customer satisfaction further

Our NPS figures for the end of 2015 show that our efforts to enhance customer satisfaction are paying off: On average, we were considered to be significantly more customer-oriented and were able to improve our scores compared to the previous year in most regions in which we conduct NPS surveys. We won many accolades compared to companies of the same size and capacity: we scored "Best in

Class“ among residential customers in three out of seven regions. In the SME segment, we were top in five out of nine markets.

We also receive a lot of different market feedback on our performance in terms of customer focus. The "[customer satisfaction](#)" subpage contains information about the results of surveys and tests, and about accolades we received in 2015.

Putting customers first

Focusing on what our customers want is E.ON's top priority. We view our customers as partners and strive to develop lasting relationships with them. In 2015, we continued to work on gearing our corporate culture even more toward improving customer satisfaction. Our progress in this regard is reflected in the "Net Promoter Score" (NPS) results measured at the end of 2015, which showed improvements compared to the previous year in most regions. These results measure our customers' willingness to recommend E.ON to their family and friends.

Calculating customer satisfaction

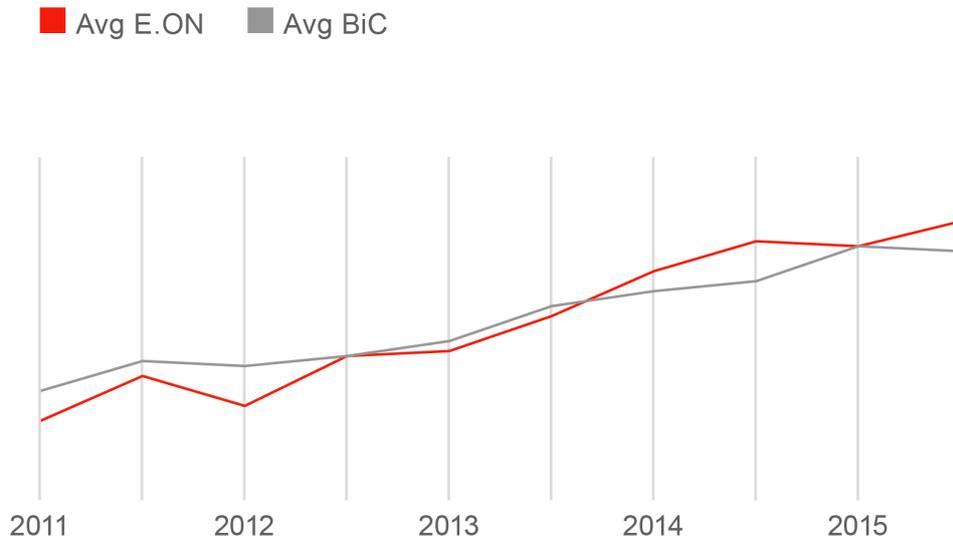
To calculate the NPS score we ask our customers the following simple question: "How likely is it, on a scale from 1 to 10, that you would recommend E.ON to a friend or colleague?" Depending on their response, we classify participants as "Detractors" (0-6), "Passive consumers" (7-8) or "Supporters" (9-10). The figure is arrived at by deducting the percentage of detractors from the percentage of supporters. The score can consequently be within a range of plus or minus 100. The NPS is a key performance indicator (KPI) of business success, since the best way of developing our business is to have customers who stay with us want to use more of our services and recommend us to others.

Above-average customer satisfaction

By 2018, we aim to be the provider with the highest customer satisfaction scores in all our markets ("Best in Class"). In 2015 we moved a little bit closer to achieving this goal. In terms of residential customers, we achieved better results in 2015 than the previous year in six of the seven regions in which NPS is measured. Compared to competitors of the same size and capacity, E.ON'S residential business in Great Britain, Germany and Sweden achieved the best scores. Our Czech unit shares first place here with other providers. In terms of small and medium-sized enterprises, we achieved better scores than the previous year in seven out of nine markets and were "Best in Class" in five markets.

In 2015, the four regions accounting for most of our customers, our NPS among residential customers improved on average by an additional six points - and by as much as 33 points over the last three years.

NPS results among residential customers for E.ON and the respective Best in Class¹



¹ The red line represents the average NPS for the four E.ON regional units which serve 95 percent of our residential customers in: Germany, Great Britain, Sweden and the Czech Republic. The grey line represents the corresponding NPS for the competitor that is best in class (BiC), or next-best competitor. NPS is measured in half-year figures from the start of 2011 to the end of 2015.

Analysing valuable feedback

In conducting the NPS survey, E.ON contacted more than 300,000 customers in 2015, either in person, by telephone, or via email. We then systematically analysed the information obtained. We also analysed the feedback received in 2015 from 700,000 additional customers, for example, via social media, complaint forms or other channels. Every single piece of feedback from our customers helps us to understand the factors that influence customer satisfaction and to identify where we can further improve our performance. Going forward, we therefore intend to continue to invest in analysing customer needs.

Accolades for good service

Our strong commitment to customer orientation helps differentiate us from our competitors. Our customers think so too. In 2015 our regional units received a number of awards for customer orientation and also scored well in surveys and tests. Here are a few of the accolades they received:

- In the United Kingdom, E.ON UK was voted the best Large Energy Supplier for customer satisfaction for the second year running by uSwitch, an impartial online comparison service.
- In Sweden, E.ON Sverige won the independent brand award in the energy category.
- Also in Sweden, E.ON was shortlisted for the "European Excellence Award" for its digital products.
- In Germany, E.ON came first in the ESCO category in a customer satisfaction survey conducted by Focus magazine.

CustomerFirst: working together to enhance customer orientation

The Group-wide "CustomerFirst" programme was launched in 2014. Our aim with the programme is to gear our marketing more to the needs of our customers and bundle the experience and expertise of all of our regional units. Between January and April 2014 we firstly determined the existing sales capabilities of the individual units and in what respect they could be further improved. Since April 2014 our regional units have been developing concrete actions based on this in an effort to improve our products and services for the customers.

Gaining a better understanding of how our customers see things

The "Customer Immersion Program" gives E.ON employees – including non-customer-facing ones – the opportunity to engage directly with our residential and business customers. This helps us to better understand how our customers see things and gear our products and services to their needs.

This format has been in use in the UK since 2013. In 2015, the programme was also launched in Slovakia, France and Italy and so it is now offered in all of our regional units. Since the programme was launched E.ON UK has already hosted hundreds of small group and various large-group event-type sessions in which more than 1,000 employees have met with more than 1,000 customers. 60 face-to-face sessions and online chats were held during 2015 alone. The sessions dealt with topics such as "transparency and trust" and "personal experiences with energy providers". In addition, Ofgem, the UK utilities regulator, has also been a regular participant.

Multiple sessions in conjunction with the programme were also held in all other regional units during 2015. In September, for instance, all of our employees in Germany were given the opportunity to join in live as our customers reported their experiences and voiced their needs and expectations during an online discussion.

Fair prices, customised tariffs

We aim to supply our customers with reliable energy which is as climate-friendly as possible - and to do this at a price that is verifiable and fair. We therefore continued in 2015 to work on our competitiveness. We also developed our products and services further, offering our customers a variety of tariff models which they can use to impact their energy bill in accordance with their personal needs.

Constituent elements of electricity price

Wholesale prices on the European electricity markets vary only minimally. The price of electricity, however, is largely made up of price elements mandated by government. In 2015, around 72 percent of the total price in Germany was attributable to cost items upon which we have no influence. These include such things as state-regulated network fees, i.e. fees for the use of the electricity grids, and levies under the Renewable Energies Act.

Since these taxes and charges vary greatly in the individual countries, there are huge differences between the electricity prices. Across Europe, in 2015 the Germans paid most for their electricity at 29.74 ct/kWh after the Danes (average for the 28 EU member states: 20.52 ct/kWh). The high price in Germany compared with other member states is attributable to the high proportion of levies, taxes and charges.

Customised tariffs give customers more control

We offer our customers customised products so that they can have greater influence on their energy bill. Depending on the needs and circumstances in the individual countries, for example, in 2015 we offered our customers the following options:

- price-cap tariffs and fixed-rate products that shield customers from price increases
- products oriented to customer preferences, such as price-tracker products adapted to falling market prices
- instalment plans in which customers' energy bills stay the same throughout the year, which protects them from seasonally high bills, particularly in the winter
- credits for achieving specified energy saving targets
- prepayment models such as "Pay as you go" smart meters in Great Britain, which give customers control by making advance payments

Customers' buying decisions ultimately determine which power and gas products succeed in the marketplace. We are therefore regularly studying customers' willingness to choose the above options, which in some markets are still not well known. We're also testing new products on a pilot basis in selected regions.

Incorrect Application of price increases and termination fees in the UK

In April 2015 E.ON UK provided a £7.75m payment to Citizens Advice after incorrectly applying increases in price and termination fees to some former customers who expressed their wish to leave the company after price rise announcements in 2013 and 2014.

Following reports from E.ON, Ofgem opened an investigation into the errors in June 2014 and agreed the penalty package in recognition of the company's errors. These errors meant that some customers were overcharged although in the majority of cases this was by less than £10. E.ON identified potentially affected customers and provided redress payments to ensure those who were affected have not lost out financially.

Support for vulnerable customers

We actively support customers who are particularly vulnerable, such as the elderly or disabled with low income or those with life-support appliances. Our aim is to prevent any interruption to a customer's electricity or gas supply if that customer gets into financial difficulties. This is particularly important during the winter months. We offer special assistance to low-income households, based on the relevant national funding structures. For instance, in some regions where there is no state aid, we support customers who are in financial difficulties, team up with partners to provide pre-financing to insulate rooms or initiate payment plans.

Easy-to-understand billing

Apart from the price, easy-to-understand bills are another key factor that promotes customer satisfaction. The many different components of energy prices – levies, fees, and taxes – can often be confusing for customers. In 2014 we therefore shortened and simplified our bills for residential customers in Germany and Italy. We had already reduced residential bills in the United Kingdom from seven pages to one page in 2013. E.ON also offers customers the option in all markets to prepare and send invoices electronically. This helps protect the environment and cuts costs compared to paper billing. As of year-end 2015, 6,052,562¹ of our customers chose this option. In 2014, the figure was still 5,330,671¹.

¹ Customers from Slovakia and Turkey were not included in the calculation.

Smart energy consumption management

Digitisation is also changing the energy sector. As a result, E.ON is changing from being a pure supplier to being a provider of innovative technology solutions. Our customers can use our products to monitor and manage their energy usage more independently. It is important here to ensure that the highest data protection and security standards are met. In 2015, we further expanded our portfolio throughout Europe.

Smart meters - a key technology for digital services

An EU directive enacted in 2009 requires member states to provide end-customers having a minimum consumption of 6,000 kWh with smart power or gas meters that enable them to continually monitor their energy usage. The aim of the European Union here is to give consumers a more pro-active role in the energy market and to create incentives for greater energy efficiency. The introduction of this technology raises a number of technical and legal issues. Some member states have not yet fully transposed the directive into national law: 16 member states have set themselves the goal of equipping 80 percent of consumers with smart meters by 2020. In Germany, on the other hand, only a selective roll-out is planned, while in other countries the issue is still to be clarified. The installation of smart meters throughout Europe will accordingly still take several more years.

We've completed the rollout of smart meters in Sweden and are therefore in compliance with what's required by law. In the UK we started installing smart meters in our customers properties over 4 years ago and have currently installed over half a million meters. In other regions, such as Germany, we're currently testing smart meters in pilot projects. Overall, more than 1.7 million households were equipped with an E.ON smart meter system by the end of 2015.

Installed smart meters by region (in thousands)		
Roll-out regions	2014	2015
Sweden	1,000	1,000
Great Britain	360	500
Pilot regions		
Romania	30	120
Slovakia	2	12
Hungary	10	10
Germany	26	26
Czech Republic	4	4
Total	1,432¹	1,672

¹ Number adjusted for Spain

Advanced electricity meter rollout to business customers in the UK

In November 2015 E.ON UK apologised to customers for failing to meet its obligation to install 20,000 advanced electricity meters to business customers by an April 2014 deadline. E.ON had installed more than 12,000 advanced electricity meters, but Ofgem has ruled that E.ON failed to take all

reasonable steps to manage the installation within the timeframe. E.ON UK agreed to provide a GBP 7 million (EUR 9.6 million¹) payment to fund a two-year programme of energy saving help for small and medium businesses, to be delivered by the Carbon Trust, by way of settlement.

Highest data protection standards for smart metering systems

Its importance is increasing as more and more smart meters are installed, since inadequate security procedures might lead to unauthorised access to the data transmitted between the customer and its supplier. We take data protection for smart meters very seriously and helped formulate EU-wide recommendations on this issue. Some countries have already passed laws incorporating the recommendations. In Germany a draft law to digitise the energy transition was published in September 2015. It also contains an extensive regulatory framework for data protection and data security. All smart metering systems are accordingly to be certified by the German Federal Office for Information Security (BSI) and will as a result meet high data protection and security standards.

Our key "EniM" programme (introduction of new smart metering systems) was set up to implement the statutory obligation to install smart metering systems in Germany and prepare for their introduction. We conducted extensive tests on devices and systems in our EniM laboratory in Hamburg in 2015. There we tested metering systems that were already on the market to check their functionality, susceptibility to failure and data security.

The software required to operate the systems was also subjected to extensive testing. The first metering systems were installed on the island of Fehmarn and a large number of other devices will follow during 2016. By doing this we are ensuring that all devices and systems meet the high requirements set by the BSI, particularly in relation to security and data protection.

Digital solutions for our customers

Energy can be saved by the intelligent networking of devices and the automation of processes in buildings (smart homes). This is evident, for example, from the results of the "E-Energy - Smart Energy made in Germany" project. According to those results, the potential savings in residential homes is as much as 10 percent, and even as much as 20 percent in the corporate sector. With digitisation, we have the opportunity to develop new products and services which will help our customers improve their energy efficiency.

Since 2015 our customers in Germany have been able to use the "E.ON SmartCheck" to view the consumption of their household devices at a glance. E.ON customers use an easy to use online app to enter information about their own household, such as size, number of residents and household appliances. Once they have registered, users receive an early warning if it looks like they might have to pay more as a result of high electricity consumption. Customers can also compare their electricity usage with similar households and thus learn more about the way they individually handle energy. The portal is free for customers who have electricity or natural gas contracts. "E.ON SmartCheck" is being made accessible for other types of contracts and new functions will be successively added.

1 Exchange rate in accordance with 2015 annual average rate (E.ON Annual Report 2015; page 108)



Since 2013, our customers in the United Kingdom have been able to use the “Saving Energy Toolkit”, which allows customers to compare their energy usage to that of similar households and provides energy saving tips. Our small and medium-sized enterprise (SME) customers in the United Kingdom have access to the Energy Toolkit, which provides a variety of personalised tips, aimed at helping businesses use no more energy than they need. More than 12,000 business customers used the toolkit in 2015.

In Sweden, the "100Koll" product developed by E.ON has since 2014 allowed our residential customers to monitor their electricity consumption. They can use it in conjunction with their smart meter to view the real time consumption of individual devices in their household at any time on their computer, other connected device or in-home display. The devices can also be switched on or off remotely. In 2015, we conducted a technical review of "100Koll" with the primary aim of using the findings to further develop these kinds of digital products throughout the Group.

Investments in energy savings start-ups

As part of gearing our products more towards distributed, smart energy solutions, we are relying on strategic joint investments with young companies that are helping to shape the future energy market with smart solutions. This means that in future we will be able to give our customers greater support in terms of energy efficiency and smart energy use.

In 2015, for example, we acquired a stake in Bidgely, an US start-up. Bidgely offers cloud-based energy apps both online and through mobile phone interfaces, allowing households to better manage their energy consumption. One of the ways this is done is that tips on how to optimise the customer's electricity and heating appliances are sent to customer's mobile phone. Another US interest in which E.ON invested in 2015 was Space-Time Insight. The company develops analytics applications which show consumption data in real time using visual graphics. Initially we work jointly on a software solution which reduces the error ratio in read-outs of smart meter data. In 2015, digimondo, the German start-up which we nurtured, also started its work. The project develops smart innovative infrastructures for smart cities.



GRI aspects in the action area

- Compliance (Society)
- Anti-corruption
- Public policy

→ Materiality process

✓ Reviewed 2015

A proven foundation for good corporate governance

In order to remain successful in the future, we must govern our company in a transparent and responsible manner and focus on adding long-term value. An important basis for this kind of responsible corporate governance is our compliance with the applicable law and consideration of the values and principles to which we have made a voluntary commitment. This also includes strictly controlling compliance with laws and regulations, dealing with any potential violations transparently and imposing rigorous penalties for these violations. Only in this way can we ensure the trust of our stakeholders in the long run.

As a company in the energy sector, our business activity is heavily influenced by social developments. Political decisions based on these developments - such as withdrawal from the nuclear energy programme in Germany or most recently, the resolutions of the UN Conference on Climate Change held in Paris 2015 - have a major impact on our company. We therefore intensively follow social discussions and actively introduce our expertise into the democratic process of shaping public opinion. In turn, politics and society expect us to accept the decisions that are made and to support the corresponding measures that are to be implemented.

Material aspects

In our materiality analysis we have analysed the expectations of our key stakeholders. The analysis showed the following key topics of relevance to "good governance":

Compliance with statutory regulations, prevention of corruption, and transparency in dealing with violations

Compliance - or the consistent observance of existing statutory and internal company regulations - is crucial to society's acceptance of our business activities. Violations such as corruption not only result

in penalty payments but may also lead to a loss of shareholders and customers confidence as well as revenue losses. However, if we deal with potential incidents in a transparent manner, we can prevent much more stringent statutory regulations. At the same time, transparent and responsible corporate governance has a positive effect on our appeal as an employer because negative headlines also damage our reputation vis-à-vis towards our potential employees.

Contributing to political decisions

In the energy supply environment, which is heavily dominated by politics, adequate representation of our entrepreneurial interests is essential for our operational business and our strategic further development. We can make our position more understandable for politics by providing sound arguments and thereby ensure that this position is taken into consideration when decisions are made. Only when we deal with our [lobbying activities](#) in a transparent manner we can dispel any suspicion of inadmissible influence on politics and prevent any and all damage to our reputation.

Management and measures

E.ON has put in place effective organizational structures and has clearly assigned roles and responsibilities based on the principles of good corporate governance. For this reason, we integrate sustainability aspects directly into our business processes.

Public pledges of good corporate governance

Since 2005 we have been committed to upholding the ten principles of the [United Nations \(UN\) Global Compact](#), the world's largest sustainability initiative with more than 8,000 members from more than 163 countries. By this public pledge we commit ourselves to compliance with human rights and labour and environmental standards and we also participate in the fight against corruption.

Furthermore, we were one of the first companies to sign the "Code of Responsible Conduct for Business" in 2010. By doing so we commit ourselves, together with other globally active companies from Germany, to the social market economy and to fair rules in global competition. In addition, we support the aims and implement the recommendations of the "[German Corporate Governance Code](#)". We are also involved in various committees within the Federation of German Industry (Bundesverband der Deutschen Industrie - BDI) and the German Association of Energy and Water Industries (Bundesverband der Energie- und Wasserwirtschaft - BDEW) in order to enhance compliance.

Our corporate governance system: Good corporate governance regulated throughout the Group

By "corporate governance system" we mean the overall system which facilitates the governance and supervision of our company. In accordance with the so-called dual system which is customary in Germany, the responsibilities are clearly separated from one another: Our Executive Board is responsible for management and the Supervisory Board is responsible for the supervision of E.ON SE. Along the way we ensure that the two boards work together efficiently and that our reporting practices are transparent. Our corporate governance system complies with the "German Corporate Governance Code" and thus ensures that the interests of the company and shareholders are protected. Furthermore, the Code requires that the decision-making process of our executive board is transparent to our stakeholders and that the Supervisory Board is independent. In 2015, the Supervisory Board of E.ON SE comprised two female and ten male representatives who originated

from four nations in all. The Supervisory Board is also well-balanced when it comes to representatives of the shareholders and employees.

Sustainability issues anchored at the executive level

The Executive Board and Supervisory Board of E.ON SE also have management and supervisory responsibility for key sustainability issues. The Chief Sustainability Officer (CSO) informs both boards on a regular basis of key measures, events and indicators with respect to sustainability. The Chairman of the Executive Board Johannes Teysen took over as CSO in 2015. The CSO is also the chairman of our Sustainability Governance Council (SGC) which represents the key committee for management and supervision of sustainability activities at E.ON. We have also established our own organisational structure - the HSE Governance Council - for health, safety and the environment.

We want all of our executives at E.ON to take a proactive approach to sustainability issues. Consequently, safety goals are included in the performance targets of the Executive Board as a whole and for individual Executive Board members as an element of sustainable corporate governance. The variable annual salary (short-term incentive) of the E.ON executives is also linked to sustainability performance values. We monitor attainment of targets by applying measurable criteria such as the increase in the proportion of executive positions held by women. We present the compensation of our Executive Board members in our published Annual Report in a transparent manner.

Comprehensive compliance organisation implemented

In order to detect risks of major regulatory violations early enough and to prevent them, we have introduced a series of measures and processes throughout the E.ON Group, which together form our compliance management system. The Group's Legal and Compliance policy defines fundamental structures, roles, and responsibilities for this purpose. In other guidelines we provide more detailed behavioral and procedural rules for compliance issues such as corruption, insider trading and intermediary contracts. The compliance management system is currently undergoing the process of IDW PS 980 certification.

Our Chief Compliance Officer (CCO) is responsible for compliance throughout the Group. He provides the Executive Board of E.ON with an overview of current developments and events in a quarterly report. These reports include for instance, violations of guidelines at Group management level and in the managerial units. So that we can be informed about events in the individual managerial units, all regional and global units have their own compliance officer, who reports directly to the CCO in Group management. Violations of regulations are investigated centrally in coordination with the Compliance Audit and Internal Controls Compliance departments. Countermeasures and sanctions are implemented by the units themselves.

Zero tolerance for Code of Conduct violations

By virtue of our Code of Conduct, which was last updated in September 2013 and applies group-wide, we require all our employees to conduct themselves lawfully and responsibly. In keeping with our Executive Board's commitment to zero tolerance, we ensure that all demonstrably unethical conduct or practices cease immediately and that disciplinary action is taken. There are particularly strict standards for our executives and managers. They are role models and are required to ensure that the Code of Conduct is observed in their area of responsibility.

So that such breaches do not occur in the first place, we give our employees detailed instructions in the relevant guidelines, for example on how to handle gifts and entertainment. A compliance checklist contains a series of questions which our employees can use to determine whether proposed activities are in keeping with the Code of Conduct. We also use [electronic learning programmes](#), for example, to raise the awareness of our employees with respect to the content of the Code of Conduct.

Clear rules for the representation of interests

E.ON abides by applicable national and international directives regarding representation of political interests. Our "Stakeholder Management Guideline" also defines clear internal rules for participation in political decision-making processes and transparent and substantively consistent interaction with our stakeholders. As part of this process we require our Group representatives to comply with a transparent information policy. No wrong, misleading or excessively selective information may be provided by E.ON; we correct such deficiencies immediately.

Our Gifts and Benefits guidelines state that we do not make any monetary payments or grant non-cash benefits to government officials or political decision-makers. Our employees may only accept gifts - such as presents or invitations to events - if there is absolutely no impression that these are being given as a reward for certain conduct. In case of doubt, the responsible Compliance Officer must grant his/her consent first. We offer regular training courses in order to raise awareness of this topic among our employees.

In late 2011 we were registered in the EU Transparency Register. This register includes organisations and independent individuals who exert influence on the decision-making processes within the EU. This also means that we are a signatory to the Code of Conduct contained therein. We would welcome the introduction of a similar accreditation process in Germany and support efforts to bring it about.

Targets & Performance Review

In 2015, the number of compliance notices¹ was reduced from 92 to 75. Thirteen of these were in the "special incidents" category which also includes cases of suspected corruption. A potential cause for this reduction in notices is the intensive training of employees regarding the contents of our Code of Conduct in 2015.

Our objective is to successfully complete the certification process for our Compliance Management System in accordance with the IDW PS 980 standard. Furthermore, we also plan to introduce a training plan for regular mandatory compliance courses throughout the entire Group and to determine the participation rate for each company.

¹ Compliance notices are messages about misconduct as well as violations of laws and regulations committed by E.ON employees who are addressed via our internal reporting channel as well as via our group-wide "Whistle Blower" hotline. The increased number of these messages refers to centrally recorded cases which also resulted in investigation and which have not been proven to be hoaxes.

Acting in accordance with the law and anchoring values

By virtue of comprehensive measures and defined processes, our Compliance Management System ensures compliance with applicable laws and our internal guidelines by all members of the E.ON Group. The guidelines specifically define the respective statutory requirements and our ethical principles. We have codified these values and principles in a [Code of Conduct](#) which is binding across our entire organisation. In order to refresh our employees' awareness of the various aspects of our Code of Conduct, we developed a new electronic learning programme (e-learning programme). In 2015 we started implementing it in our units.

Refreshing knowledge of the Code of Conduct via e-learning

Every E.ON employee is obliged to follow the instructions laid out in our Code of Conduct at all times. We want to use our new, so-called "[Refresher](#)" e-learning programme to remind our employees of the contents of our Code. The programme was successfully completed in 2015 in most units. In 2016 the training will be completed throughout the entire Group. The programme is divided into three modules. Each module pertains to one key topic of the Code of Conduct and enhances employees' basic knowledge.

Since as early as 2010, we have been using a mandatory e-learning programme to train all new employees of E.ON about E.ON's Code of Conduct. They must complete the programme within the first six months of joining the company. The programme is enabled for roughly 60,000 E.ON employees who have access to our Intranet. We provide offline versions and face-to-face training to employees without internet access so that they too can receive compliance training.

The following compliance topics are integral parts of the Code of Conduct and are taught during training courses:

- Rules governing general behaviour,
- lawful behaviour,
- interactions with business partners, third parties, and government agencies,
- avoiding conflicts of interest and corruption,
- handling information and company property and resources,
- the environment and occupational health and safety, as well as
- compliance organisation in the Group.

Risk prevention: Preventing violations by applying targeted measures

In addition to training all employees, we implement other measures to ensure that behaviour complies with the E.ON Code of Conduct throughout the Group. For this reason we regularly pinpoint what fields of activity are exposed to an extraordinary risk of specific compliance violations. With this in mind, E.ON carries out "Compliance Risk Assessments" on a regular basis, in addition to "Necessity Checks" based on these. We determine what measures are necessary on the basis of the results. For instance, in 2015 we trained our employees on the topic of money laundering and the appointment of intermediaries.

Reporting violations of compliance

If misconduct or violations of the law or guidelines should occur despite all preventive measures, our employees can report this anonymously via our internal reporting channels or a Group-wide "Whistle-blower" hotline. The hotline is operated with an external law firm. The information is checked by our CCO in collaboration with the relevant departments at E.ON and in compliance with all data protection regulations.

75 compliance notices¹ were reported and thoroughly investigated in the E.ON Group in 2015; 92 reports were made in 2014. Fifty of these 75 reports belonged to the category of fraud or pertained to violations of internal guidelines (2014: 64), 12 pertained to potential conflict of interests (2014:13) and 13 reports belonged to the category "other incidents" (2014:15).

Penalty payments for statutory and regulatory violations

E.ON made no penalty payments as a result of anti-competitive conduct in 2015. However, E.ON UK had to pay some GBP 7.8 million (EUR 10.6 million²) due to errors in invoicing, as a result of an investigation carried out by the British regulatory body Ofgem. E.ON also made a penalty payment in the amount of EUR 5,000 in the Netherlands due to non-compliance with environmental laws. The results of an emission measurement carried out at the Blekerstraat site in Rotterdam, where two oil-fired boilers for district heating are installed, were not forwarded within the due time to the relevant environmental authority.

Countering corruption risks

According to the international Corruption Perception Index (CPI) published by Transparency International, E.ON has operations in six countries that fall below the threshold of 50 points. In 2015, we generated around 3.4 percent of our sales (EUR 4 billion) in these countries. We maintained the supplier relationships with companies in 16 other countries belonging to this category and transacted 5.4 percent of our purchasing volume in the non-fuel sector (EUR 426 million) with suppliers from countries belonging to this category.

Legally compliant and ethical behaviour is our top priority not only within the E.ON Group. We must also prevent violations with our suppliers. In order to counter corruption risks along the entire supply chain, we developed a "Compliance Check" for potential suppliers. We have been implementing this check since 2015 as obligatory for new contracts. Before any contract is concluded, we apply this check in order to establish whether potential suppliers meet our compliance standards. To this end, one of the first things we check is to see if the supplier is mentioned by the media in connection with compliance-related topics such as corruption and whether the supplier is mentioned on lists of sanctions and terrorists. We have also developed a comprehensive questionnaire. This questionnaire is used if there are still some remaining doubts as to whether a supplier follows our values and

1 Compliance notices are messages about misconduct as well as violations of laws and regulations committed by E.ON employees who are addressed via our internal reporting channel as well as via our group-wide "Whistle Blower" hotline. The increased number of these messages refers to centrally recorded cases which also resulted in investigation and which have not been proven to be hoaxes.

2 Exchange rate in accordance with 2015 annual average rate (E.ON Annual Report 2015; page 108)

principles. Only when any suspicion regarding non-compliant and non-ethical conduct has been dispelled, can we do business with this supplier.

Helping to shape political decisions

As a major energy provider, we represent our interests in political discussions and support decision-making processes with our technical expertise. Due to the fact that we are a public company with a very broadly diversified investment structure, we participate in many types of discussions dealing with topics of energy, the environment and climate change. In 2015 we took part in many discussions and consultations regarding strategically relevant topics. Our engagement in national and international associations once again played an important role.

Strengthening emissions trading, improving energy efficiency

Decisions regarding [climate policy](#), such as those adopted at the climate conference in Paris (COP21), are of crucial significance for E.ON. Even in the run-up to COP21, we therefore participated in discussions and took a stance concerning a position paper. We welcome the resolution in favour of a global climate protection agreement and continue our commitment to strengthening European emissions trading.

As early as February 2015, the European Commission published a framework strategy for the future alignment of the European and national climate and energy policy. Every EU member state is to develop an integrated energy and climate plan for the period 2021 to 2030. In this process, they are to develop measures which will contribute to reaching the EU 2030 energy and climate objectives laid out in October 2014. We participated in the corresponding discussions within the framework of various working groups - for instance, in working group 3, we participated in the "Electricity Market" platform of the Federal Ministry for Economic Affairs and Energy (Bundesministerium für Wirtschaft und Energie - BMWi). Further development of [renewable energies](#) was the main focus of this project.

An energy market for a safe supply of energy

During the political discussion pertaining to the future alignment of the energy market, the issue that was also dealt with in 2015 was whether one can rely on the mechanisms of an optimised "Energy only market" over the long term - or whether capacity mechanisms are necessary for the future in order to ensure [supply security](#). In an "energy only" market only energy supplies that are actually utilised are paid for, not the provision of the basic service. On the other hand, a power plant operator in a capacity market also receives payments for the provision of the guaranteed capacity. E.ON thinks it is necessary to quickly develop the existing system in Germany due to the further increased share of volatile power generation from renewable energies and is committed, in collaboration with other companies in the industry, to creating the preconditions for a capacity market.

In 2015, E.ON participated in public consultations dealing with this topic along with specialists, the business sector and consumers, which resulted in the "Electricity market for the Energy System Transformation" white paper which was published by the Federal Ministry of Economic Affairs and Energy (BMWi) in July. Among other things, it advocates the creation of a capacity reserve. E.ON expressed its opinion about this in a position statement to the BMWi. In that statement we argued in favour of the introduction of a "decentralised capacity market". With this capacity market mechanism, electricity suppliers receive capacity certificates from power plants, which cover requirements even when capacity demand is high. Together with the Federal Ministry for Economic Affairs and Energy

(BDEW) and the Association of Municipal Companies (Verband kommunaler Unternehmen - VKU), we contributed to the development of this concept. The position statements led to the first draft of an electricity market law in autumn 2015 which is currently being discussed.

The future configuration of the energy market is also occupying politicians and the energy sector in other European countries as well. In France, we participated in the debate about the introduction of the "decentralised capacity market" which had already been decided on there.

Withdrawal from the nuclear energy programme and search for a permanent repository

Another issue dominated the energy policy debate in 2015 in Germany: Are the nuclear power plant operators financially capable of coping with the withdrawal from nuclear energy? The BMWi issued an expert opinion in this respect in 2015 assessing the financial reserves for the dismantling of the nuclear plants and the disposal of radioactive waste. The expert opinion shows: E.ON's reserves fully cover future obligations and are at a high level also by international standards.

A major concern in this context is to find a permanent repository for radioactive waste. In 2015 this search was on the energy policy agenda not only in Germany but also in other countries such as Sweden. E.ON calls on politicians to press ahead with the search for the permanent repository and thus reduce the interim storage period.

We will also continue in the future to participate constructively in discussions within the framework of the withdrawal from nuclear energy and the search for the permanent repository.

Other topics

We also participated in discussions on comprehensive topics such as the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) and on the harmonisation of electricity transmission tariff mechanisms. We also use our expertise in discussions pertaining to technological standards.

Advocacy through sector associations

At the European level, we often represent our interests in political discussions via the trade associations of the European electricity and gas sector, Eurogas, or Eurelectric. We are represented in these associations indirectly via national associations. Both associations were present in 2015 at the conference on climate change in Paris (COP21). Also, as a member of the Magritte Group which consists of twelve major European energy supply companies, the chairman of our Executive Board, Johannes Teyssen, put the case to the EU Commission and national governments that ambitious climate protection goals should be formulated. We also became a member of the "Smart Energy Demand Coalition" (SEDC) in 2015 and in early 2016 we joined the "European Distribution System Operators' Association" (EDSO) - both associations which have set themselves the goal of establishing the intelligent networking and digitalisation of the energy sector.

At the national level we also work to represent our interests through our membership of organisations such as the German Association of Energy and Water Industries (BDEW), Sweden's Swedenergy, Romania's ACUE and Britain's Energy UK. Shared positions on a wide range of technological, political and economic issues are developed in these organisations. In addition we participate in industry

associations such as the Federation of German Industry (BDI) and its European umbrella organization, BusinessEurope. As a founding member of Natural Gas Future, a German natural gas industry association, as well as through new partnerships in the natural gas sector, E.ON will continue to promote the security of the gas supply. In the initiative, E.ON is currently Chair of the Supervisory Board.



GRI aspect in the action area

- Supplier human rights assessment

→ Materiality process

✓ Reviewed 2015

Addressing procurement risks foresightfully

In our business, we use a variety of different fuels and make use of various services and resources (non-fuels). Each fuel, each product and each service presents its own risk potential in its acquisition, whether it be political uncertainties (such as natural gas), violations of environmental and human rights standards (coal, uranium), impairment of biodiversity (biomass), radiation risks (nuclear fuel) or general work safety (services). For example, some of our coal and uranium supplies come from Russia and Colombia – countries that do not belong to the Organisation for Economic Co-operation and Development (OECD). Especially in these countries, a great challenge to labour and quality standards is presented due to the absence or insufficiency of structures.

Material aspects

In our materiality analysis we have analysed the expectations of our key stakeholders. The following prominent issues presented themselves in the field of “Sustainable Procurement”:

Maintaining human rights and environmental standards in the supply chain

Safe and inexpensive procurement of fuels and non-fuels is an important requirement for the success of our business. We must act in such a way so that human rights and environmental standards are maintained in the entire supply chain in all our procurement processes. Serious consequences may result if this is not done; mining accidents in coal mining, for example, are catastrophic locally for people and the environment. In addition, such accidents damage our reputation significantly, can disrupt planned supplies and mean significant losses for E.ON. In countries that are not members of the OECD in which the risk of such accidents is enhanced due to lack of standards, we are often involved only indirectly through our suppliers and subcontractors. Nevertheless, even here it is our responsibility to exert influence on production conditions and on observance of established standards. This also corresponds with the expectations of our stakeholders.

Management and measures

Comprehensive procurement policies

To prevent as much as possible the social, environmental, and human rights risks posed by our procurement activities, we have put in place comprehensive policies that are binding throughout our company. The rules of conduct and standards of our [Code of Conduct](#) as well as the principles of the “[Global Compact](#)” of the United Nations (UN) are indelibly tied to this. The following standards apply to the procurement of fuels and non-fuels:

- **Supplier Code of Conduct:** The Supplier Code of Conduct binding throughout the Group lays down our standards regarding human rights, working conditions, environmental impact and ethical business standards. They apply fully to non-fuel suppliers; we also ensure that all our uranium and solid biomass suppliers are contractually bound by them. We reviewed and revised the principles in 2015.
- **General Purchasing Conditions:** Purchasing contracts with our non-fuel suppliers are always concluded with reference to the General Purchasing Conditions (GPC). They contain clauses on [health, safety](#) and the [environment](#) (HSE) and quality assurance. In addition, the GPCs bind suppliers to compliance with the E.ON Supplier Code of Conduct and the principles of the UN Global Compact. We revised the General Purchasing Conditions in 2015. In the revised version, E.ON and the supplier mutually ensure the undertaking of all necessary precautions to reduce compliance risks. In this regard, we make absolutely clear what we understand by serious violations and how we deal with such incidents. This includes for example – regardless of the form of participation – offences in the areas of corruption, fraud, forgery and infringement of competition to serious violations. Aiding and abetting are considered equivalent to the act itself.
- In addition, at this point E.ON indicates the consequences of failure of compliance. Depending on the case, these range from inspection of supplier files for damage claims to extraordinary termination of the contractual relationship.
- **Directive on the Procurement of Biomass:** E.ON primarily uses biomass in the form of wood pellets and wood chips. Their procurement has been regulated by an amendment to the Supplier Code of Conduct since November 2009. This directive is the basis for all contracts and takes into account the safeguarding of biodiversity, environmental quality, human rights and living conditions of persons affected by biomass production. All our biomass suppliers ensure to us their contractual compliance, with the exception of suppliers in Sweden.
- **Business Governance Group Directive on Procurement:** This directive establishes Group-wide operational principles and procedures and responsibilities for non-fuel procurement. We implemented a revised version of the Group directive in April 2015.
- **Nuclear Fuel Policy and Nuclear Fuel Purchasing Amendment (2014):** Beginning in 2014, the Principles for Sustainable Procurement of Nuclear Fuel entered in force. The directive defines the procedure for the selection and evaluation of new uranium suppliers. It obliges them to comply with standards for the mining, conversion, enrichment, transport, usage, and storage of nuclear fuel.

Respect for human rights

Our directives for the procurement of fuels and non-fuels recognise the [Universal Declaration of Human Rights](#) (UDHR) of the UN and the conventions of the International Labour Organisation. We have our non-fuel suppliers contractually acknowledge their compliance with human rights and labour safety standards. In particular, this means excluding child and forced labour, excluding discrimination and harassment, ensuring freedom of association and the right to collective bargaining. Specific features such as land rights in biomass production and uranium procurement are also governed by our directives.

Industry initiative for better standards in coal mining

We have no direct influence over production conditions in industries in which we are only indirectly involved through our suppliers and subcontractors. In these, we support industry initiatives for safeguarding our standards.

E.ON is a founding member of the industry's [Bettercoal Initiative](#). This adopted the so-called Bettercoal Code of Conduct: it describes social, ecological and ethical requirements for sustainable coal production, providing the first company-independent standard for onsite evaluation of coal mines. The core principles to respect and support human and labour rights are also based on international standards ([United Nations Declaration of Human Rights](#), [ILO Declaration](#)) and international humanitarian law. Furthermore, they require that companies contribute to the long-term regional development of communities in which they operate.

Qualification of new non-fuel suppliers

Suppliers go through supplier qualification before we engage in business with them. This is required of new suppliers with whom we expect an annual volume of over EUR 100,000 (service providers) or EUR 500,000 (products) for use, as well as suppliers with a medium to high risk potential in the area of health, safety and the environment (HSE), regardless of the volume of business with them.

The first step is pre-qualification: suppliers must undergo this before participating in a tender. First we survey them through a pre-qualification questionnaire specifically comprising aspects of their social and financial standing.

After successful pre-qualification, further steps ensue – product and service tests, audits of manufacturing/supplier locations or trial orders. We initiated our optimised process for qualification of new suppliers Group-wide in 2015.

Risk assessment

Suppliers with an annual contract volume of over EUR 5 million are of particularly strategic importance for E.ON. They must undergo a biennial risk assessment in the finance, market, performance and corporate responsibility/compliance areas.

Supplier evaluation and development

A supplier evaluation is required following the performance of services under contract with a volume of over EUR 500,000. In it, we evaluate our suppliers under twelve criteria, such as compliance with safety requirements, product and service quality and adherence to deadlines. We also use the supplier evaluation to support our suppliers in achieving further development. Results from supplier self-assessments and onsite audits also influence this. We identify areas for improvement and agreed measures and time limits for their implementation together with our suppliers. We reserve the right to terminate the business relationship if suppliers do not implement the agreed measures.

Targets & Performance Review

It is our wish to rigorously observe our purchasing decisions and meet the expectations of our critical stakeholders. We have set concrete goals in recent years to that end, of which the following are parts of our 2012-2015 work programme:

Non-fuels: continually improving supplier qualification

It is our intent to strategically control relationships with key suppliers in terms of sustainability and further develop our supplier base in the procurement of equipment (non-fuels). Our Group-wide standardised process for qualification of suppliers is used for this purpose. Our stated goal for 2015 was to review nearly 100 percent of our suppliers in the non-fuel category whose purchase volume was classified as critical.

Faced with focusing on savings targets, we admitted that this goal could not be reached during 2014. We came gradually closer to the target through our new supplier qualification process that was improved in 2015. Hence, we were able to check and qualify numerous providers by the end of 2015. At the same time, we are working on the possibility of an automated system-based evaluation of the results obtained.

Expanding auditing of coal mines

We set the goal of standardising and expanding coal mine inspections under the Bettercoal Initiative together with other major European companies in our [2012-2015 sustainability working programme](#). Four onsite audits were to be carried out and at least 20 self-evaluation questionnaires filled out by mine operators by 2015 under the programme. The Bettercoal members can currently access more than 20 questionnaires through the designated data base. Also, three onsite inspections were conducted in coal mines in 2015, and another took place in January 2016. Hence, the goal set for 2015 was completed, with a slight delay.

Standards in the supply chain

Observance of human rights, quality and environmental standards are extremely important for us at all E.ON sites. We also set this demand for our business partners in the supply chain. We want to exclude human rights violations, ensure proper working conditions and implement ethical business practices. To this end, we have introduced various policies and management processes. In dialogue with our stakeholders, we are continuing to develop our own environmental and social standards and are committed to establishing sector standards. In this way, we are gradually extending control over supply routes – because in the procurement process, the main challenges arise in relation to protecting the environment and human rights.

We reviewed and revised our Principles for Responsible Procurement in 2015. This also entailed the revision and updating of general purchasing conditions: we inserted new paragraphs in which we deal particularly with compliance failings of suppliers.

Development of our supplier relations management

In 2014, the central purchasing division, supported by the Health, Safety & Environment (HSE) and Corporate Responsibility (CR) areas, developed an optimised and unified process for qualification of new suppliers. The implementation of this synchronised process was included in the Group procurement directive and has been mandatory for all Group entities since April 2015. The new process helps us to evaluate our new suppliers in terms of sustainability. We want to ensure that only suppliers that are classified as uncritical in environmental, social and governance (ESG) areas are admitted. We are currently engaged in a project to evaluate the supplier qualification already carried out to check if the new process is successfully implemented.

New compliance check to prevent corruption

In addition, we developed and tested a Compliance Check that enables us to verify compliance by new suppliers with antitrust and criminal law and their anticorruption measures. The check, which takes place during pre-qualification, was made mandatory in the Group in 2015 to mitigate reputation and liability risks.

Occupational safety and environmental standards in the supply chain in view

Occupational safety and environmental protection are fundamental to E.ON's core business: the production and distribution of energy. We require these of our partner companies as well. We have integrated even stricter environmental and safety standards in the non-fuel procurement process in our 2015 revision of our Group procurement directive. It was important for us to identify potential risks in our suppliers as early as possible so as to be able to take appropriate countermeasures. For this reason, we developed a unified process for risk assessment in 2015 and documented it in the Group directive. A Group-wide training programme and the Group-wide unified documentation of the results of the risk assessment are further important milestones for 2015.

Expansion of inspections in the coal supply chain

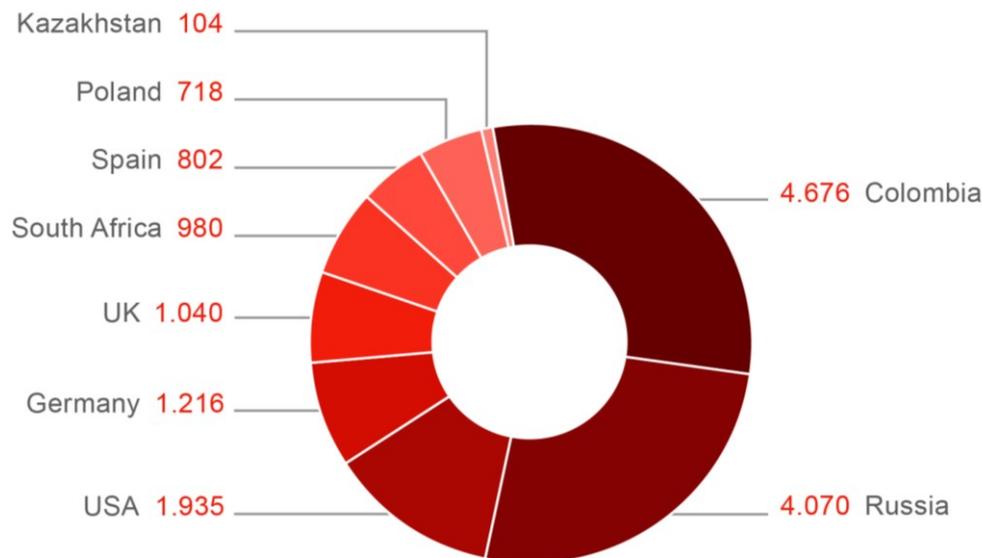
As part of our collaboration in the [Bettercoal Initiative](#), we seek to improve the working and environmental conditions in the coal supply chain. As a member, we have set specific environmental conditions and self-evaluations for our coal suppliers. These were updated in 2015. Accordingly, four coal mines are to be audited by 2017, as well as 12 self-assessments under the Bettercoal Code. The results are evaluated by the Bettercoal initiative's Secretariat, which afterwards works out specific improvement options together with suppliers, and reviews their implementation. Mines which do not yet meet the Bettercoal Code standards receive targets for improvement of their processes and structures. Each member has access to all auditing and self-evaluation results in the Bettercoal Initiative data bank. E.ON draws on the audit and self-reporting results in their evaluation of their own suppliers.

With the energy companies Iberdrola and ESB, the number of members of the Bettercoal Initiative has increased by two members, to a total of 13.

Main source countries for fuel

Together, Russia and Columbia provide more than 58 percent of our hard coal, making them by far our largest suppliers. Neither country is a member of the [OECD](#); both are therefore potential sources of the risks described above.

Hard coal procured for E.ON power stations by source country¹
in kilotons (total: 15,541)



¹ Die Zahlen sind jeweils gerundet, was zu geringfügigen Abweichungen in der Summenbildung führen kann.

The most important countries for gas supply in 2015 were Russia, Germany and the Netherlands. We ensured access to about 400 billion kWh of natural gas using long-term supply contracts in 2015. Our total trading volume of natural gas was 2,565 billion kWh (2014: 1,794 billion kWh).

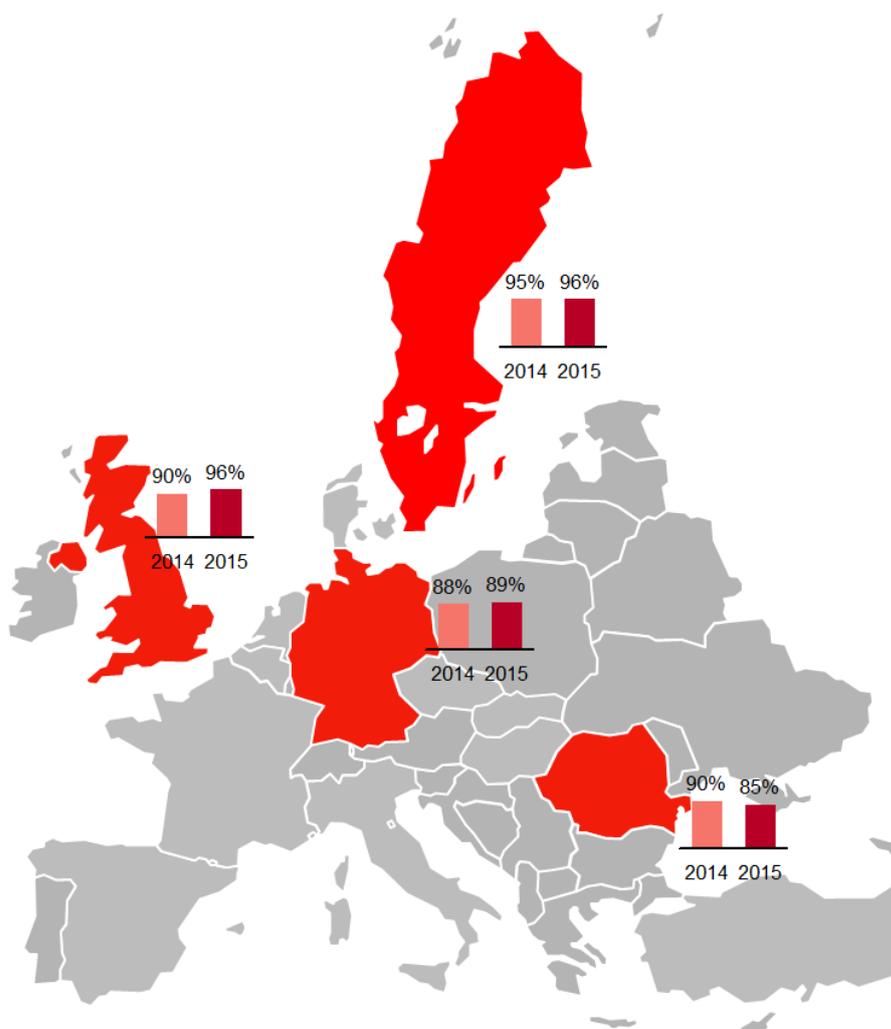
The largest uranium reserves are in politically stable countries like Canada and Australia. E.ON covered its demand for natural uranium through suppliers from Kazakhstan, Canada and Uzbekistan

(47 percent, 27 percent and 13 percent respectively). Smaller amounts come from Australia, Russia, Namibia, South Africa and the USA. The uranium was enriched in Europe and Russia. We also have our own stock of natural uranium, two thirds of which come from Australia, Kazakhstan and Canada. In 2015 we sourced a total of roughly 890 metric tons of natural uranium for our nuclear power stations in Germany and Sweden (2014: 1,000 t).

Development of purchasing volume in non-fuels

We obtain the majority of our goods and services (non-fuels) from the countries in which we are active. This is borne out by figures from 2014 and 2015; during the period from January 2014 to December 2015, approximately 89 percent of our non-fuel purchasing volume was commissioned from suppliers in the countries of our regional units, as well as from suppliers in Norway and the United States; global units are engaged in these countries to an extensive degree. For example, in the following diagram, the share of total purchasing volume in Germany, the UK, Sweden and Romania are shown:

Share of in-country-procurement volume (non-fuels) for Germany, Romania, Sweden, UK and Northern Ireland





GRI aspects in the action area

- Access
 - System efficiency
- [Materiality process](#)

✓ Reviewed 2015

Maintaining supply security amid increasing challenges

Figures from the German Federal Network Agency show that electricity and gas outages occur relatively rarely in Germany – in 2014 there were 173,800 power cuts with an average duration of 12.28 minutes. Gas outages only lasted around 1.25 minutes. Despite the high level of supply security, electricity supply is facing major challenges in future. Energy is increasingly generated in a decentralised way today, for example in large wind farms or in private photo-voltaic systems on house roofs. This means that power is fed in from many different points and is therefore subject to weather-related fluctuations. This is pushing distribution grids with increasing frequency to the edges of their capacity. As an energy supplier we therefore face the challenge of ensuring secure energy supply now and in the future.

And we also have to guarantee gas supply in the long term. The strong increase in global demand therefore confronts us with a series of challenges. In China alone, gas demand has more than quadrupled since 2004. Current (geo-)political crises, for example in eastern Europe, place additional strain on the market and highlight the dependence on gas imports. In order to prevent supply bottlenecks we have to avoid excessive dependencies on individual countries and build up capacity reserves.

Material aspects

In our [materiality analysis](#) we have analysed the expectations of our key stakeholders. The analysis showed the following key topics of relevance to the field of environmental protection:

Ensuring stable energy supply

Secure energy supply is E.ON's core business and the basic prerequisite for E.ON's business activities ("license to operate"). Power cuts damage our reputation, because what our customers

primarily expect of us is to provide them reliably with energy. At the same time, our stakeholders demand that we invest even more heavily in renewable energy in the future. This is also our goal: we want to contribute to the continued increase in proportions of renewable energies in the energy mix. Currently this proportion is already over 15 percent in the EU and is set to cover 20 percent of gross energy consumption by 2020. In order to enable energy from renewable sources to be optimally integrated into our energy system and distributed, the transmission and distribution networks need to be further developed. In doing so, it is important that an optimum coordination of conventional networks and new, intelligent ones ensures the greatest possible stability in energy supply. By developing such intelligent networks and innovative technologies we can face up to the challenges of the new energy landscape and obtain an advantage in international competition.

Ensuring secure gas supply

It is our aspiration reliably to supply our customers with natural gas now and in the long term. For that reason we are focusing on the impacts of global developments on our supply chains. By procuring natural gas with diversification of sources and transport, and by developing important transport infrastructures, we are safeguarding capacities for the future.

Management and measures

In the new energy world, intelligent and flexible networks are the key to integrating renewable and decentralised energies into our energy system. Conventional generation in the traditional energy world, by contrast, safeguard power supply when shortages emerge in the fluctuating renewable electricity sources. Our strategy combines approaches for the new and old energy worlds: We strive to foster an energy supply that's secure, balanced, and as climate-friendly as possible.

Developing distribution networks for the new energy world

Our over-riding goal is safeguarding energy supply through efficient and reliable operation of our distribution networks. With a needs-based expansion of intelligent power networks, we make it possible to feed energy generated in a decentralised way into the distribution grids. In parallel with the power network, this creates a data network that coordinates the generation, distribution and storage of energy. These "smart grids" are able to control energy feed-in from numerous decentralised sources with the aid of information and communications technologies. Solutions such as the Regel Energy Management System (REMS) technologies such as flexible gas-fired power plants and embedded cogeneration units along with new energy storage techniques will also help balance out fluctuations in supply and demand and make our distribution networks even more flexible.

Broad diversification of energy procurement

Our conventional generation portfolio includes reliable and flexible coal and gas power stations and, until 2022, several nuclear plants. With each energy type we endeavour to distribute the procurement sources and routes as broadly as possible. This is how we prevent dependencies on individual producers, which would lead to a distorted pricing structure. This also applies to natural gas. In addition to the procurement of natural gas via pipelines, the market for liquefied natural gas (LNG) has developed into another procurement source. Liquefaction of natural gas has the advantage that the gas can be transported globally in tanker ships and therefore is not dependent on pipelines. The increasing liquidity of European markets is also making a significant contribution to gas supply security.

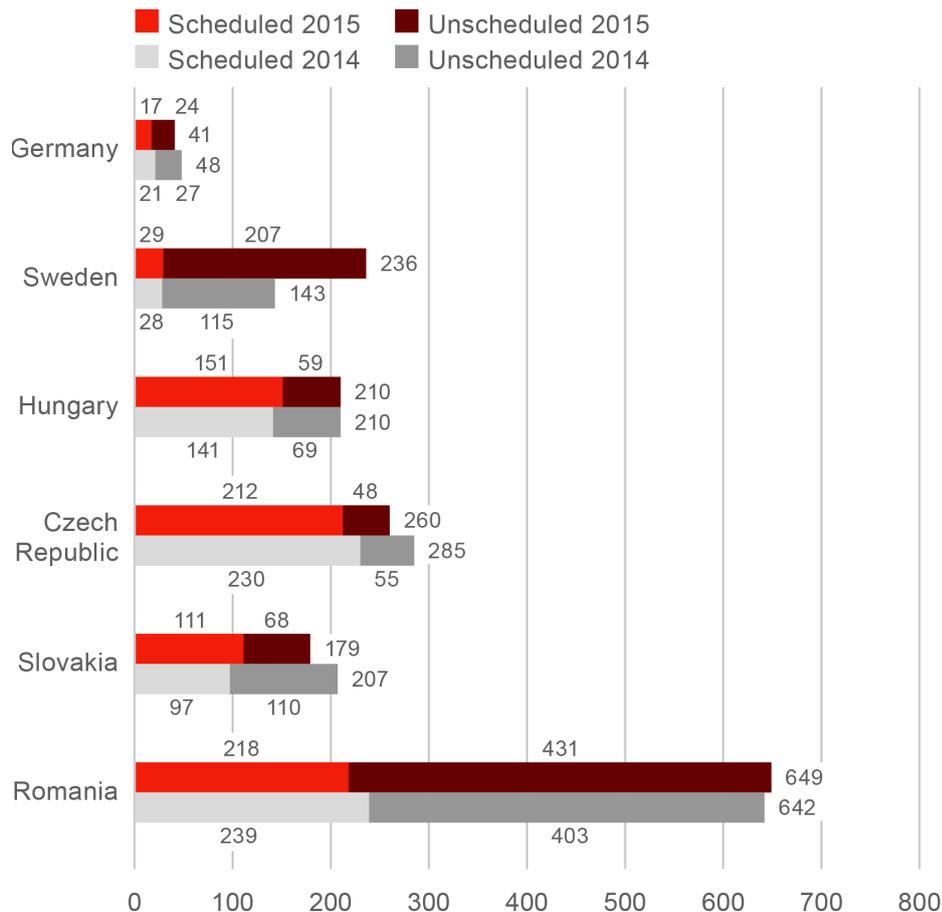
E.ON operates a comprehensive gas storage portfolio and has working gas capacities in Germany with a volume of around 6.8 billion m³. We campaign for the regulatory environment for gas storage to be structured in a way comparable with those of other sources of flexibility such as border crossing points. The goal should be that these are not subject to additional charges, so that they can compete more fairly and play their deserved role in strengthening supply security over the long term. In addition, E.ON has holdings in various important transport infrastructures such as cross-border pipelines.

The "Sustainable procurement" page provides an overview of the regions from which we procure fuel.

Targets & Performance Review

We do everything we can to prevent power supply outages from happening and, in the rare instances they do, to restore service promptly. Our aim is to ensure an uninterrupted energy supply at all times. We measure our network quality with SAIDI (System Average Interruption Duration Index). This gives the average outage duration for each consumer supplied per year.

SAIDI power (in min per year)



Power availability in the German distribution network is the highest in the whole of Europe. In 2015 we had around 0.6 outage per customer (System Average Interruption Frequency Index, SAIFI).

SAIFI Power (Interruption per customer)			
	2015		
	Scheduled	Unscheduled	total
Germany	0.1	0.5	0.6
Sweden	0.2	1.7	1.9
Hungary	0.5	0.9	1.4
Czech Republic	0.7	0.6	1.3
Slovakia	0.5	1.6	2.1
Romania	0.8	5.6	6.4

Ensuring stable energy supply

Our customers expect secure and stable supply of electricity and gas from E.ON. As part of our further expansion of renewable energy, the power networks will be developed from a centrally controlled infrastructure to an intelligent, de-centralised one. Our objective is to guarantee reliable supply despite these changes. That is why in 2015 we not only further expanded and maintained our networks, we also invested in creating intelligent control (smart grids) and flexibility for them. To this end, we increasingly also developed decentralised energy storage such as power-to-gas plants. These make it possible to store excess electrical energy – for example when wind power plants produce more power than is needed during high winds. Even before 2015 we were able to commission two highly innovative power-to-gas pilot plants.

Intelligent network control with smart grids

Intelligent networks – known as smart grids – make it possible to integrate electricity from renewable energies as efficiently as possible into our power network. Smart grids bring all stakeholders in the energy system together via a single communications network. This means that an energy- and cost-efficient balance can be achieved between a large number of consumers, generators and – increasingly in future – storage facilities. With the aid of modern communications technology, the management of power generation, storage, consumption and the electricity grid is itself optimised.

In early 2015, as part of our strategy project "Work Stream intelligent grids", we identified the 15 essential trends in the constantly changing world of energy. We identified trends including "flexibility of networks", "integration of renewable energies" and "analysis of networks" as particularly relevant. This shows that with our approaches we are well on our way in comparison with the competition. In future we want to test our smart grid strategy regularly and revise it where necessary.

Nano grid project in Hamburg-Reitbrook

A "nano grid" is a complete smart grid in its smallest form. It is chiefly used in small ensembles of buildings. It connects all energy consumers, generators and storage facilities with each other, acting externally as an energetic single unit in information and technical terms. In 2015, under the leadership of E.ON Gesellschaft HanseWerk, we built a nano grid in the Reitbrook district of Hamburg. As part of this pilot project in partnership with the Lübeck University of Applied Sciences, we are recording the electricity consumption of an office made from shipping containers in the Hamburg Innovation Centre with the aid of smart meters. The container office is used all year round for research and general administrative work and is subject to typical consumption levels for office space. It is also fitted with a photo-voltaic system, which is being supplemented with a small wind turbine in spring 2016.

The aim of the project is to develop a device configuration that, largely automatically, provides self-generated electricity to achieve the highest possible level of self-sufficiency and, if necessary, helps to stabilise the supply network. In normal use, the system is intended to work unnoticed by users, but to allow them full control when needed.

Remote-controlled multicopters check networks

We have to check our networks regularly to discover potential damage early. This checking process generally takes place while the networks are working under electrical voltage. This means that our staff have to keep their distance for safety reasons. Previously, for a closer inspection, it was essential to temporarily shut down sections of the network. Therefore we are currently trialling the use of "multicopters", remote-controlled unmanned aircraft. With their help we can subject the networks to a close inspection without having to shut down parts of them. The multicopters provide us with aerial images that we can use for checking particular network sites and for planning future replacement works. Some of the first pilot projects on the use of multicopters are taking place in the Czech Republic, where our technicians are testing around a dozen of these devices. In future we plan to use them to facilitate maintenance of our high- and low-voltage lines in the Czech Republic, which have a total length of some 65,900km.

Fully automatic monitoring of network load

We are continuously optimising our network operations and employ innovative technologies to do so. An example of this is the intelligent monitoring of the utilisation of the power networks (ALM). This involves monitoring the power circuits and substations with the aid of special decentralised measuring systems. It provides us with a fully automatic means of shutting down systems in which the power network is at risk of overload. ALM is a further development of conventional feed-in management: while plant operators previously had to be manually prompted periodically to cut back on feed-in levels, with ALM this happens fully automatically and in seconds.

Balancing out voltage fluctuations in the network

Because renewable energies are increasingly being fed into our power network, there is an increasing risk of voltage fluctuations in local distribution networks. Normally these can be avoided only by expanding the networks or building additional substations. E.ON was therefore on the lookout early for innovative solutions. Use of voltage-regulated distribution transformers (VRDTs) proved particularly promising. The voltage regulation is decentralised – just as with generation. It means that a small number of central substation transformers can be supported by numerous decentralised distribution transformer stations. The VRDTs measure the voltage in the transformer stations and compare it with the programmed set value. If the two values are not the same, the transformer automatically regulates the voltage to the set value. The decentralised VRDTs allow this to be regulated with significantly greater precision than via a distant substation. E.ON had installed 200 VRDTs in the German distribution network by late 2015. We are also increasingly using VRDTs in pilot projects in other countries, such as the Czech Republic, to balance out voltage fluctuations in the grids. We have already been able to significantly reduce the costs of the VRDTs. We are expecting further cost reductions in future.

Store excess energy with power-to-gas

Storing excess, regeneratively produced power is a central key for secure power supply in the age of the energy transition. One possibility for this is transforming electricity and water into hydrogen – which is known as power-to-gas technology. The "green" hydrogen produced in this way (not to be confused with "grey" hydrogen, which is generally produced from natural gas and used for engineering purposes) is available to the natural gas market and can be used for heating in industry, as fuel for

transport or in electricity generation. We are also able to avoid having to shut down wind power plants when there is a risk of network overload, because the over capacity is transformed.

In 2015 we commissioned the world's most compact power-to-gas plant at our Hamburg-Reitbrook site. Together with the plant previously commissioned in 2013 in Falkenhagen (Brandenburg), these facilities enable us to transform 1.5MW of power into hydrogen per hour. This corresponds to a production of 290m³ of hydrogen per hour.

Secure natural gas procurement

In addition to secure electricity procurement, supplying our customers with natural gas is one of E.ON's main tasks. As part of our diversified procurement concept, the extension of pipeline capacities also plays a role.

In 2015 a project was initiated to extend the Nord Stream pipeline, a gas transport route through the Baltic between Russia and Germany, and we are involved. The plan is to double the existing transport capacity from 55 billion m³ to 110 billion m³. After completion in late 2019, we will be in a position to meet Europe's rising import needs and to increase supply security yet further.

Our power lines and gas distribution grids by country (2015)

	Power lines (thousand km)	Power supplied (tWh)	Gas distribution grids (thousand km)	Gas supplied (tWh)
Germany	386.7	85.3	56.9	57.4
Sweden	135.5	13.6	2.1	2.8
Hungary	84.4	11.310	18.0	9.176
Czech Republic	65.9	10.8	4.5	8.7
Slovakia	38.8	5.7	–	1.9
Romania	81.3	3.8	20.6	24.3

Further measures & performance

Environmental Protection

How does E.ON ensure that the latest environmental regulations are taken into consideration?

Environmental legislation plays a central role for E.ON. A significant part of our expertise and operation is involved in the observance of legal and regulatory requirements. A large number of our management processes in our (operational) organisational handbooks are regulated by this. In addition, we train our employees in their practical application.

We continuously monitor and evaluate all changes in regulatory requirements and laws at the national, European and extra-European level that could potentially impact our systems. In this regard, in 2012 we established a central authorisation platform for the construction and operation of facilities. Each regional unit appoints a contact person who updates the platform by publishing any changes of legal relevance which have a material impact on our Group. The contact person is tasked with evaluating these and coordinating our responses to the challenges that occur in relation to them.

Is there a policy that is particularly important for E.ON?

The Industrial Emission Directive (IED-RL) is significant for existing power plants with a thermal input greater than 50 MW. In relation to this, E.ON may have to implement new requirements or decide whether facilities are refitted or decommissioned after shutdown. Local regulatory authorities check as part of their continual monitoring whether the objectives of the IED-RL in their national versions are met. If the IED-RL is updated with new legal requirements, this is attended to by our global unit E.ON Technologies.

What exchange of information takes place within the EU for optimisation of plants?

“Best Available Techniques” (BAT) are developed throughout Europe for various industries in an exchange of information based legally on the IED-RL and distributed in leaflets. Member states, industry, and environmental groups take part in the consultation process. This permits the optimal design of facilities, and thus the reduction of environmental risks. The EU Commission is expected to publish leaflets of BAT findings with so-called associated emission limits for large combustion plants for the first time at the end of 2016. The limits established in them are to be applied to new plants immediately following their publication in the European Official Journal, and to existing plants within four years. An internal working group is evaluating the possible impact on our generation facilities.

Workforce challenge

How does E.ON support the reconciliation of work and private life?

We want to facilitate the reconciliation of work and private life (Life Balance) of our employees. That's why we give them substantial freedom in the design of their working time. Models with flexible working hours or trust-based working hours have been established at E.ON for years now. Our employees also have the option to work from home office or to take long-term leave (sabbatical). After a longer absence, we help them re-enter working life. We support and promote the need for part-time work; some seven percent of our employees are employed on a part-time basis. Thereof, 66% are women and 34% are men.

With various measures, we support our employees in phases of life in which they are facing great challenges in their private life - for example, through the care of young children or elderly relatives. In addition to making the working hours and places more flexible, we offer various care options: In cooperation with daycare or nurseries, we provide subsidised childcare places and mediate ad hoc support in Germany over the pme Family Service. In addition, we offer employees on parental leave preferential cover for holidays and sickness so that they can follow current developments in the company. At the end of 2015, 739 E.ON employees were on parental leave; of these, 703 were women.

As part of the demographic change, not only is the average age of our employees rising but also that of their family members. E.ON has offered various options for employees with relatives who need care. In cooperation with the pme family service, we offer individual consultation on nursing at home or inpatient care, and refers carers, assistants for the elderly and household helpers.

In what form does E.ON integrate its employees in the company processes?

It is of great advantage for us to integrate our employees closely into the company processes - both via the personal dialogues and via co-determination bodies. A key element thereof is the mandatory employee meeting. We also allow for direct exchanges with company management on the discussion forum "Ask the board", in which the board invites all employees to live chat on a regular basis. There are various blog formats on which our employees can get in touch with managers and colleagues, submit ideas and suggestions and share successes and events.

How does E.ON provide for its employees?

An attractive salary package, including relevant benefits is a matter of course at E.ON. An important component of this is company pension-plan benefits. In addition, we have created the "E.ON Investment Plan" in Germany, which represents an efficient tool for individual wealth creation. It is based mainly on an employee share programme, to whom E.ON offered a partially tax-exempt grant. In 2015, a total of 9,275 employees held 1,419,934 shares. Similar programmes have also been established in other countries. In the process, we also take into consideration the applicable legal provisions.

Every employee of E.ON SE also enjoys the protection of employer-funded Group accident insurance cover, which insures against accidents outside of work as well as work-related and commuting accidents. The preventive health care for employees is also very important to us. Fundamentally, all

occupational benefits also apply to part-time and fixed-term employees; it is only the employee shareholding programme that has limitations for fixed-term employees.

Is there an individual performance evaluation at E.ON?

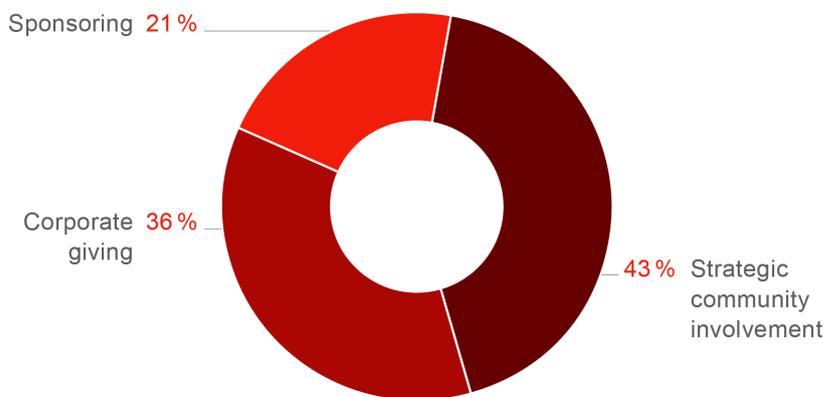
For E.ON managers and a large proportion of employees, a variable, performance-based annual profit share is a fixed part of their remuneration package. This depends both on the performance of individuals who are evaluated on the basis of our competence model, and on the performance of the entire company as well. Top management staff also receive a long-term variable remuneration element.

Societal interaction

What activities does E.ON engage in as part of "Community Involvement"?

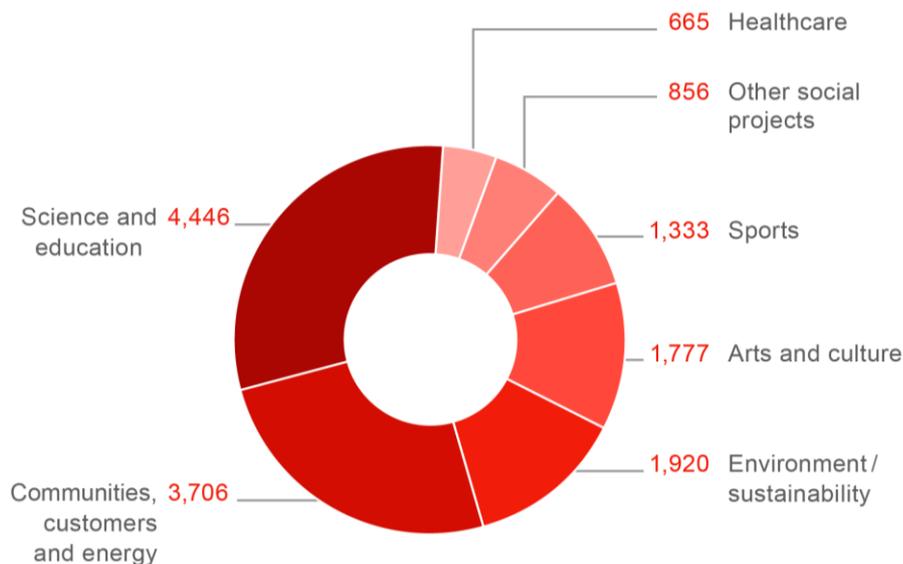
Our regional units are involved in what are in some cases long-standing partnerships to support local projects (Community Involvement). We focus here primarily on energy and environmental education, climate protection and energy access. In the countries in which we are active we have thus implemented many educational projects (some of which are ground-breaking) for children aged between 3 and 18 or their teachers and educators. Group management provides advice in the design and implementation of these projects.

Community investment by type



In 2015, the volume of social investments decreased further, falling from EUR 23 million in 2014 to EUR 14 million last year. There are two reasons for this: cost discipline in the company and the decision not to continue with certain programs in Britain. Each year we publish details on the extent of our social investment in individual thematic areas for seven categories:

Community investment by project (€ in thousands)



How does E.ON encourage its employees to be involved in volunteering?

Since 2009, there have been corresponding activities in all countries in which we are active. The scope of these, however, varies depending on the particular country. Last year, over 2,167 E.ON employees throughout the Group worked around 12,747 working hours doing volunteering (figure adjusted for the commitment by the regional units in Spain and Italy). The Group consequently provided the equivalent of around EUR 318,675 of work in all.

In what international industry forums, initiatives and conferences is E.ON active?

- **World Energy Council:**

We are involved in the World Energy Council (WEC), which campaigns globally for an affordable, reliable, and eco-friendly energy supply. Leonhard Birnbaum, a member of the Board of Management, currently heads the European arm of the WEC. In this capacity, he was involved in 2015 in numerous discussions at a national, European, and global level. The WEC includes all energy sources in its work and has a broad membership base. This includes governments and authorities as well as companies, the scientific community, and NGOs.

- **econsense – Forum for Sustainable Development of German Business**

Leading German companies and organisations with global operations have joined forces in econsense – Forum for Sustainable Development of German Business. Since its foundation in 2000, E.ON has 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. We share experiences, develop joint positions, and contribute to social discourses together with other companies. econsense also moderates the preparation of the "National Action Plan (NAP) for Business and Human Rights", which is to be adopted by the Federal Cabinet in 2016. E.ON was involved in the hearing on "Reporting and Transparency" with the members of the NAP steering group. E.ON is also involved, as part of the Supply Chain Management working group, in the design and development launch of a Human Rights training module.

- **CDP Worldwide**

E.ON participates in the Climate Change Programme and the Water Programme of the independent information service provider CDP (formerly Carbon Disclosure Project). We also participate in CDP forums: Our aim in doing so is to communicate our strategy to a broad range of professionals and learn from other organisations.

- **World Business Council for Sustainable Development**

The World Business Council for Sustainable Development (WBCSD), a coalition of leading sustainability-oriented companies, serves as an important interface between international policymaking and the corporate world. The initiative focuses on energy and climate protection, ecosystem protection, and sustainable development. We participate in a number of WBCSD working groups, such as the Greenhouse Gas Emissions Working Group. We are also involved in collaborative projects, for instance in developing standards for sustainable water management in the energy industry. Apart from that, we were once again involved in the

"Reporting matters" initiative and are sharing information and ideas with the WBCSD "Low-Carbon Micro Grids" working group.

- **Global Compact**

Within the United Nations Global Compact, E.ON participated in 2015 as a member in the work of the Business and Human Rights peer learning group. The group, attended by around ten DAX companies from different sectors, provided a special type of forum for discussion with its personal meetings in 2015. One of these meetings, which was attended also by a representative of the UN High Commission for Refugees (UNHCR) and corporate representatives from the Southern Europe Global Compact Group, was devoted to the experiences companies had had relating to the issue of aid for refugees.

Customer orientation

How many customers bought green power products from E.ON in 2015?

E.ON offers residential and business customers a variety of green power products, which respond to the public's heightened environmental awareness. Altogether we supplied our customers with around 10 TWh of green power in 2015, which represented around 5.2 percent of the total retail sales volume in our ten regional markets. The demand for these products varies greatly between the different regions. This is a reflection not least of the different framework conditions for the supply of green power.

And what action is E.ON taking in terms of climate-friendly mobility?

We have a range of offerings to promote low-carbon mobility in vehicles powered by electricity and natural gas. Electric vehicles (EVs) can help make mobility cleaner and less dependent on fossil fuels. With manufacturers offering better EVs and the legislative environment improving in many countries (as with Germany's newly enacted Electro-mobility Law and Charging Station Ordinance), we expect this market segment to experience strong growth. We conduct projects and activities in a number of regions in an effort to encourage people to embrace e-mobility. E.ON currently operates more than 1,000 publicly accessible charging points in Europe and is steadily expanding its charging network. E.ON is also electrifying its internal fleets of vehicles and offering employees the option of charging their electric vehicles.

Natural gas-powered vehicles also have considerable potential. They emit around 25 percent less CO₂ than gasoline-powered vehicles. As more biomethane is fed into the gas pipeline system, climate performance will improve even further.

How is E.ON promoting e-mobility?

We consider e-mobility to be a cornerstone in the climate-friendly energy landscape of the future and so we are working to expand the charging infrastructure and develop new charging technologies.

In the Hamburg metropolitan area we are involved in a scientific project which is looking at the requirements that must be met by charging stations and finding out the current and future need for charging points in the metropolitan area. To this end we are building as many as 50 charging stations in the city and surrounding districts. Other project partners include the Hamburg metropolitan area administrative office, the Institute for Urban Development and Urban Transport of RWTH Aachen (North-Rhine Westphalia University of Technology), and "Hamburger Projektleitstelle für Elektromobilität hySOLUTIONS GmbH".

The whole project, which is being funded by the federal government to the tune of around EUR 1.6 million, is scheduled to last three years.

In Berlin and the surrounding area, we are partnering with Joey's Pizza and the Berlin office of SEW-EURODRIVE to test fast and uncomplicated practical solutions to inductive charging. In this process power is transmitted without contact via the magnetic field of a coil installed in the ground. The counterpart is located on the underside of the vehicle. This can also be placed during short periods of non-use above the floor plate and charged and as a result is ready to use at any time.

Good Governance

How can E.ON ensure that human rights are protected throughout the Group?

Our entire company is also subject to our own Human Rights Guidelines in which we recognise the UN "Universal Declaration of Human Rights", the International Labour Organization's Convention on Human Rights, and the Principles of the UN "Global Compact" of the United Nations (UN). With reference to the corresponding ILO conventions, we explicitly affirm E.ON's opposition to child labour. Based on this guideline, we also include human rights topics in our procurement processes.

The [E.ON Human Rights Guidelines](#) apply to all our regional and global business units, as well as all subsidiaries that are fully integrated in the E.ON consolidated financial statements. The Guidelines stipulate the creation of a contact point for human rights issues at Group Management level in the form of a Chief Sustainability Officer (CSO). This function has been assumed since October by the Chairman of the E.ON Executive Board, Johannes Teysen, who is consequently also simultaneously chairman of the Sustainability Governance Council (SGC).

Furthermore, we have appointed staff who are responsible for ensuring that the E.ON Guidelines meet the requirements in the UN's 2011 Guiding Principles for Business and Human Rights. Through training courses, shareholder-dialogues, and other formats, these experts closely analyse the UN Principles, contribute their knowledge to the Group and determine where there is a need to act in anchoring the issue of human rights more firmly within Group companies.

What does E.ON do to ensure early detection of risks of human rights violations?

In 2015, with external assistance, we systematically analysed the processes pertaining to our business activities - in relation to the UN Guiding Principles for Business and Human Rights (a so-called "Human Rights Capacity Assessment"). The goal was to better understand the major requirements and determine how to achieve early detection of the risks of potential violations of human rights and how to respond. Based on these results we will adjust our management systems for protecting human rights as required, and integrate corresponding regulations into the relevant business processes. Among other things, we have already expanded our checklist for suppliers and aligned it with the requirements of the UN Global Compact.

In what dialogues regarding the protection of human rights did E.ON participate in 2015?

In 2015 E.ON took part in several sector-specific as well as more general stakeholder dialogues. One of these was a dialogue process by NGOs and companies pertaining to the topic of human rights and raw materials in global supply chains, which was moderated by the Wittenberg Centre for Global Ethics (WZGE) in cooperation with ecosense - Forum for Sustainable Development of the German Economy. In addition, E.ON supports the German Federal Government's National Action Plan for Business and Human Rights, which was launched in November 2014. The action plan is expected to be adopted by the Federal Cabinet in 2016. In Great Britain, we are checking to see what E.ON's obligations are under the UK Modern Slavery Act 2015.

Sustainable procurement

How does E.ON promote sustainable biomass supply?

A variety of different legal guidelines and framework conditions characterize the European market for solid biomass. This not only makes it difficult to establish a functional European trading market, it also damages social acceptance of solid biomass. With the aim of developing a consistent European sustainability certificate, we have joined together with other European energy utilities, pellet producers, audit organisations and other stakeholders to form the Sustainable Biomass Partnership (SBP). In March 2014, the SBP published its first framework and invited interested parties to comment on this. The revised document went into test phase with industry partners in September 2014 and was published in March 2015.

How does E.ON deal with the risk of nuclear fuel supply?

In 2014, we agreed a Nuclear Fuel Policy which describes how we source nuclear fuels, what standards our suppliers must adhere to, and how we check this. It is supplemented with our Nuclear Fuel Purchasing Amendment, which specifies the application of our Responsible Procurement Policy to nuclear fuels. Both documents are components of our contracts with new suppliers of nuclear fuels for our German and Swedish facilities. The Responsible Procurement Policy is already part of existing supply contracts for uranium. We source uranium exclusively from established suppliers with production primarily in politically stable countries. As far as we know, there are no companies among them that fail to meet government regulations or permit requirements. Should this situation change, then the respective suppliers would be excluded from our procurement group.

As part of our tender processes, all long-term suppliers in the supply chain for nuclear fuels are required to carry out an extensive self-assessment. We review and document the resulting risks and take account of them in our decision-making. We also analyse the situation in our procurement regions on the basis of independent reports, such as those by the United Nations Human Rights Council, as well as Transparency International and Amnesty International.

Currently, we only carry out reviews and on-site audits for new suppliers, or in cases of justified suspicion. Since our demand for uranium, especially in the German E.ON facilities, will fall in the coming years, no new contracts were agreed in 2015, nor were any uranium mines or processing plants audited. In the 2015 reporting period there were no incidents leading to a termination of business relationships.

ESG facts & figures

Measurable economically, socially and environmentally relevant indicators are a basic requirement in enabling us to evaluate our progress in implementing our projects and strategies. Standardised indicators from the areas of Environment, Social Responsibility, and Governance & Integrity (ESG) are gaining in particular importance in the capital market for evaluating companies.

Our performance in terms of sustainability has therefore been represented for a number of years using ESG indicators.

Environment	Social responsibility	Governance & integrity
<ul style="list-style-type: none"> • Climate protection • Technology development • Environmental protection 	<ul style="list-style-type: none"> • Workforce challenge • Health and safety • Societal interaction 	<ul style="list-style-type: none"> • Good governance • Customer orientation • Sustainable procurement • Supply security

In selecting our KPIs we use meaningful reporting standards, such as the third generation of ESG KPIs from the [European Federation of Financial Analysts Societies](#) (EFFAS) and the German Association for Financial Analysis and Asset Management (Deutsche Vereinigung für Finanzanalysten – DVFA). These core non-financial indicators are valid across Europe and also include sector-specific criteria. We remain one of the few companies in Germany to offer standardized ESG key indicators. In our annual sustainability report we are also guided by the guidelines of the "Global Reporting Initiative" (GRI) and report our water and CO₂ figures to the "[Carbon Disclosure Project](#)" (CPD).

These measures are intended to improve the comparability of our reporting activities and make ESG information more easily accessible to financial analysts.

If, as an analyst or investor, you have any questions, please contact us directly. Our 'Investor Relations' Team will be pleased to assist. ► [Investor Relations](#)

DVFA-/EFFAS-KPIs

Since 2010 we have reported our indicators in line with standards defined by the German Association for Financial Analysis and Asset Management (Deutsche Vereinigung für Finanzanalysten – DVFA) and the European Federation of Financial Analysts Societies (EFFAS).

DVFA/EFFAS KPIs		2015	2014	2013
E02-01	Carbon emissions scope 1 (million metric tons)	80.1	97.9	117.2
	Carbon emissions scope 2 (million metric tons)	3.6	3.9	3.5
	Carbon emissions scope 3 (million metric tons)	119.6	123.6 ^{1,3}	145.0 ^{2,3}
E03-01	Total carbon emissions (million metric tons)	76.8	95.7	114.3
	Total NO _x emissions (kilotons)	74.3	94.1	116.3
	Total SO ₂ emissions (kilotons)	27.9	41.5	57.6
E03-03	Specific carbon emissions (kilograms of CO ₂ per MWh)	400	430	450
	NO _x emissions (kilograms of NO _x per MWh)	0.39	0.44	0.47
	SO ₂ emissions (kilograms of SO ₂ per MWh)	0.15	0.19	0.23
E04-01	Total waste (kilotons) ⁴	593	209	282
E05-01	Share of total amount of waste recycled (percentages) ⁵	44.0	77.7	62.4
E06-01	Total amount of hazardous waste (kilotons)	62	32	76
E08-01 E08-02	Low and intermediate-level waste (tons)	1,111.5	3,298.7	2,306.1
E08-03	High-level waste (tons)	264.2	157.8	225.2
E12-05	Reserves for future environmental remediation (€ in millions) ⁶	851	871	870
E26-01	Generation portfolio (percentages)			
	Lignite	6	5	6
	Hard coal	20	22	26
	Nuclear	26	26	23
	Natural gas/oil	34	33	33
	Hydro	8	6	6

DVFA/EFFAS KPIs

	Wind	6	6	5
	Other (incl. biomass and solar)	-	1	1
E28-01	Total water withdrawal (million cubic meters)	9,387	10,496	11,672
E33-01	Number of sites with ISO 14001 certification ⁷	See „ Avoiding environmental impacts “		386
S01-01	Turnover rate (percentages)	3.7 ¹	3.3 ²	3.5 ²
S02-02	Training expenditure per employee (€)	1,052	1,044	1,047
S03-01	Average employee age (percentages)			
	<30	17	17	17
	31-50	55	55	56
	>50	28	28	27
S08-03	Consideration of ESG performance in target agreements	yes, see “ Good governance ”		
V02-01	Corruption risks: Share of revenue in countries with <u>CPI</u> under 60 points (percentages)	6.6	10.6	9.5
V04-01	Total R&D expenditure (€ in millions)	106	99	119
V06-01	Customer satisfaction (development) (percentages)	see “ Customer satisfaction ”		
V11-02	Customers equipped with smart meters (in millions)	1.7	2.1	2.0
V28-04	Supply chain: Key performance narrative	see “ Sustainable procurement ”		
G01-01	Contributions to political parties (percentages)	No contributions permitted, see “ Good governance ”		

- 1 Indicator calculation including activities in Italy.
- 2 Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).
- 3 Prior-year figures have been adjusted.
- 4 Comprises: Radioactive, hazardous, and non-hazardous waste.
- 5 Comprises: Recycled share of hazardous and non-hazardous waste.
- 6 Provisions for environmental remediation refer primarily to redevelopment and water protection measures as well as to the rehabilitation of contaminated sites. Also included here are provisions for other environmental improvement measures and for land reclamation obligations at mining sites.
- 7 Data also includes sites with EMAS certification.

Figures of the report

Here is an overview of our key Environment, Social, Responsibility and Governance & Integrity (ESG) indicators. Selected KPIs are an integral part of an external [assurance review](#) and are shown in the following table and within our action areas in our 2015 Sustainability Report ("Reviewed 2015"). We also present more detailed information in this and break the information down, for instance, by region or segment.



CO ₂ -Emissions				
	Reviewed 2015	2015	2014	2013
Carbon emissions from power and heat generation (million metric tons)	yes	76.8	95.7	114.3
E.ON Group carbon intensity (metric tons of CO₂ per MWh)	yes	0.4	0.43	0.45
E.ON Group carbon footprint (million metric tons)				
Scope 1 emissions	yes	80.1	97.9	117.2
Scope 2 emissions	yes	3.6	3.9	3.5
Scope 3 emissions	yes	119.6	123.6 ^{1,2}	145.0 ^{2,3}
1	Indicator calculation including activities in Italy.			
2	Prior-year figures have been adjusted.			
3	Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).			

→ For a further breakdown of carbon emissions, see "[Carbon footprint](#)".

Energy				
	Reviewed 2015	2015	2014	2013
Energy consumption within the organization (million GJ)		540.0	548.6 ¹	n.d.
Average efficiency of generating fleet (percentages)				
Coal		39	38	36
CCGT		53	54	49
1	Prior-year figure has been adjusted.			

→ For a further breakdown of energy consumption, see "[Handling CO₂-intensive production](#)".

Technology and innovation				
	Reviewed 2015	2015	2014	2013
Total R&D expenditure (€ in millions)	yes	106	99	119

→ For a further breakdown of R&D expenditure, see "[Technology development](#)".

Environmental management				
	Reviewed 2015	2015	2014	2013
Number of environment-related incidents (according to mandatory reporting within 24 hours)				
Severe	yes	0	0	1
Medium		29	16	32
Number of incidents as measured on the seven-level International Nuclear Event Scale INES		0	0	0
Provisions for environmental protection measures and similar liabilities (€ in millions)				
Short-term	yes ¹⁾	76	75	87
Long-term	yes ¹⁾	775	796	784
1 Adapted from the audited part of the Annual Report.				

→ For further information, see "[Environmental protection](#)".

Air emissions				
	Reviewed 2015	2015	2014	2013
SO₂ emissions (kilotons)		27.9	41.5	57.6
SO ₂ intensity (kilograms per MWh)		0.2	0.2	0.2
NO_x emissions (kilotons)		74.3	94.1	116.3
NO _x intensity (kilograms per MWh)		0.4	0.4	0.5
Particulate emissions (kilotons)		2.5	3.2	4.0
Mercury emissions (kilograms)		485.4	711.8	894.2

→ For further information, see "[Environmental indicators](#)".

Resource efficiency				
	Reviewed 2015	2015	2014	2013
Ash and slag (kilotons)				
Recycled		1,223.6	2,081.7	2,484.0
Disposed		404.8	151.7	586.4
By-products		1,477.5	1,855.5	1,698.0
Gypsum (kilotons)				
Recycled		56.2	64.3	289.8
Disposed		5.0	46.0	69.6
By-products		1,005.6	1,601.0	1,823.6

→ For further information, see [“Environmental indicators”](#).

Waste				
	Reviewed 2015	2015	2014	2013
Non-hazardous waste (kilotons)				
Recycled		221	141	157
Disposed		308	32	49
Hazardous waste (kilotons)				
Recycled		40	21	21
Disposed		23	11	55
Nuclear waste (tons)				
Low and intermediate-level waste		1,111.5	3,298.7	2,306.1
High-level waste		264.2	157.8	225.2

→ For further information, see [“Environmental indicators”](#) und [“Decommissioning of nuclear power stations and storage of radioactive waste”](#)

Water management				
	Reviewed 2015	2015	2014	2013
Total water withdrawal (million cubic meters)	yes	9,387	10,496	11,672
Fresh water consumption (million cubic meters)	yes	206	282	286
Inflow of fresh and seawater (million cubic meters)	yes	9,178	10,211	11,371

→ For further information, see [“Water management”](#)



Employee figures				
	Reviewed 2015	2015	2014	2013
Group employees (year-end) ³	yes	56,490 ¹	58,503 ²	61,327 ²
New hires		5,294	5,251	n.d.
Employees with full-time or permanent employment contracts				
Full-time contracts (percentages)	yes	82 ¹	93 ²	93 ²
Permanent employment contracts (percentages)	yes	95 ¹	95 ²	96 ²
Part-time contracts (number)	yes	4,904 ¹	4,413 ²	4,605
Collective-bargaining agreements (percentages)		82	82	82
Personnel costs ⁴				
Wages and salaries (€ in millions)	yes	3,167 ¹	3,212 ²	3,622 ²
Social security contributions (€ in millions)	yes	511 ¹	506 ²	572 ²
Pension costs (€ in millions)	yes	499 ¹	403 ²	410 ²
Average length of service (years)	yes	14 ¹	14,3 ²	14,2 ²
Turnover rate (percentages)	yes	3.7 ¹	3.3 ²	3.5 ²
Average employee age (years)	yes	42	43	43
Apprenticeship share in Germany (year-end) (percentages) ⁵	yes	5.5	5.9	6.1
Training expenditure per employee (€)	yes	1,052	1,044	1,047

1 Indicator calculation including activities in Italy.

2 Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).

3 Pursuant to IFRS; does not include Board Members/Managing Directors (2014: 181) or apprentices (2014: 1,400).

4 Average share of apprentices, i.e. the proportion of apprentices in Germany to employees, including apprentices in Germany. Does not include Board Members/Managing Directors.

5 Adapted from the audited part of the Annual Report.

→ For further information, see "[Workforce challenge](#)", "[Employee development](#)" and "[Personnel key performance indicators](#)"

Diversity				
	Reviewed 2015	2015	2014	2013
Proportion of women among total workforce (percentages)	yes	29.9 ¹	28.8 ²	28.6 ²
Proportion of women among management (percentages)	yes	16.7 ¹	15.8 ²	13.8 ²
Number of employees with a severe disability in Germany (percentages)³	yes	5.8	6.2	6.4
Nationalities	yes	103	103	103
1	Indicator calculation including activities in Italy.			
2	Indicator calculation as per the Consolidated Financial Statement; excludes discontinued activities (regional units in Spain and Italy).			
3	Excludes Board Members/Managing Directors, includes apprentices.			

→ For further information, see "[Workforce challenge](#)", "[Diversity and equal opportunity](#)" and "[Personnel key performance indicators](#)"

Occupational safety				
	Reviewed 2015	2015	2014	2013
TRIF of E.ON and contractor employees¹ (injuries per million hours of work)		2.1	2.3	2.8
E.ON employees' LTIF¹ (injuries per million hours of work)	yes	1.6 ²	1.7 ³	2.0 ³
Contractor employees' LTIF¹ (injuries per million hours of work)		1.7	1.9	2.0
Number of fatal accidents involving E.ON and contractor employees		2	1	4
1	Unlike our other sustainability reporting, our safety reporting includes companies in which E.ON holds less than a 50 percent stake but over which E.ON has operational control.			
2	Indicator calculation including activities in Italy.			
3	Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).			

→ For further information, see "[Preventative safety management](#)".

Community investment				
	Reviewed 2015	2015	2014	2013
Use of net value added (€ in millions)				
Wages, salaries, benefits	yes ⁶	4,177 ¹	4,121 ²	4,604 ²
Income and other taxes ⁴	yes ⁶	-41 ¹	304 ²	1,760 ²
Interest payments ⁵	yes ⁶	1,181 ¹	1,683 ²	1,705 ²
Minority interests' share of income from continuing operations	yes ⁶	622 ¹	30 ²	368 ²
Total CI investments (€ in millions)		14.7	23.0 ³	28.1
Involvement of E.ON employees (number of volunteer hours)		12,747 ¹	11,301 ²	14,664 ²
<p>1 Indicator calculation including activities in Italy.</p> <p>2 Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).</p> <p>3 Adjusted for discontinued activities in the regional unit of Spain.</p> <p>4 Adjusted for deferred taxes; this item does not include additional government levies such as concession fees.</p> <p>5 Does not include the accretion of non-current provisions; includes capitalized interest.</p> <p>6 Adapted from the audited part of the Annual Report.</p>				

→ For further information, see "[Societal interaction](#)" and "[Further measures and performance \(Societal interaction\)](#)".



Governance & Integrity

Operating figures				
	Reviewed 2015	2015¹	2014²	2013²
Sales (€ in millions)	yes ⁴	116,218	111,556	119,688
EBITDA (€ in millions)	yes ⁴	7,557	8,337 ³	9,191 ³
Electricity sales (billion kWh)	yes ⁴	780.9	735.9	696.9
Gas sales (billion kWh)	yes ⁴	1,721.8	1,161.0	1,219.3
Net income (€ in millions)	yes ⁴	-6,377	-3,130	2,459
<p>1 Indicator calculation including activities in Italy.</p> <p>2 Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).</p> <p>3 Adjusted for extraordinary effects.</p> <p>4 Adapted from the audited part of the Annual Report.</p>				

Customers				
	Reviewed 2015	2015	2014	2013
Power and gas customers (in millions)		24.61 ¹	22.9 ²	24.4 ²
Installed smart meters (in millions)		1.7 ³	2.1	2.0
Power distribution network (kilometers)		792,600 ³	822,000	752,000
Gas distribution network (kilometers)		102,000	101,600	104,000
1	Indicator calculation including activities in Italy.			
2	Indicator calculation as per the Consolidated Financial Statement, excluding discontinued activities (regional units in Spain and Italy).			
3	Indicator calculation excluding discontinued activities in Spain.			

→ For further information, see “[Customer orientation](#)” and “[Supply security](#)”.

Generation				
	Reviewed 2015	2015	2014	2013
E.ON Group-owned generation (billion kWh)	yes ¹	188.5	215.2	245.2
E.ON Group-owned generation renewables (billion kWh)	yes ¹	26.1	29.3	30.8
Share of renewables of total own generation (percentages)		13.8	13.6	12.6
Renewables generation capacity (Accounting View) (GW)		7.62	9.8	10.4
Energy mix (percentages)				
Lignite	yes ¹	6	5	6
Hard coal	yes ¹	20	22	26
Nuclear	yes ¹	26	26	23
Natural gas/oil	yes ¹	34	33	33
Hydro	yes ¹	8	6	6
Wind	yes ¹	6	6	5
Other (incl. biomass and solar)	yes ¹	-	1	1
Average age of generating fleet (years)				
Coal		36	36.5	36
CCG		25	22	21

1) Adapted from the audited part of the Annual Report.

→ For further information, see “[Climate protection](#)”.

Procurement				
	Reviewed	2015	2014	2013

Report figures

	2015			
Hard coal procured for E.ON power plants (kilotons)		15,541	18,721	23,982
Average annual need of natural uranium for E.ON power plants (tons)		890	1,000	930
Gas traded (billion kWh)		2,565	1,790	1,961
Bettercoal audits		3	1	0
Uranium audits		0	0	n.d.

→ For further breakdowns of our procurement figures, information on supplier relationship management and Bettercoal initiative activities, see “[Sustainable procurement](#)”.

Regions in numbers

The figures for E.ON's Regional Units are listed here. More information about our Regional activities you can find [here](#).

Germany	
	2015
Installed capacity (renewables)	2.5 GW
Share of owned generation by renewables	9 %
Power sales	85.3 TWh
Gas sales	57.4 TWh
Customers [incl. business, industrial, SME and/or residential customers]	6.2 Mio
Employees (at year-end)	21,481
Length power and/or gas distribution systems	Power: 386,700 km Gas: 56,900 km

United Kingdom	
	2015
Installed capacity (renewables)	0.9 GW
Share of owned generation by renewables	15 %
Power sales	40.9 TWh
Gas sales	51.4 TWh
Customers [incl. business, industrial, SME and/or residential customers]	7.6 Mio
Employees (at year-end)	10,730
Length power and/or gas distribution systems	-

Sweden	
	2015
Installed capacity (renewables)	1.8 GW
Share of owned generation by renewables	41 %
Power sales	13.9 TWh
Gas sales	4.7 TWh
Customers [incl. business, industrial, SME and/or residential customers]	0.8 Mio
Employees (at year-end)	3,255
Length power and/or gas distribution systems	Power: 135,500 km Gas: 2,100 km

Italy	
	2015
Installed capacity (renewables)	0.3 GW
Share of owned generation by renewables	31 %
Power sales	8.2 TWh
Gas sales	10.5 TWh
Customers [incl. business, industrial, SME and/or residential customers]	0.7 Mio
Employees (at year-end)	300
Length power and/or gas distribution systems	-

Hungary	
	2015
Installed capacity (renewables)	-
Share of owned generation by renewables	-
Power sales	12.0 TWh
Gas sales	9.4 TWh
Customers [incl. business, industrial, SME and/or residential customers]	3.0 Mio
Employees (at year-end)	4,928
Length power and/or gas distribution systems	Power: 84,400 km Gas: 18,000 km

Czech Republic	
	2015
Installed capacity (renewables)	-
Share of owned generation by renewables	-
Power sales	15.7 TWh
Gas sales	15.3 TWh
Customers [incl. business, industrial, SME and/or residential customers]	1.3 Mio
Employees (at year-end)	2,426
Length power and/or gas distribution systems	Power: 65,900 km Gas: 4,500 km

Romania	
	2015
Installed capacity (renewables)	-
Share of owned generation by renewables	-
Power sales	4.5 TWh
Gas sales	24.3 TWh
Customers [incl. business, industrial, SME and/or residential customers]	3.1 Mio
Employees (at year-end)	6,175
Length power and/or gas distribution systems	Power: 81,300 km Gas: 20,600 km

Russia	
	2015
Installed capacity (renewables)	-
Share of owned generation by renewables	-
Power sales	-
Gas sales	-
Customers [incl. business, industrial, SME and/or residential customers]	-
Employees (at year-end)	5,025
Length power and/or gas distribution systems	-

Benelux	
	2015
Installed capacity (renewables)	-
Share of owned generation by renewables	-
Power sales	13.2 TWh
Gas sales	10.7 TWh
Customers [incl. business, industrial, SME and/or residential customers]	0.4 Mio
Employees (at year-end)	558
Length power and/or gas distribution systems	-

France	
	2015
Installed capacity (renewables)	0.095 GW
Share of owned generation by renewables	3 %
Power sales	14.3 TWh
Gas sales	8.1 TWh
Customers [incl. business, industrial, SME and/or residential customers]	0.001 Mio
Employees (at year-end)	608
Length power and/or gas distribution systems	-

Awards, ratings and rankings

For years E.ON has scored well in numerous sustainability ratings and rankings. We also regularly receive external recognition for our sustainability activities – both regional projects and those with a wider focus. In the following section we highlight awards, ratings, and rankings that are relevant to our Group as a whole.

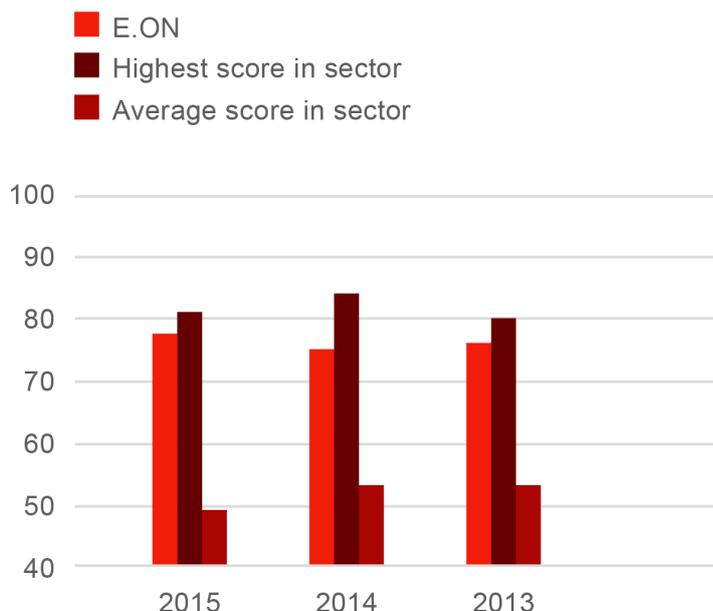
Dow Jones Sustainability Index and RobecoSAM Sustainability Yearbook

Each year, the investment specialist RobecoSAM assesses the economic, environmental and social performance of over 2,500 listed companies. The globally recognised Dow Jones Sustainability Index (DJSI) and the RobecoSAM Sustainability Yearbook are both based on the findings of this evaluation. In 2015 E.ON missed its goal to be included in the DJSI. It is our goal to be included in both indices again in the coming year.



E.ON has, however, once more been qualified for inclusion in the important "RobecoSAM Sustainability Yearbook". E.ON was recently in the 2014 Yearbook. Inclusion once again in the current 2016 Yearbook was achieved due to the marked improvement in results in the 2015 DJSI assessment (improvement in the percentile ranking from 78 to 87). To be listed in the Yearbook a company must fall within the top 15 percent in its industrial segment. As one of the best rated companies we also received the bronze award for "outstanding sustainability performance" by RobecoSAM.

RobecoSAM assessment (Percentage of maximum points obtained)



Inclusion in the CDP Leadership Group with a maximum score

In 2015, CDP (formerly Carbon Disclosure Project) rated E.ON as a leading company in the DACH region (German acronym for Germany, Austria, Switzerland) in terms of environmental reporting and included it in the CDP Leadership Index. This represents an acknowledgment by CDP of the quality, process and transparency of the data which E.ON publishes in the annual CDP climate change report. The Leadership Index is reserved for the best ten percent of the companies reviewed from all industrial sectors. E.ON succeeded in improving its prior year result from 87 points by 13 to achieve the maximum score of 100. This result means we are significantly above the average for the industry. The reporting data provided by E.ON for this purpose was assessed independently.

The independent non-profit organisation CDP on behalf of over 822 institutional investors calls each year for groups all over the world to publish their CO₂ emissions and their strategies in dealing with climate change and water resources. The results are published online. The CDP rating also assesses the transparency and comprehensiveness of companies' CO₂ reporting.

As part of its participation in CDP, E.ON has published data on CO₂ emissions (CDP Carbon Response) annually since 2004. Since 2011, we have also published extensive data on our water management as established by the [CDP Water Program](#) (CDP Water Response). We use this platform to communicate our responsible corporate management to investors and other stakeholders and to benchmark ourselves in a direct comparison with our competitors. We also aim to increase awareness within our company of the importance of water and climate protection.

E.ON remains in the Euronext Vigeo Index

The 'Euronext Vigeo - Eurozone 120' by French rating agency Vigeo lists 120 companies in the euro zone that have achieved the best performance in the areas of environment, social and governance. The evaluation is based on up to 330 indicators covering 38 sustainability criteria. The index is updated every six months. E.ON is once again included in the current listing from December 2015.

Top 100 Green Utilities – E.ON again in the Top Ten

In October 2015, E.ON was once again ranked among the leading companies in the "[Top 100 Green Utilities Ranking](#)" of Energy Intelligence, a leading publisher on energy-related topics. Although we fell somewhat, to 14th place from the previous year's 9th place, we are confident of being in the Top Ten once again next year. The Green Utilities Ranking assesses leading international electricity utilities based on their portfolios for renewables and their CO₂ emissions.

Successful sustainability reporting online

In the current comparison by Lundquist, a Milan-based communication agency, E.ON achieved ninth place in the CSR Online Awards Germany 2014/14, placing us once again among the top ten of all German DAX-30 companies for online sustainability reporting. With this award, Lundquist acknowledges E.ON's exemplary sustainability communication via the internet.

E.ON is a popular employer

In 2015 E.ON received several awards as a top employer. At the beginning of the year, the independent international "Top Employers Institute" certified E.ON as "Top Employer Germany" and classified it as one of the best employers in the engineering industry. Key evaluation criteria for the

External recognition

rankings include the topics of compensation and social benefits, talent strategy, HR planning, training and development and carrier and succession planning. The 122 "Top Employers in Germany" and the 26 "Top Employers in Engineering" have been subject to a thorough review in all these areas and exceed the relevant standards. In rankings by both the trendence research institute and the Universum consulting company, we are also among the top 100 best or most popular employers in Germany.

In addition, E.ON received the Total E-Quality award for the second time from the organisation of the same name for equal-opportunities excellence in HR and organisational policies. This award is supported by the German Federal Ministry of Family Affairs, Senior Citizens, Women and Youth; we received the award in 2013 for a period of three years.

Standard Ethics Rating of the 30 largest companies in Germany

At the start of 2016, "Standard Ethics" rated the 30 largest companies in Germany in terms of ESG standards. E.ON has an "EE" rating in the above field. We are consequently certified as having good compliance. Only the small proportion of women on the Supervisory Board is considered to be critical at E.ON.

The Standard Ethics Rating assesses the Compliance Level of companies with regard to topics such as corporate governance and sustainability. Documents and guidelines of the EU, OECD and UN are used as the basis for the rating here.



	General Standard Disclosures	References		External Assurance
	Strategy and Analysis			
G4-01	Statement from the most senior decision-maker	Declaration by the Board* Self-Commitment by the E.ON Group* Our targets Annual Report 2015 (pp. 2 f.)		No
G4-02	Key impacts, risks, and opportunities	Risks in sight* Declaration by the Board* Our targets Material aspects Climate protection Environmental protection Technology development Workforce challenge Health & safety Societal interaction Customer orientation Good governance Supply security Sustainable procurement Annual Report 2015 (pp.12 ff., pp.60ff.)		Yes
	Organizational Profile			
G4-03	Name of the Organization	Reporting approach		Yes
G4-04	Brands, Products, and/or Services	Annual Report 2015 (pp. 16ff) Expand renewable energies* Efficiency and distributed energy solutions* Handling CO2-intensive production* http://www.eon.com/en/about-us/profile.html * http://www.eon.com/en/business-areas.html *		Yes
G4-05	Headquarters Location		Düsseldorf (Germany)	Yes
G4-06	Countries in Operation	Annual Report 2015 (p.17) Regions in numbers* http://www.eon.com/en/about-us/structure.html *		Yes
G4-07	Nature of Ownership	Annual Report 2015 (p. 11) http://www.eon.com/en/investors/stocks/shareholder-structure.html *	E.ON is a stock corporation under EU law (Societas Europaea, or "SE"). This supranational corporate form represents a company that is fundamentally European and has an international orientation; it is therefore appropriate for a globally active company with a European focus in its activities and corporate centre. The shareholder structure at E.ON SE [LINK] is characterized by a wide international distribution of private and institutional shareholders.	No

	General Standard Disclosures	References		External Assurance
G4-08	Markets Served	Annual Report 2015 (pp. 16 ff., pp.30f.) Customer orientation Regions in numbers* http://www.eon.com/en/about-us/structure.html * Good governance	We make a distinction between private and small business consumers, industrial and commercial customers and distributors in our electricity and gas business. However, a break-down by sector is not practical for E.ON.	Yes
G4-09	Scale of the Organization	Annual Report 2015 (pp.16ff, pp.28ff., pp.45ff., p.98) Workforce challenge http://www.eon.com/en/about-us/profile.html * http://www.eon.com/en/about-us/profile/facts-and-figures.html * http://www.eon.com/en/about-us/structure/company-finder.html *		Yes
G4-10	Total number of employees	Annual Report 2015 (pp. 50 ff.) Workforce challenge Reporting figures*		Yes
G4-11	Employees covered by collective bargaining agreements	Reporting figures*		No
G4-12	Organization's supply chain	Sustainable procurement Standards in the supply chain* Further measures and performance (sustainable procurement)*		No
G4-13	Significant Changes Regarding Size, Structure, or Ownership	Annual Report 2015 (pp.126 ff.) Reporting approach		Yes
G4-14	Precautionary Approach	Climate protection Environmental protection Technology development Workforce challenge Health & safety Societal interaction Customer orientation Good governance Security of supply Sustainable procurement Annual Report 2015 (pp.60ff.)	In general, E.ON operates all units within the company and areas of activity from a long-term perspective. The precautionary approach is used for environmental protection in everyday business and is anchored in our investment projects through impact assessments. The E.ON risk management system takes environmental and social risks into account beyond legal requirements. We investigate our work's impact beyond the legally stipulated scope for construction and infrastructure projects.	No
G4-15	External Charters, Principles, or Other Initiatives	Guidelines Reporting profil Standards in the supply chain* Responsible lobbying* Further measures and performance (societal interaction)*		Yes
G4-16	Memberships in Associations and Advocacy Organizations	Sustainable procurement Standards in the supply chain* Responsible lobbying* Societal interaction Further measures and performance* Workforce challenge	When we describe initiatives, industry associations and other organizations on the "Other Measures and Performance (Social Activism" and "Representation of interests", we include the most important sustainability information. Our global and regional units are integrated into additional local initiatives and networks. E.ON did not grant support for relevant associations and advocacy organizations in addition to the membership in 2014.	Yes

	General Standard Disclosures	References		External Assurance
G4-EU1	Installed Capacity	Annual Report 2015 (p.28) Reporting figures*		No
G4-EU2	Net Energy Output Broken Down by Primary Energy Source and by Region	Annual Report 2015 (9.28) Reporting figures*		No
G4-EU3	Number of residential, industrial, institutional and commercial customer accounts	Customer orientation Annual Report 2015 (pp.30 f.) Regions in numbers*	E.ON reports on sales of electricity and gas according to customer segment. Customer numbers are broken down by country; however, in our external communication we do not report on customer segments.	No
G4-EU4	Length of Transmission and Distribution Lines by Region	Security of supply Regions in numbers*		No
Identified Material Aspects and Boundaries				
G4-17	Entities included in the organization's consolidated financial statements	Annual Report 2015 (pp. 17ff., pp.122ff.) Reporting approach		Yes
G4-18	Process for defining the report content	Reporting approach Material aspects		Yes
G4-19	Material Aspects identified	Material aspects		Yes
G4-20	Aspect boundaries within the organization	Material aspects Environmental protection Technology development Workforce challenge Health & safety Societal interaction Customer orientation Good governance Security of supply Sustainable procurement Reporting approach Regions in numbers*		Yes
G4-21	Aspect boundaries outside the organization	Material aspects Environmental protection Technology development Workforce challenge Health & safety Societal interaction Customer orientation Good governance Security of supply Sustainable procurement	The home page for each field of action describes whether and the extent to which the aspect discussed in the chapter is material to a specific value chain step or a specific group of stakeholders, even those external to E.ON. The following also includes an overview of essential aspects and the stakeholder external to E.ON affected by these aspects: • Aspects of the "Economic" category (economic performance etc.): Suppliers, people in regions in which E.ON is active, governments • Aspects of the "Environment" category (emissions, water, waste etc.): People in regions in which E.ON is active • Aspects of "Society" category - human rights aspects (child labour etc.): Suppliers, employees in purchasing regions • aspects to do with product responsibility: E.ON's customers, suppliers	Yes

	General Standard Disclosures	References		External Assurance
G4-22	Restatements of information	Reporting approach	Retroactive changes are shown in the respective location in the form of a footnote.	Yes
G4-23	Significant Changes in the Scope, and aspect boundaries compared to previous years	Material aspects		Yes
Stakeholder Engagement				
G4-24	Stakeholder Groups	Knowing our stakeholders		Yes
G4-25	Stakeholder Identification and Selection	Knowing our stakeholders		Yes
G4-26	Approaches to Stakeholder Engagement	Knowing our stakeholders Societal interaction Involving our stakeholders * Material aspects Responsible lobbying *	No separate survey of external stakeholders was carried out for the 2015 report. Instead, surveys from previous years formed the basis of this year's materiality analysis. Internal stakeholders (employees in the areas of Procurement, HR, Legal & Compliance, Risk Controlling, Policy, Communications, Regional Coordination, T&I and Sustainability) were directly involved in the 2014 process.	Yes
G4-27	Key Topics and Concerns Raised by Stakeholders	Knowing our stakeholders Societal interaction Involving our stakeholders * Material aspects Further measures and performance *		Yes
Report Profile				
G4-28	Reporting Period	Reporting approach		Yes
G4-29	Date of Most Recent Previous Report		The most recent sustainability report was published in May 2015.	Yes
G4-30	Reporting Cycle		E.ON reports on sustainability-related activities annually. The next report is due to appear in the Q2 2017.	Yes
G4-31	Contact Point for Questions	http://www.eon.com/en/sustainability/contact.html		Yes
G4-32	Chosen 'In accordance' Option, GRI-Index and External Assurance Report,	Global Reporting Initiative * Assurance Report		Yes
G4-33	External Assurance for the Report.	Assurance Report Reporting approach	The Executive Board reviews the report prior to issuing approval.	Yes
Governance				
G4-34	Governance Structure	Organizational sustainability structure Good governance		Yes
G4-36	Sustainability at Executive Board level	Organizational sustainability structure		Yes

	General Standard Disclosures	References		External Assurance
G4-38	Composition of the highest governance body and its committees	http://www.eon.com/en/investors/corporate-governance/supervisory-board/members.html * http://www.eon.com/en/investors/corporate-governance/supervisory-board/committees.html * Annual Report 2015 (pp.76ff.)		No
G4-39	Function of highest governance body	http://www.eon.com/en/investors/corporate-governance/supervisory-board/members.html *		No
G4-40	Nomination and selection processes for the highest governance body	Annual Report 2015 (pp. 77 ff., p. 80)		No
G4-41	Processes for the highest governance body to avoid conflicts of interest	Annual Report 2015 (p.79) Good governance		No
G4-42	Highest governance body's role in the development of the organization's purpose	Annual Report 2015 (pp.76ff.) Organizational sustainability structure Guidelines		No
G4-46	Highest governance body's role in risk management processes	Annual Report 2015 (pp. 60ff., p.79f)		No
G4-47	Frequency of the review of impacts, risks, and opportunities	Annual Report 2015 (pp.79f.)		No
G4-48	Review and approval of the sustainability report		The Executive Board reviews, approves and ensures that all material aspects have been taken into account.	No
G4-51	Remuneration policies for the highest governance body	Annual Report 2015 (pp.82ff.)		No
G4-52	Governance Structure	Annual Report 2015 (pp.82ff.)		No
Ethics and Integrity				
G4-56	Organization's values, principles, standards and norms of behaviour and codes of ethics	Guidelines Good governance Compliance and prevention of corruption *		Yes

	Specific Standard Disclosures	References	Omissions	External assurance	Boundaries	
	Category: Economic					
	Material aspect: Research and Development (Sector specific)					
G4-DMA	Disclosure on Management Approach	Technology development http://www.eon.com/en/about-us/innovation.html www.eon-agile.de	<p>We use our T&I projects to participate in the realization of the operating goal of the work program. The goals include the economically feasible reduction of our CO² emissions through efficient, innovative technologies. In the future we also want to push forward with our innovation activities and contribute to a more efficient and climate friendly power generation.</p> <p>The breakdown of R&D activities by technologies is in keeping with our strategic focus of recent years: Our research budget for conventional and renewable power sources has been declining for years, as the focus has shifted to the targeted efficiency improvements to existing technologies and systems. By contrast, the research budget spent on distribution and end-users R&D activities have been steadily increasing. We are thus systematically managing our research and development expenditures.</p>	Yes	Within the organization	
	Material Aspect: Plant Decommissioning (Sector specific)					
G4-DMA	Disclosure on Management Approach	Climate protection Environmental protection Handling CO2-intensive production* Decommissioning of nuclear power stations and storage of radioactive waste * Responsible lobbying* Our strategic focus * Climate policies and emissions trading * Annual Report 2015 (p.36; 118; pp. 171ff.) www.preussenelektra.de	According to a report issued by the German Federal Ministry of Economics and Energy (BMWi) in 2015, the financial reserves accrued at E.ON for the decommissioning of nuclear power plants and disposal of radioactive waste are sufficient and are very high in international comparisons.	No	Within the organization	
	Material aspect: System Efficiency (Sector specific)					
G4-EU12 (Core)	Distribution losses as a percentage of total energy	Supply security Secure energy supply* Annual Report 2015 (p.223) Reporting figures*	The loss from our distribution grids average 4.7%	E.ON views a breakdown of the information according to technical and non-technical losses as irrelevant and thus have no report.	Yes	Within the organization

	Specific Standard Disclosures	References	Omissions	External assurance	Boundaries
	Category: Environmental				
	Material aspect: Energy				Within the organization
G4-DMA	Disclosure on Management Approach	Climate protection Climate policies and emissions trading* Technology development Efficiency and distributed energy solutions*	The central monitoring tools in the action field of climate protection are our CO2 reduction targets set in our 2012-2015 work program. The program also include halving the CO ² intensity of our power generation by 2015 - relative to the benchmark year of 1990 with initial value 0.63 - and increase the share of renewable energy relative to our total power generation. In addition, we intend to reduce our CO2 footprint from business activities not directly associated with power generation by 20 percent before 2020 relative to the benchmark year of 2010. The above includes CO ² emissions from business travel, the use of our vehicle fleet or the transport of fuel.	Yes	
G4-EN03 (Core)	Energy consumption within the organization.	Climate protection Carbon footprint* Reporting figures* Annual Report 2015 (p.222)	The electricity mix from renewable sources and the energy mix are more relevant than energy consumption within the company.	No	
	Material aspect: Water				Within and outside the organization
G4-DMA	Disclosure on Management Approach	Environmental protection Water management* Avoiding environmental impacts* Our strategic focus*	Our appointment as a member of the "UN CEO Water Mandate" in 2015 confirms our systematic water management complies with the UN WM requirements. We were also able to further reduce our fresh water consumption even further and thus meet our water management goals.	Yes	
G4-EN08 (Core)	Total water withdrawal by source	Water management*		The required breakdown of extracted surface water provides no added value to E.ON for internal reasons, and is therefore no longer reported.	Yes

	Specific Standard Disclosures	References	Omissions	External assurance	Boundaries
	Material aspect: Biodiversity				Within and outside the organization
G4-DMA	Disclosure on Management Approach	Environmental protection Avoiding environmental impacts*	E.ON is currently gathering data. The collected data shall provide the means to direct and quantify our biodiversity protection efforts. An improvement relevant to the previous year and thus an evaluation of our efforts is not possible for 2015.	Yes	
G4-EN11 (Core)	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Avoiding environmental impacts*		Yes	
	Material aspect: Emissions				Within and outside the organization
G4-DMA	Disclosure on Management Approach	Climate protection Expand renewable energies* Efficiency and distributed energy solutions* Handling CO₂-intensive production* Climate policies and emissions trading* Carbon footprint* Environmental protection Avoiding environmental impacts* Environmental indicators* Our strategic focus*	In order to evaluate management approach see DMA for the material aspect "Energy" Due to the spinning off of Uniper from E.ON the CO ₂ figures will only have limited opportunities for comparison. CO ₂ -compensation is not one of the strategies pursued by E.ON.	Yes	
G4-EN15 (Core)	Direct greenhouse gas (GHG) emissions (Scope 1)	Carbon footprint*	The following greenhouse gases are included: – CH ₄ -emissions (from power generation) – N ₂ O-emissions (from power generation) – CH ₄ -emissions (from the handling, transport and distribution of biogas) – CH ₄ -emissions (from the handling, transport and distribution of natural gas) – CO ₂ -emissions (from the handling, transport and distribution of biogas) – CO ₂ -emissions (from the handling, transport and distribution of natural gas) – CO ₂ -emissions (from the handling, transport and distribution of liquefied natural gas, LNG) – CO ₂ -equivalents (from the use of coolants to air condition buildings) – Transmission losses from sulphur-hexafluoride emissions (SF ₆)	No statement about biogenic CO ₂ emissions	Yes

	Specific Standard Disclosures	References		Omissions	External assurance	Boundaries
				<p>Base year: 1990; as per Kyoto Protocol The globally recognised WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard was used as a basis for calculating emissions.</p> <p>GHG emissions also includes all subsidiaries and power plants where E.ON owns a controlling share and which are fully consolidated in the Group financial statements.</p>		
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Carbon footprint*	<p>The following greenhouse gases are included:</p> <ul style="list-style-type: none"> – CO₂-equivalents (from consumption of own electricity) – CO₂-equivalents (resulting from transmission and distribution losses) – CO₂ equivalents (from building energy consumption) <p>Base year and consolidation approach: see. G4-EN15</p> <p>Taking into account the "GHG Protocol Scope 2 Guidance" expanded in 2015.</p>	See G4-EN15	Yes	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Carbon footprint*	Base year and consolidation approach: See G4-EN15	See G4-EN15	Yes	
G4-EN18	Greenhouse gas (GHG) emissions intensity	Climate protection Carbon footprint*	<p>Only direct CO₂ emissions are included in the calculation. Other gases such as SF₆ from electricity generation</p> <p>are not relevant for calculating intensity, but are included in the calculation of our CO₂ footprint.</p>		Yes	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Climate protection Carbon footprint* Expand renewable energies* Efficiency and distributed energy solutions* Handling CO₂-intensive production* Climate policies and emissions trading*	The reduction of GHG emissions concerned emissions from power generation and therefore Scope 1 emissions. For the greenhouse gases included in the calculation, please see G4-EN15.		No	

	Specific Standard Disclosures	References		Omissions	External assurance	Boundaries
G4-EN21	NO _x , SO _x and other significant air emissions	Environmental protection Avoiding environmental impacts* Environmental indicators*		We do not report on persistent organic pollutants (POP) or volatile organic compounds (VOC) as these are not relevant for E.ON.	No	
	Material aspect: Effluents and waste					Within and outside the organization
G4-DMA	Disclosure on Management Approach	Environmental protection Avoiding environmental impacts* Decommissioning of nuclear power stations and storage of radioactive waste* Water management* Environmental indicators* Our strategic focus* www.preussenelektra.de	For detailed information about disposal and interim storage of radioactive waste as well as emergency measures for nuclear power stations, please see the page on "Nuclear Energy" (business fields).		No	
G4-EN22 (Core)	Total water discharge by quality and destination	Water management*		A breakdown of statements by location, recycling methods or planned and unplanned water discharge are not relevant for E.ON.	Yes	
G4-EN23	Total weight of waste by type and disposal method	Environmental indicators* Reporting figures*		No differentiation was made according the GRI-required disposal methods. At E.ON a difference is only made between waste for disposal and that for recycling.	No	
G4-EN24	Total number and volume of significant spills	Environmental protection Avoiding environmental impacts*	IN 2015 E.ON did not generate significant environmental contamination.		Yes	

	Specific Standard Disclosures	References	Omissions	External assurance	Boundaries
	Category: Social				
	Sub-Category: Labour practices and decent work				
	Material aspect: Occupational health and safety				
					Within and outside the organization
G4-DMA	Disclosure on Management Approach	Health & safety Preventive safety management* Health promotion * Further measures and performance (Workforce challenge)* Our strategic focus *	The evaluation is based on audit findings, management reviews and accident investigations as well as statistics from the Health & Safety division. The further decrease in the combined Total Recordable Injury Frequency (TRIF) index in 2015 and the early reaching of our target in that area shows that our management approach in the area of H&S is effective.	Yes	
G4-LA06 (Core)	Injuries, occupational diseases, lost days, absenteeism, and total number of work-related fatalities	Health & safety Preventive safety management* Health promotion*	At E.ON, reporting of accident numbers is carried out with the following key figures: - Total Recordable Injury Frequency (TRIF) - number of work-related accidents and illnesses with and without lost working time - Lost Time Injury Frequency (LTIF) - work-related accidents with lost working time. Both indicators are reported for both E.ON employees and contract partner staff Only the figures for E.ON employees were audited. Instead of breaking these down by region, we use Reporting Units.	A breakdown by gender is regarded as not useful.	Yes
G4-LA07	Workers with high incidence or high risk of diseases related to their occupation	Health & safety Preventive safety management* Health promotion *	Employees who work in generation and grid operation are at higher risk of accidents.	No	
G4-LA08	Health and safety topics covered in formal agreements with trade unions	Health & safety Preventive safety management* Health promotion *	In countries in which unions represent employees directly, occupational safety topics are included in the agreements.	No	
G4-EU18	Percentage of Contractor and Subcontractor Employees that Have Undergone Relevant Health and Safety Training	Health & safety Preventive safety management* Health promotion *	All employees of partner companies who work at E.ON sites receive appropriate safety instruction.	No percentage given for partner companies that take part in training courses.	No
	Material aspect: Training and Education				
					Within the organization
G4-DMA	Disclosure on Management Approach	Workforce challenge Employee development*		Yes	
G4-LA09 (Core)	Average hours of training per year per employee by gender, and by employee category	Workforce challenge Employee development*		E.ON did not include a breakdown by gender and employee position in the	Yes

	Specific Standard Disclosures	References		Omissions	External assurance	Boundaries
				number of hours for training and continuing education per employee.		
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Workforce challenge Employee development*		Transition assistance programs are not relevant for E.ON and thus not included.	No	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Workforce challenge Employee development*		E.ON does not break down the assessed employees by gender and category.	No	
	Material aspect: Diversity and Equal Opportunity					Within the organization
G4-DMA	Disclosure on Management Approach	Workforce challenge Diversity and equal opportunity*			Yes	
G4-LA12 (Core)	Composition of governance bodies and breakdown per employee category according to gender, age group, minority group membership, and other indicators of diversity	Workforce challenge Diversity and equal opportunity*			Yes	
	Sub-Category: Human rights					
	Material aspect: Supplier Human Rights Assessment					Outside the organization
G4-DMA	Disclosure on Management Approach	Sustainable procurement Standards in the supply chain*			Yes	
G4-HR10 (Core)	Percentage of new suppliers that were screened using human rights criteria	Sustainable procurement Standards in the supply chain*	We are able to audit and certify many new suppliers thanks to the improvements to the supplier certification process optimized in 2015. The certification process include human rights criteria.	Currently the relevant documents are primarily stored locally at the purchase departments. A precise calculation of the percent of the certified suppliers is not possible. We are currently working on creating an automated system to evaluate the results.	No	
	Sub-Category: Society					
	Material aspect: Local communities					Outside the organization
G4-DMA	Disclosure on Management Approach	Societal interaction Involving our stakeholders*			Yes	

	Specific Standard Disclosures	References		Omissions	External assurance	Boundaries
G4-SO01 (Core)	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Societal interaction Involving our stakeholders* Further measures and performance (societal interaction)* Environmental protection Avoiding environmental impacts* Decommissioning of nuclear power stations and storage of radioactive waste * Water management*		Examples such power plant forum in Datteln, the citizen participation wind park in Gerolsbach or information events regarding the construction of high-voltage lines between Heide and Strübbe illustrate the importance of involving locals, creating a joint estimation of consequences and the support of local communities for E.ON. A percentage of the relevant corporate locations was not included.	No	
G4-SO02	Operations with significant actual and potential negative impacts on local communities	Societal interaction Involving our stakeholders* Environmental protection Avoiding environmental impacts* Decommissioning of nuclear power stations and storage of radioactive waste * Water management*			No	
	Material aspect: Anti-corruption					Within and outside the organization
G4-DMA	Disclosure on Management Approach	Good governance Compliance and prevention of corruption* Our strategic focus*		Due to regular reporting by the Chief Compliance Officer (CCO) on current developments in the area of compliance, the recording and analysis of compliance violations and the resulting adjustments to the Code of Conduct, E.ON regularly reviews and adjusts their management approach to compliance.	Yes	
G4-SO04	Communication and training on anti-corruption policies and procedures	Good governance Compliance and prevention of corruption*		A precise figure and percentage of employees trained in anti-corruption measures broken down by employee category and region is not possible.	No	
G4-SO05 (Core)	Confirmed incidents of corruption and actions taken	Good governance Compliance and prevention of corruption*		In 2015, the E.ON Group had 75 compliance reports. Of which 13 were classified as "Other incidents" involving suspected corruption. These were not broken down any further.	No	

	Specific Standard Disclosures	References	Omissions	External assurance	Boundaries
	Material aspect: Public policy				Within and outside the organization
G4-DMA	Disclosure on Management Approach	Good governance Responsible lobbying* Climate protection Climate policies and emissions trading* Involving our stakeholders* Our strategic focus*	We are members of interest groups and support decision-making processes with our technical expertise. However, it is difficult to measure the effectiveness and efficiency our efforts. We therefore make no comment on assessing the management approach.	Yes	
G4-SO06 (Core)	Total value of political contributions by country and recipient/beneficiary	Good governance Responsible lobbying*	Our "Gifts" guidelines prohibit any form of political donations.	Yes	
	Material aspect: Compliance				Within and outside the organization
G4-DMA	Disclosure on Management Approach	Good governance Compliance and prevention of corruption* Climate protection Further measures and performance (Environmental protection)* Our strategic focus*	<p>Due to regular reporting by the Chief Compliance Officer (CCO) about current developments in the area of compliance, the recording and analysis of compliance violations and the resulting adjustments to the Code of Conduct, E.ON regularly reviews and adjusts its management approach in the area of Compliance.</p> <p>The decline in compliance reports can be interpreted as a sign of our compliance measures and processes taking effect. A clear conclusion is not possible based on the number of compliance violations, as we cannot preclude other sources for the decline.</p>	Yes	
G4-SO08 (Core)	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Good governance Compliance and prevention of corruption*		No	
	Sub-Category: Product responsibility				
	Material aspect: Product and service labelling				Within the organization
G4-DMA	Disclosure on Management Approach	Customer orientation Customer satisfaction* Our strategic focus*		Yes	

	Specific Standard Disclosures	References	Omissions	External assurance	Boundaries
	Products and Service Labelling	Customer orientation Fair pricing*	As part of our invoicing processes and in compliance with EU Directive 2003/54/EC (in Germany, as stipulated in §42 of the German Act for the Promotion of the Energy Sector [EnWG]) we inform our customers about our energy mix, CO2 emissions and waste, amongst other items Further information on our products is not relevant for this indicator. For energy products, providing product information attached to the product itself, as is the case with classic consumer goods, is not feasible.	No	
G4-PR03					
	Non-Compliance with Product Information Standards	Customer orientation Fair pricing* Customer satisfaction*	E.ON complies with all legal and regulatory requirements in the markets in which it operates.	No	
G4-PR04					
G4-PR05 (Core)	Results of surveys measuring customer satisfaction	Customer orientation Customer satisfaction*		Yes	
	Material aspect: Customer privacy				Within the organization
	Disclosure on Management Approach	Customer orientation Digitisation through intelligent use of IT* Our strategic focus*	Our "EniM" program ("Einführung neuer intelligenter Messsysteme": <i>Introduction of New Intelligent Metering System</i>) was designed to prepare for the legally required installation of intelligent metering systems in Germany. As part of the program we are testing the data security of the systems already on the market. The data protection incident in 2015 was reacted to appropriately. The form of such reaction depends on the individual case. We are constantly working to optimize our information and data protection systems.	Yes	
G4-DMA					
G4-PR8 (Core)	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Customer orientation Digitisation through intelligent use of IT* Our strategic focus*	The year 2015 saw 75 justified complaints of data protection violations. Data protection at E.ON is organized and recorded locally.	No	

	Material aspect: Access (Sector specific)				Within the organization
G4-DMA	Disclosure on Management Approach	Supply security Secure energy supply* Fair pricing*	The System Average Interruption Duration Index (SAIDI) for electricity provides information about the disruption times in our grid and thus provide an indication of the reliability and availability of our power supply. We record this figure for planned and unplanned disruptions in all distribution networks. We can thus reliably assess our performance and provide consistent management of reliability and availability.	As E.ON does not generally own the gas distribution network, the incidents were not broken down for gas supplies.	Yes
G4-EU28	Power outage frequency	Supply security Secure energy supply* Fair pricing*			Yes
G4-EU29 (Core)	Average power outage duration (SAIDI)	Supply security Secure energy supply* Fair pricing*			Yes
G4-EU30	Average plant availability factor by energy source and by regulatory regime	https://www.eex-transparency.com/ *			No

All pages marked with a * are not or only partially audited.