

E.ON 2011 Sustainability Report

May 2012



Preliminary Note

In May 2012, E.ON AG published its eighth Sustainability Report (the term "Sustainability" has been used in the title since 2012 – formerly "Corporate Responsibility"). With this report we offer a wide range of information that meets the various requirements of our stakeholders. Beginning 2008, our annual reporting has taken place in the Internet and is currently located at the first navigation level at www.eon.com/sustainability. The E.ON AG Sustainability Report 2011 consists of the channels "Approach", "Fields of Action" and "Key Figures 2011." Essential portions of the Sustainability Report 2011 have been independently verified by the auditing firm Pricewaterhouse-Coopers (PwC). This includes all web pages within the channels "Approach," as well as portions of "Key Figures 2011." Verified content is marked with the logo "Reviewed 2011." All web pages that make up the Sustainability Report 2011 are summarized in this PDF. This offers the reader an overview of our activities for the year 2011.

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Information Folder

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Page **Contents**

4	Sustainability / Approach / Commitment to Sustainability
6	Sustainability / Approach / Commitment to Sustainability / Self-Commitment by the E.ON Group
7	Sustainability / Approach / Commitment to Sustainability / UN Global Compact
8	Sustainability / Approach / Mission and Strategy
11	Sustainability / Approach / Organization and Management
13	Sustainability / Approach / Guidelines
17	Sustainability / Approach / Stakeholder Management
22	Sustainability / Approach / Stakeholder Management / Initiatives
24	Sustainability / Approach / Stakeholder Management / Materiality-Analysis
29	Sustainability / Approach / Reporting
32	Sustainability / Approach / Reporting / Assurance
35	Sustainability / Approach / Reporting / External Recognition
38	Sustainability / Approach / Reporting / GRI Index
58	Sustainability / Approach / Reporting / Communication on Progress
62	Sustainability / Fields of Action / Work Program 2012-2015
68	Sustainability / Fields of Action / Climate Protection
73	Sustainability / Fields of Action / Technology Development
77	Sustainability / Fields of Action / Responsible Procurement
81	Sustainability / Fields of Action / Environmental Protection
84	Sustainability / Fields of Action / Community Involvement
88	Sustainability / Fields of Action / Customer Satisfaction
91	Sustainability / Fields of Action / Health and Safety
96	Sustainability / Fields of Action / Workforce Challenge
100	Sustainability / Key Figures 2011 / Environment
110	Sustainability / Key Figures 2011 / Social
124	Sustainability / Key Figures 2011 / Governance



Shaping Sustainable Change

Being one of the world's largest investor-owned power and gas companies gives us a special kind of social responsibility.

Johannes Teyssen, E.ON CEO:

“The reliability and cost of tomorrow's energy supply, the expansion of renewables, and the right strategy for global climate protection: they're all hotly debated issues that affect our entire society. Because E.ON is an energy company, people expect us in particular to do our part to help Germany transform its energy system and Europe to achieve the targets of the Energy Road Map 2050.

In meeting these expectations, it's important to us to find sustainable and integrated solutions that make sense – and are affordable – for future generations. The expansion of renewables and distributed generation technologies need to be integrated into an EU-wide energy system. And we need more innovation: new energy storage devices, active energy management on the customer side, smart grids, and ways to utilize renewables more flexibly.

We remain committed to reducing our carbon emissions in Europe and taking the most global approach possible to tackling climate change. Going forward, E.ON will be more active in markets outside Europe. We intend to improve the energy systems in new regions where we operate by deploying the cleanest and most efficient energy production technologies relative to each individual market.

At all our operations – including those outside Europe – our decisions and actions are based unequivocally on the principles of the United Nations' Global Compact. This encompasses our pledge to protect human rights, to maintain working standards, to protect the environment, and to fight corruption. This is the only way for us to earn and retain our stakeholders' trust, which is essential for E.ON's long-term success. For us to run our business successfully and achieve our targets, we know we need to work with our stakeholders and engage them in dialog – at all levels. That's why gaining support and acceptance in the communities where we operate is just as important to us as talking with national political leaders about ways to implement forward-looking, sustainable solutions for the energy supply.

We also deal fairly with the stakeholders in our own company. We're in the process of adjusting and streamlining our organization to prepare us for new challenges and

<http://www.eon.com/en/sustainability/approach/commitment-to-sustainability.html>

to be able to make investments in our company's future. We're working with trade unions and employee representatives to find solutions that are as mutually acceptable and socially responsible as possible."



Self-Commitment by the E.ON Group

In its 2006 Commitment, the E.ON AG 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, Düsseldorf, June 2006



Full Support for the UN Global Compact

Since 2005, E.ON has been committed to upholding the ten principles of the United Nations (UN) Global Compact. With more than 8,000 members, including 6,000 companies from 135 nations, the Global Compact is one of the world's largest sustainability initiatives.

The Basis for Group Policies and Standards

By becoming a signatory, we affirmed our commitment to the observance of human rights, labor and environmental protection standards and the fight against corruption. Accordingly, we have anchored anti-corruption measures in our corporate policies. We participate in national and international Global Compact networks in countries such as Germany and Sweden, working across sectors to strengthen the structures that will help master these challenges around the world. The Global Compact provides us with external points of reference as we develop our Sustainability Work Program. We incorporate its principles in our policies and standards and are guided by them in managing our internal compliance systems.

Reporting on the Global Compact Principles

When we became a signatory to the Global Compact, we undertook to publish an annual [Communication on Progress](#). Consequently, in our 2011 Sustainability reporting, we also report on our progress in implementing the ten principles of the Global Compact.



Increasing Sustainability for a Better Future

The topic of energy has never been more socially, economically and politically relevant than it is today. From providing reliable energy to offering reasonable prices and reducing greenhouse gases, our stakeholders place a variety of often contradictory demands on us. However, they all share the expectation that we run our business in a responsible and sustainable manner. Launched in 2010, our reworked “cleaner & better energy” strategy addresses these complex challenges. We are certain that our corporate strategy can strike a balance between profitability, security of supply and climate protection. This also means integrating aspects of sustainability in our future decision-making processes and embedding them in our core business. In addition, our planning and decisions must take even greater account of our stakeholders’ concerns. This is the only way to build the trust and acceptance that are essential to our company’s long-term business success.

More Transparent Performance Reporting

Since 2004 we have given our stakeholders an annual account of how we are promoting sustainable growth. In this report, which is aligned with the guidelines of the Global Reporting Initiative, we provide full information on our sustainability targets and their implementation. We have supported the principles of the United Nations Global Compact since 2005. Our Board of Management expressly affirmed the Group's commitment to corporate social responsibility for the first time in 2006.

In the past years, our report, which is by now completely web-based, has increasingly addressed sustainability as a challenge of balancing security of supply, price stability and climate protection. In terms of content, we have focused on introducing and establishing corporate policies on sustainability issues as well as rolling out correspondingly robust management systems. As part of our previous Sustainability Work Program, in 2010 we finished setting up Environmental Management Systems (ISO14001 or EMAS II) at all sites that have significant environmental impacts. We instituted a Code of Conduct that applies across the Group and implemented, amongst others, a Biomass Procurement Policy. We improved the selection of indicators presented in our annual performance report, expanding their spectrum to better reflect the requirements of financial analysts. We

have reported our total CO₂ emissions since 2010 and our overall water footprint since 2011.

Sustainability as an Umbrella for our Activities

In our 2011 report we include our Corporate Responsibility (CR) activities under the heading of Sustainability. Our aim is to include ecological, social and economic aspects along the entire value chain and make the precautionary principle a cornerstone of our business practices. Management systems play a predominant role in this. In the future, we want to work even more efficiently on sustainability issues, e.g. by harmonizing our reporting systems. With the launch of our new Sustainability Work Program 2012-2015 we are building on the previous program, which has been completed. The elements of the new program are based, among other things, on the results of the dialogs with internal and external stakeholders.

Focus on Strategic Topics

We developed the strategic elements, objectives and measures of our Sustainability Work Program in several consecutive steps. First we analyzed societal trends and the opportunities and risks inherent in our business model. Our second step was holding discussions with important stakeholders – business partners, customers, employees and leading companies in other sectors. This allowed us to evaluate the strategic elements of the program. In this year's Materiality Analysis we also reviewed our objectives and measures, and surveyed internal and external stakeholders on the strategic topics. Aspects, which were already ranked as less important in 2010, e.g. voluntary commitment of our employees, are no longer included in our sustainability work program.

In a final internal step, we agreed on binding targets and measures, which we aim to complete in the course of our Sustainability Work Program by 2015. They are presented in the 2011 Sustainability Report under the strategic fields of action:

- Reducing the CO₂ intensity of our power generation and increasing the proportion of renewable energies.
- Developing promising energy technologies and infrastructures.
- Applying sustainable procurement criteria along our entire supply chain.
- Improving environmental protection using an integrated approach along the value chain.
- Increasing occupational safety and promoting a culture of health within the company.
- Boosting customer satisfaction and developing new, innovative products and services.
- Making our core business the focus of our Community Involvement.
- Preparing Human Resources to meet global challenges and trends.

Outlook: Pursuing Sustainable Value Growth

Going forward, we will evaluate the success of our work in the different fields of action using strategically important criteria and refine elements of our Sustainability

<http://www.eon.com/en/sustainability/approach/mission-and-strategy.html>

Work Program if necessary. Generally, each field of action must contain clearly formulated objectives and contribute to the value of our company. This could take the form of e.g.:

- Direct financial impacts in the form of increased revenues or savings.
- Reduction in operative, regulatory or strategic risks, resulting in indirect financial impacts such as lower fines or insurance premiums.
- Boosting E.ON's credibility and reputation as well as improving brand image among key stakeholders.

Within our sustainability organization, the responsible departments regularly review the implementation of our Sustainability Work Program. They include other relevant departments in this process. The results are published annually as part of our sustainability reporting.



The Structure of a Sustainable Organization

Global players in the corporate world are confronted with complex societal challenges. In order to be able to address the full scope of these challenges, E.ON has defined appropriate responsibilities in the field of Sustainability and created structures to link them with one another. This upholds the commitments made by the E.ON Group's Board of Management in its pledge to corporate responsibility in 2006.

The management of our Group-wide sustainability activities has been divided into the fields of Health, Safety & Environment (HSE) and Corporate Responsibility (CR). With a combined Sustainability Work Program 2012-2015, both CR and HSE work even more closely together; this creates uniform structures for sustainability management, reporting and stakeholder dialogs.

Integrating the Board of Management and Supervisory Board

The Board of Management and Supervisory Board at E.ON have cross-divisional responsibility and bear central decision-making power for all sustainability activities and strategic objectives. The boards receive periodic updates on sustainability activities. Those responsible for CR and HSE keep the individual members of the Board of Management informed by regularly submitting reports or holding personal meetings. The Quarterly Board Report, which is addressed to the Board of Management, also contains key indicators in the areas of safety, environmental protection, and diversity.

Coordinating Sustainability Topics

Every country or organizational unit has HSE and CR managers or CR coordinators, working on the implementation of sustainability topics. Some strategic fields of action, as defined in our 2012-2015 Sustainability Work Program, are managed by the responsible units in collaboration with Group headquarters. One example here is the procurement of biomass, which falls within the scope of E.ON Climate&Renewables. Individual measures that apply to the E.ON Group are implemented by the responsible department, e.g. purchasing. The departments are supported by the sustainability experts.

<http://www.eon.com/en/sustainability/approach/organization-and-management.html>

More process-oriented issues such as Health&Safety, environmental protection and reporting are centrally managed by HSE or CR. A series of corporate policies guides the implementation of these process-oriented measures. The management systems are used to direct the implementation and continuous improvement of our operational performance in the various locations.

Factors for Successfully Implementing the Sustainability Program

A number of success factors underpin the progress of our sustainability efforts. This includes the E.ON's Board of Management's personal commitment. It is our aim to increasingly involve the corporate management in the implementation of strategic sustainability topics. Our Group-wide sustainability organization is also of central importance. It consists of different departments as well as our on-site contact partners in different regions and the global organizational units, which handle our sustainability topics. Another key success factor is transparency in our interactions with both internal and external stakeholders. By creating transparency, we reinforce the foundation of trust, which underlies our ongoing business as well as our future plans.

Continuous Improvement

In addition to the success factors listed above, we are applying the approach of our management systems as we roll out our Sustainability Work Program. With this, our objectives are to make business processes better and more efficient across the Group, to involve employees and contract partners on the team level, and to act on the requirements of a strict risk management system. In keeping with the principle of continuous improvement, we are following a defined sequence of steps in planning, implementation, monitoring and adaptation.



Charting a Course for Sustainability

We have established binding Group-wide policies which embed Sustainability in our organization. These policies, which are reviewed regularly, provide an operational framework and define minimum standards for our business processes. They also apply to individual companies in which we are majority shareholders as well as to projects and shareholdings for which E.ON bears operative responsibility. Moreover, contractors and suppliers are required to meet our minimum standards when working on our behalf.

Our policies and standards are based on internationally recognized ethical, social and ecological principles, which we duly apply to our corporate processes. The primary internal and external policies that are critical to responsible business practices are described below. Additional policies which are relevant to our fields of action are detailed on the corresponding topic pages.

National and International Commitments

Since 2005, E.ON has been committed to upholding the ten principles of the United Nations (UN) Global Compact. With more than 8,000 members, including 6,000 companies from 135 nations, the Global Compact is one of the world's largest sustainability initiatives. By becoming a signatory, we affirmed our commitment to the observance of human rights, labor and environmental protection standards and the fight against corruption. Accordingly, we have anchored anti-corruption measures in our corporate policies. We participate in national and international Global Compact networks in countries such as Germany and Sweden, working across sectors to strengthen the structures that will help master these challenges around the world.

In November 2010, we signed another voluntary pledge, the Code of Responsible Conduct for Business. E.ON participated in the development of this code. Today, 42 other corporations have joined us in expressing a commitment to sustainable business conduct which has human welfare at its core. The Code's declared aim is to rebuild the trust in the social market economy and business leaders that was lost as a result of the financial crisis.

The Global Compact and the Code of Responsible Conduct for Business provide us with external points of reference as we develop our Sustainability Work Program. We

<http://www.eon.com/en/sustainability/approach/guidelines.html>

incorporate their principles in our policies and standards and are guided by them in managing our internal compliance systems.

Code of Conduct: Commitment to Ethical Principles

Our Code of Conduct requires our employees to follow key principles and rules for legal and responsible behavior, especially in their interactions with business partners and public officials. In all processes, decisions and daily activities, each employee of the E.ON Group – in particular its managers – must fully comply with the rules laid down in our Code of Conduct at all times. This applies not only to E.ON AG in Düsseldorf, but to all of the Group's regional and global units as well.

The current version of E.ON's Code of Conduct has been in force since January 2010. The Code is supplemented by a compliance checklist which our employees can use to determine whether proposed activities are in keeping with E.ON's principles of integrity. Additional detailed provisions and specific instructions apply to anti-trust law as well as gifts and benefits. Our Code of Conduct covers the following areas:

1. Interactions with business partners, third parties and government agencies
2. Avoiding conflicts of interest
3. Handling information
4. Use of company property and resources
5. Environment, occupational health & safety

Our employees can refer to the text of our Code of Conduct at any time. In 2010, we launched a special e-learning program for the Code of Conduct with the aim of raising employee awareness and helping them practice compliance. To date more than 33,000 Group employees have made use of the program. We also will issue printed brochures so that employees without internet access can receive training in this area. Our compliance organization is responsible for ensuring that employees uphold the Code of Conduct and for reviewing its effectiveness, which are key aspects of good corporate governance.

Corporate Governance System Achieves Transparency

At E.ON, the principles of Good Corporate Governance form the cornerstone of our responsible, sustainability-oriented company management. We comply with the provisions of the German Corporate Governance Code. Our Corporate Governance System ensures that our Supervisory Board and Board of Management work together efficiently and that our reporting practices are transparent. Other central corporate governance functions include management and controlling processes, our compliance organization, our standardized risk management system and our responsible lobbying practices.

Regional and Global Compliance Organization

The primary objective of our compliance organization is to ensure that our company conforms to rules and regulations. It also works to identify and rectify any weak

<http://www.eon.com/en/sustainability/approach/guidelines.html>

points related to proper ethical behavior.

The E.ON Board of Management and the Supervisory Board's audit committee are responsible for the operation of our compliance organization. The Chief Compliance Officer (CCO) reports to them on compliance topics such as anti-trust law, securities law and insider regulations, the Code of Conduct, and fraud and corruption issues. The CCO is also responsible for updating the Code of Conduct and other compliance guidelines on a regular basis. All regional and global units have a compliance officer who reports directly to the CCO at E.ON Group headquarters. Any unit in which a compliance rule is violated is directly responsible for investigating the breach, ensuring its cessation and applying sanctions.

E.ON works with a law firm to facilitate the identification of potential compliance violations. In 2010 we launched a Group-wide whistleblower hotline where employees can report suspected breaches. The external lawyers receive these reports and pass them on to the CCO, anonymously if desired. This ensures that our employees can communicate suspected violations without fear of reprisal.

As part of our compliance organization, we have created an expert team within Corporate Audit to detect and investigate fraud. It plays a key role in our efforts to fight corruption and fraud.

Standardized Process for Risk Management

Our risk management system represents a standardized strategy, planning and controlling process that guides our corporate management in decision making and in interactions with our stakeholders. It is based on Group-wide guidelines and is monitored by a risk committee. Another component of our risk management is an early-warning system, the effectiveness of which is regularly reviewed by our Corporate Audit Department and the legally mandated auditors. The management of stakeholder relationships and issues is also an important aspect of risk management. The effects of climate change pose direct risks for the operation of E.ON facilities; response plans are developed by our emergency and crisis management team to address such scenarios. The Board of Management receives regular reports covering potential risks and opportunities.

Responsible Lobbying

Democratic nations have clear rules for participating in the legislative process. It is legitimate for companies to contribute their expertise to the political decision-making process, provided they act transparently. This is why we have developed the following parameters:

Our internal communication guidelines define standards for the information we convey and regulates responsibilities, processes and instruments. This includes the transparent management of information and political dialog by the Group's representatives. The guidelines also prohibit the release or distribution of selective information or misleading publications containing inaccurate or incomplete facts. In case this should happen unintentionally, we issue a correction immediately.

<http://www.eon.com/en/sustainability/approach/guidelines.html>

E.ON respects the provisions of European law and the respective national legislation of the countries where E.ON is active and complies with the applicable regulations when participating in committees and political working groups. In December 2011, E.ON joined the European Union (EU) Transparency Register for organizations and self-employed individuals engaged in EU policy-making and policy implementation. This is an expression of our commitment to dealing transparently with the institutions of the EU. In addition, we use the European Parliament's accreditation procedure for the authorization of our lobbyists. We have also lent our support to efforts to introduce a similar accreditation process in Germany.

In all of our activities, E.ON adheres to our self-imposed standards of ethical behavior and our Code of Conduct. Our Guidelines on Benefits state that we will neither give gifts nor grant other benefits to government officials that could convey the impression of trying to influence the decision-making process or arrange a quid pro quo. Targeting policy makers with gifts or contributions in anticipation of pending official decisions is categorically prohibited. We respect the dignity of the individual and their right to form an opinion independently.



Communicating with and Involving Stakeholders

E.ON must balance the demands and interests of different groups in society (stakeholders), both globally and locally. The dialog with these stakeholders is part of our daily business processes. We communicate with our employees, customers and investors as well as policymakers and representatives of non-governmental organizations (NGOs) and local governments on a wide range of issues.

To ensure that different regional needs and requirements are addressed, the responsibility for steering and implementing stakeholder dialogs lies primarily within our regional units. One such example are the dialogs held as part of our community involvement projects, such as “Leuchtpol” (“Lighthouse”) during which challenges of such co-operations are being highlighted. Also in the planning of the biomass power plants, such as the E.ON UK case of Blackburn Meadows, we are in a constant dialog with the public. This includes a multilingual newsletter as well as exhibitions to ensure a better understanding of the project, which resulted in a speeding up of authorizing procedures.

By communicating best-practice examples across the Group, we support the development of a shared understanding of the importance of stakeholder dialogs and how they should be managed. Concerns that affect all regions, such as the monitoring of topics and the materiality process are centrally coordinated and refined. Our stakeholder dialogs are not always successful. Hence there are unfortunate cases such as the power plant forums at Staudinger, where some parties have suspended their membership temporarily. However we will continue with our work regardless.

E.ON assesses the relevance of stakeholders using a variety of criteria, including their needs and requirements, the issues they address, their importance in shaping public opinion, and their position towards E.ON or a specific project. This evaluation takes place on two levels: at the project level, e.g. when planning new facilities or at Group level, carried out by central units such as Investor Relations and Energy Trading. For an overview of our stakeholder groups, please see the list below.

Shareholders and investors

- Small shareholders
- Institutional investors
- Analysts
- (SRI) rating agencies

Significance to E.ON: Along with public investments in power grid expansion, subsidies and private assets, investor capital forms the bedrock of successful corporate policy. Therefore, we want to reinforce the trust of our investors. We provide them promptly with accurate corporate information that allows them to assess the value and value potential of the Group.

Customers

- Business customers
- Private customers
- Consumer representatives

Significance to E.ON: Without customers, there is no business. This makes customers a key stakeholder group for E.ON. In addition to the reliable provision of energy at reasonable prices, our customers expect us to take an active role in shaping the transformation of Europe's energy system. Here we are working on new solutions to meet the needs of all our customers.

Employees

- Vocational trainees
- Direct and potential employees
- Managers and executives

Significance to E.ON: The performance of our employees determines our success as a business. Only with a professional and dedicated workforce, we can transform E.ON into an international provider of specialized energy solutions. We expect our managers to lead by example. Moreover, our Code of Conduct lays down important ethical principles and guidelines for responsible behavior within the company and in our interactions with business partners.

Suppliers and business partners

- Suppliers
- Subcontractors
- Service providers

Significance to E.ON: In the context of our procurement processes, we employ the services of numerous suppliers and upstream vendors. Our Group-wide mandatory policy on responsible procurement requires them e.g. to comply with sustainability criteria and to ensure that human rights are respected.

Municipalities and regions

- Residents
- Local authorities

Significance to E.ON: The transformation of the European energy system and the development of tomorrow's technology can only succeed with the active contribution and support of the general population – whether in their roles as consumers and residents or through their participation in citizens' action groups. For E.ON this means e.g. more intensive dialog in the future about the necessity of expanding power grids. Cities and townships are increasingly interested in re-establishing control over their energy supply; in this context, dialogs with local authorities are becoming particularly important.

Government, society and the general public

- Regional level
- National level
- EU level
- International organizations

Significance to E.ON: Government, society and the general public – including the media – not only expect energy utilities to provide a reliable supply of power, but also demand transparency and compliance with laws and regulations. In return, we require a reliable basis for planning our long-term and extensive investments.

NGOs and sustainability experts

- Environmental protection organizations
- Humanitarian/social welfare organizations
- Foundations
- Research institutions
- Colleges and universities
- Trade press
- Industry representatives

Significance to E.ON: We view colleges, universities, and social welfare organizations as important partners, e.g. in projects related to the development of technology and in community involvement. In addition, critical NGOs provide us with valuable information on community expectations, which we take very seriously.

From Transparent Dialog to Involvement in Company Development

We are faced with the challenge of balancing the conflicting expectations of our stakeholders: climate and environmental protection, security of energy supply, job security and profitability. In addition, we currently find ourselves in a difficult market environment, marked by increasing regulations and inevitable technological changes. In these circumstances we cannot always meet all competing expectations equally well. However, we aim to expand and intensify the dialog with our stakeholders in the future and continue to build relationships of trust.

Offering transparent and comprehensive information is the cornerstone of our dialog with stakeholders. Building on this, we encourage the involvement of stakeholders in specific projects.

Information

Depending on the target group, we use different platforms to reach stakeholders – from mobile information points, our Energy Truck, to a visitors' center. Our “E.ON in Dialog” initiative strengthens communication with decision makers from businesses, government and society. Specific investor questions are addressed by providing sustainability indicators. We supply information on our sustainability performance during our investor roadshows. In addition, our sustainability report offers information relevant to all target groups.

Dialog

International and trans-regional initiatives are another channel for dialog with our stakeholders. For example, we are part of a network with 33 leading global companies forming Econsense – Forum for Sustainable Development of German Business. We are also active in the World Business Council for Sustainable Development, where we are part of multi-stakeholder processes and are contributing to the development of industry-wide standards.

Materiality

Through our materiality process, we involve internal and external stakeholders in the identification of the most important sustainability issues and have our strategic approaches reviewed. The results of the materiality analysis and the customer and investor-relations surveys are integrated in the development of our focus issues and goals.

Forums and Involvement

Power forums and discussions with policymakers help to involve our stakeholders in corporate decision-making processes. One priority is the dialog in communities where new facilities are being built, e.g. onshore and offshore wind parks and solar projects.

More Stakeholder Involvement Targeted

On the Group level, as part of our Sustainability Work Program, we have set the goal of becoming even more responsive to our stakeholders' expectations. We also plan to involve them in the identification of topics for reporting and strategy development. Guided by the AA1000 standard developed by AccountAbility, we aim at anchoring the principles of

- Materiality (relevance of topics to stakeholders),
- Inclusivity (inclusion of stakeholders in strategy development) and
- Responsiveness (reaction to stakeholder concerns and willingness to participate in a dialog and taking actions)

more firmly in our stakeholder relationships in the long-run.

Stakeholder Dialog as a Part of Risk Management

The permission for operating our plants is not only gained from the responsible authorities – more importantly the acceptance from society is required to build new plants and run our business (“license to build and operate”). We therefore view the cultivation and maintenance of our relationships with stakeholders as an integral part of our risk management: During the dialog, we identify potential sources of conflict, but also new business opportunities. Transparent and trusting stakeholder relationships also make long-term investments in infrastructure more secure and grant us agility and foresight in our strategic fields of actions. Here, the many different dialogs with stakeholders in our regional units are particularly valuable.



Coordinated Support for Sustainable Development

To successfully foster sustainable development, corporate, state and civil society actors must coordinate their efforts. Therefore, E.ON is involved in numerous initiatives and participates in cross-sector dialogs on sustainability issues.

In this section we outline our involvement in the most important international and German sustainability initiatives.

UN Global Compact

The Global Compact is a voluntary corporate citizenship initiative led by the United Nations (UN). In 2005, E.ON became a signatory to the Global Compact, making a commitment to the UN to comply with ten defined principles in the areas of human rights, labor standards, environmental protection and anti-corruption. Each year, E.ON issues a Communication on Progress to report on the realization of these principles.

World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is a CEO-led international business initiative, which aims to promote responsible business practices. The initiative focuses on energy and climate protection, ecosystem protection and fostering sustainable development. Since becoming a member in 2007, E.ON is involved in task forces such as the Greenhouse Gas Emissions Working Group. In 2011, we worked with other international energy providers on an initiative to improve worldwide access to energy. This resulted in the publication of a study entitled “Business solutions to enable energy access for all”. At the same time, we launched a joint project to develop industry standards for sustainable water management in the energy sector.

Enterprise for Health

Enterprise for Health is a network of international companies dedicated to developing a corporate culture based on partnership as well as modern corporate health management policies. The group meets twice a year to share best practices and discuss lessons learned.

Econsense – Forum for Sustainable Development of German Business

Econsense – Forum for Sustainable Development of German Business is an association of leading, globally active German corporations and organizations. This network was founded in 2000 as a think tank and dialog platform for sustainable development. Since then, E.ON has been involved in working groups focusing on topics such as transparency along the supply chain and assessing sustainability performance. Within the working groups, members discuss their experiences and develop joint approaches to specific sustainability issues. Our dialog makes an active contribution to shaping political and social decision-making processes: In 2011 Econsense expressly welcomed the revised German Sustainability Code [link to Reporting Approach] adopted by the Council for Sustainable Development. In addition, the network worked on new initiatives for the continuous development of integrated reporting.

Wirtschaft.Initiative.Engagement.

WIE (“Wirtschaft.Initiative.Engagement.”) is a business initiative, in which companies work with state and civil society actors to develop solutions to the urgent challenges facing society. The initiative, which E.ON joined in 2007, aims to make the corporate citizenship of its members more effective, improve cooperations between the various stakeholders and sharpen its strategic impact. In the future, WIE will work with the German Ministry for Family Affairs, Senior Citizens, Women and Youth particularly in the areas of employee volunteering and measuring the impact of community service activities.

E.ON is also involved in national and international energy initiatives such as the World Energy Council and as member of the World Economic Forum. Our global and regional units take an active role in local projects and networks on their part. Initiatives that align with specific elements of our strategic sustainability approach can also be found under the relevant fields of action.



What is Relevant?

What topics are relevant? Which path should we follow? Whose needs should we and can we take into account when addressing these issues? These are the questions we ask ourselves when developing our sustainability work program and our targets.

Our stakeholders have complex, partly conflictive interests. Some of these interests are consistent with our corporate strategic approach – for instance expanding the use of renewable energies generally meets with the general public's approval. Others are contradictory with that – for example local residents are critical of the construction of wind farms in the vicinity of their residence. The interests of internal as well as external stakeholders serve as points of reference in our sustainability reporting. Since 2006 this process has been underpinned by a materiality analysis. Here we evaluate potential topics in terms of their relevance to the company and our stakeholders so we can give them corresponding weight in our reporting. The results of the materiality analysis are presented in the form of a matrix.

Improved Methodology and Expanded Sampling

We are constantly developing and refining our materiality process. For the first time we surveyed a larger group of relevant internal and external stakeholders and also included our facilities in the United Kingdom, Sweden, Benelux, and Italy. Previously we had primarily relied on the assessments of our departments as representatives of our stakeholder groups.

Stakeholders surveyed in our 2011/2012 process

- E.ON employees
- Investors, analysts and shareholders
- Business and private customers
- Suppliers
- Sustainability experts
- NGOs
- Policymakers and regulatory authorities
- Unions
- International organizations
- Universities and research institutes

In addition, we have refined our surveying methodology. Instead of the traditional ranking of topics, this time we requested an evaluation of the strategic fields of action that make up our Sustainability Work Program as well as measures within the specific fields. This represents a quantitative and qualitative improvement in the analysis – a move away from a simple weighting of the reporting topics. In the long term, we aim to align our analysis more strongly with the Standard AccountAbility 1000 (AA 1000), which defines basic principles for interaction with stakeholders and their involvement in corporate development. By focusing on the essential, we also comply with the approach of the Global Reporting Initiative.

Materiality Matrix 2011/2012



The materiality matrix shows the relevance that each topic has for E.ON and for our stakeholders. The topics with the highest priority for both sides are located in the upper right quarter of the matrix. The stakeholders rated the topics on a scale of 1 (not important) to 5 (very important), with the participants delivering differentiated evaluations of the fields of action and measures. In the aggregate, all individual

measures were ranked higher than 2.5. To present the weighted fields of action more clearly, the scale of the matrix has been adjusted to start at 3.4.

Below we summarize the most important changes compared to 2010, when the previous survey was held.

Climate Change Becomes the Most Relevant Topic

By a wide margin, the CO₂ reduction field of action is the most important for our stakeholders this year. It has increased in significance since 2010, when it was referred to as “climate protection” and was ranked third. This also applies to expanding the use of renewable energy sources, which was ranked fifth when asked about separately in 2010. In the most recent survey, our stakeholders unanimously rated the expanded use of renewables as the priority measure within this field of action – and as the most important single measure overall. The continued use of nuclear power as a transitional technology was rated lower by external stakeholders in particular.

Differing Priorities for Developing Technology

The issue of developing of new technologies also has a high priority and gained in importance, both internally and externally. The priorities of the groups differ, however. Internal stakeholders find large-scale projects in the field of renewable energy to be the more relevant, while external stakeholders focus on measures related to energy distribution and transportation.

Environmental Protection Ranked Higher

Environmental protection is the third issue that received a significantly higher weighting than in the previous year. The reduction of emissions such as nitrogen dioxide and dust was ranked as the most important measure in this field and as the second most important individual measure overall. New measures included water footprint reduction as well as carrying out product lifecycle analyses and acting on the results.

Sustainable Procurement Gains Greater Attention

Compared to earlier surveys, respondents placed more emphasis on sustainable procurement. Biomass procurement and supplier qualification were the chief areas of focus here.

Occupational Health & Safety Important to Internal Stakeholders

Occupational health and safety are primarily relevant to internal stakeholders. Promoting proactive employee behavior in this area was seen as a particularly important measure.

Sustainable Investment Planning is Called for

In 2011 responsible investment was included as a field of action in the Sustainability Work Program for the first time. Although it has primarily been pursued as an internal project, it was part of the stakeholder survey. The responses revealed that external stakeholders in particular assign it a high priority. Most highly ranked were sustainability considerations when entering new markets and when planning the construction or dismantling of facilities.

Customer Satisfaction of Continued Relevance

The topic of customer satisfaction has not decreased in relevance since the last survey. In addition to improving customer service, boosting customers' energy efficiency was rated as important, as was the role of the customer as an energy generator. In the previous survey the latter topics were placed below the topics of pricing policy and energy efficiency.

Priority Placed on Comprehensive HR Measures

In evaluating workforce challenges, the focus was primarily on more employee involvement as well as systematic knowledge management. Life balance was also considered important. The introduction of a female quota was not weighted as highly.

Stronger Focus on Community Involvement

The most important measures in the community involvement field of action were a stronger focus on highly effective projects as well as the development of performance indicators and measurement tools.

Due to the focus on our fields of action, topics such as ethical business conduct and anti-corruption were not included in this survey. Questions related to responsible corporate practices are of great importance to us, however. Our Code of Conduct and our activities in the field of good Corporate Governance address our stakeholders' expectations in these areas.

Relevance of the Results to E.ON's Strategic Development

The high response rate of 71 percent of a total sample of 146 stakeholders as well as the quality and differentiation of the responses are indicators of the success of our survey. The goals and measures evaluated in the survey also reflect the main points of our new Sustainability Work Program for 2012-2015. The high priority given to the topics confirms the overall relevance of our program; however, we also plan to integrate the results into our strategic development as part of our continuous improvement process.



Our Reporting Approach – Overview

Since 2008, E.ON AG's annual corporate responsibility (CR) reporting has mainly appeared online. The term "Sustainability" has been used in the title since 2012. You can access all contents on the top navigation level at www.eon.com under "Sustainability". Previous reports are available in the [download center](#).

We strive to ensure balanced reporting of the environmental, social and commercial aspects of our business activities. As we do so, we feel it is important to present a transparent overview of our strengths, but also negative occurrences such as for example workplace accidents or environmental damages caused by us. In selecting the topics for our reporting, we are guided by results of our [Materiality Matrix](#).

General Structure of our Online Reporting

The chapters on [Management](#) including [Reporting](#), [Fields of Action](#) and [Key Figures](#) form the core of E.ON's 2011 Sustainability Report. We have redistributed the content of the Focus Topics and CR in Practice sections that appeared in the 2010 Report: The Group-wide strategic sustainability topics are now listed under the heading Fields of Action. Best-practice examples are cited under [Regional Activities](#); this information is intended as a supplement to the 2011 Sustainability Report. In keeping with the strategic relevance of stakeholder management, the Dialog heading was integrated into the Management chapter.

Several web pages under the Sustainability heading contain links to other Group pages with information on sustainability topics. The Sustainability channel provides a platform for presenting our activities in their full scope and depth. We also address our approach to the topic of sustainability in our annual report.

Sustainability Report 2011: Progress in the Reporting Period

Our reporting is aligned with the guidelines of the [Global Reporting Initiative](#) (GRI). We have included the Electric Utilities Sector Supplement that applies to companies which are active in the energy supply industry. In keeping with our commitment to the United Nations Global Compact, our sustainability reporting also represents our

Communication on Progress. In 2010, we expanded the scope of our reporting to include additional key figures in line with the German Association for Financial Analysis and Asset Management and the European Federation of Financial Analysts Societies (DVFA/EFFAS) standards. As a result, we were able to align key figures with the ESG structure for the first time in 2011. Our aim here is to increase our report's comparability and make it easier for financial analysts to access information on environmental, social and governance (ESG) issues. This makes us one of the first companies in Germany to provide standardized ESG indicators. Our 2011 Sustainability Report also incorporates the requirements outlined in the German Sustainability Codex in January 2012. We cover specific indicators from the different standards on the relevant pages of the Key Figures section.

Sustainability Report Audit

As in previous years, substantial parts of the 2011 Sustainability Report were audited by PricewaterhouseCoopers (PwC) using the ISAE 3000 criteria (International Standard on Assurance Engagements) of the International Federation of Accountants. This includes the contents under the headings of Approach and Key Figures 2011 as well as parts of the Fields of Action chapter. Verified content is marked with the logo "Reviewed 2011;" it is valid until publication of the next Sustainability Report and will not be updated during the course of the year.

Continuous Updates for Web-based Reporting

For a more flexible response to developments in the reporting period, we take advantage of the opportunities offered by the internet and continuously update the contents found under the heading of Regional Activities. Here, the focus is on dialog with our stakeholders and best-practice examples of sustainability activities on the regional level. This also leaves us the option of presenting countries which are added as part of our growth strategy.

Reporting Approach

The Sustainability Report published by E.ON AG in May 2012 is the Group's eighth successive report. It covers the period from January 1 to December 31, 2011, and is available in German and English. The copy deadline for established content relevant to the Report was March 31, 2012. The next Sustainability Report will be published in the second quarter of 2013.

The target groups of our sustainability reporting are:

- Investors
- Customers
- Rating and ranking agencies
- Opinion leaders in the field of sustainability, such as decision makers in politics, civil society and research

<http://www.eon.com/en/sustainability/approach/reporting.html>

- Employees

Feedback from the different user groups is continuously evaluated. We take the findings into account for future publications for example through a stronger alignment of our presentation of key figures to the requirements of ESG investors since 2010 or by including the topic of water in our strategic risk management in 2011.

The E.ON Sustainability Report is a Group-wide report. Its object is the E.ON AG, including any shareholdings it holds directly. The Group was restructured at the end of 2010. Existing market and business units were transferred to global and regional units. Since many of these organizational structures were not identical with their predecessors, however, in some cases we could not provide key indicators for individual units in past years.

The information in the report invariably relates to all subsidiaries and power plants in which E.ON has a majority holding and which are fully consolidated in the financial statements. Any exceptions to this, such as in the area of occupational safety where we consider all units in which we have the operational management for example, are marked accordingly.

In the interests of legibility, we avoid using double-gender pronouns as well as the company's full legal designation.

Independent Assurance Report¹

To E.ON AG, Düsseldorf

We have performed a limited assurance engagement on selected areas of the Sustainability Re-orting 2011 of E.ON AG, Düsseldorf. The Sustainability Reporting is released as an online version on www.eon.com/sustainability².

Based on our assignment, our assurance engagement has been applied to the websites under the heading of Sustainability Management (the "Sustainability Management websites") as well as selected performance indicators on the Performance Report 2011 sections ("the Sustainability Performance websites"). For better traceability content reviewed by PwC is marked with a "Reviewed 2011" sign.

Management's Responsibility

E.ON AG's Board of Managing Directors is responsible for the preparation of the Sustainability Reporting in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 3.1 (pp. 7-17) of the Global Reporting Initiative (GRI)

- Materiality,
- Stakeholder Inclusiveness,
- Sustainability Context,
- Completeness,
- Balance,
- Clarity,
- Accuracy,
- Timeliness,
- Comparability, and
- Reliability.

This responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Sustainability Reporting and the selection and application of appropriate methods to prepare the Sustainability Reporting.

Practitioner's Responsibility

Our responsibility is to express a conclusion based on the work we performed as to whether any matters have come to our attention that cause us to believe that the "Sustainability Management websites" and selected pages and performance indicators on the "Sustainability Performance websites" have not been prepared, in

¹ Translation of the independent assurance report, authoritative in German language.

² Our engagement applies to the German Version of the CS Reporting on www.eon.com/nachhaltigkeit. Data referred to and links on the CS Reporting websites were not included in the scope of our assurance engagement.

all material respects, in accordance with the above mentioned criteria of the Corporate Sustainability Reporting Guidelines Vol. 3.1 of the GRI. We have also been engaged to report on recommendations for the further development of Sustainability Management and Sustainability Reporting on the basis of the results of this engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement such that we are able to express our conclusion with limited assurance.

In a limited assurance engagement the procedures for gathering evidence are less comprehensive than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend upon the practitioner's judgment. Within the scope of our work we performed amongst others the following procedures:

- Interviews with representatives of the Corporate Responsibility department in charge of the preparation of the Sustainability Reporting on the process of establishing the group-wide Sustainability Reporting 2011 and internal controls supporting this process.
- Interviews with management of specialist departments in charge of Corporate Responsibility, Health, Safety & Environment, Community Involvement, Human Resources Controlling and Corporate Procurement.
- Inspection of documents describing the Sustainability Management approach and the Work Programme 2012-2015.
- Review of E.ON's materiality process to determine relevant topics for the Sustainability Re-orting 2011.
- Examination of definitions on selected Sustainability Indicators and review of documentation of requirements on the group-wide processes for collecting, analysing, and aggregating Sustainability data.
- Site visits at Group Management in Düsseldorf as well as the E.ON France, E.ON Generation Germany, E.ON Netherlands and E.ON Spain as part of our sample assessments of relevant systems and processes.
- Evaluation of the consistency of the statements provided on the "Sustainability Management websites" with the findings obtained during our engagement.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the "Sustainability Management websites" and selected pages and performance indicators on the "Sustainability Performance websites", have not been prepared, in all material respects, in accordance with the above-mentioned criteria of the Corporate Sustainability Reporting Guidelines Vol. 3.1 of the GRI.

Additional Recommendations

Without qualifying our conclusion above, we express the following recommendations for the further development of Sustainability Management and Sustainability Reporting:

We recommend to establish a cross-functional council to steer and coordinate sustainability across business functions at Global and Regional Unit level.

E.ON should align responsibilities and resources at relevant business functions to meet the targets of the sustainability work programme supporting the Cleaner & Better strategy. The group-wide CR and HSE experts should support the roll-out to the Global and Regional Units.

E.ON should further improve the specification of extra financial performance metrics for all business functions and document group-wide definitions of key indicators and reporting processes.

Düsseldorf, 27. April 2012

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Awards, Ratings and Rankings

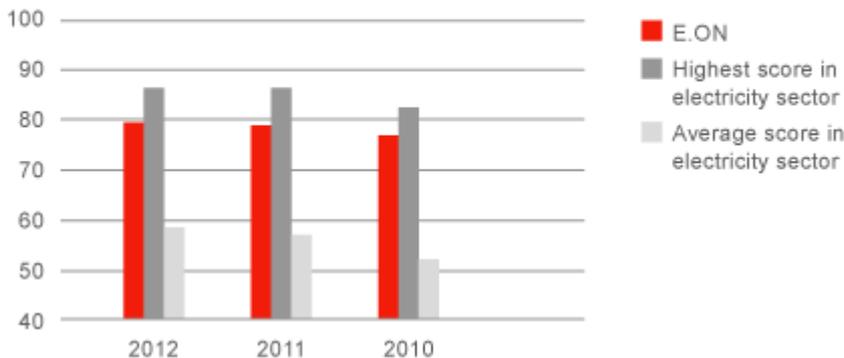
Over the past years E.ON has scored well in numerous sustainability ratings and rankings. We also regularly receive external recognition for our sustainability activities – both regional projects and those with a wider focus. In the following section we highlight awards, ratings and rankings that are relevant to the Group as a whole.

Dow Jones Sustainability Index and SAM Sustainability Yearbook

The investment boutique SAM conducts an annual assessment of the economic, environmental and social performance of more than 2,500 publicly traded companies. The globally recognized Dow Jones Sustainability Index (DJSI) and the SAM Sustainability Yearbook are both based on the findings of this evaluation. In 2011 E.ON qualified for a listing in the DJSI for the fifth year in succession. We were ranked in the Bronze Class of the SAM Sustainability Yearbook in 2012. This result places E.ON in the top 25 percent of the electricity sector, outperforming our direct competitors.

SAM Assessment 2010 to 2012

Percentage of maximum points obtained



Carbon Disclosure Project

The goal of the Carbon Disclosure Project (CDP) is to facilitate sustainable business decision-making. Acting on behalf of more than 650 institutional investors, each year the CDP calls upon companies to disclose their CO₂ emissions and strategies for handling climate change and water resources. The results are published online.

E.ON has participated in the CDP since 2004. We employ this platform to communicate our responsible corporate management to investors and other stakeholders and to learn from other companies across sectors. We also aim to increase awareness within our company for the importance of current and future activities related to water and climate change while improving our relationship with our stakeholders.

Sustainalytics Sustainability Ratings of DAX 30 Corporations

Every two years the Sustainalytics rating agency performs a comparative analysis of the sustainability performance of Germany's 30 largest DAX-listed companies. E.ON was ranked fourth in the 2011 sustainability rating, an outstanding result. Compared to 2009 the most substantial improvement came in the environmental category, although E.ON also performed well in the governance and social fields.

ASPI Eurozone®

E.ON has been listed in the Advanced Sustainable Performance Indices (ASPI Eurozone®) since September 2007. The share index features the 120 eurozone companies with the best sustainability ratings as assessed by the French rating agency Vigeo Group.

Storebrand

The Norwegian financial services provider Storebrand awarded E.ON a best-in-class rating for its sustainability performance. E.ON has met this quality standard since 2007. After sustainability performance has been analyzed, only the leading companies in each industry are eligible to receive this symbol of excellence.

Recognition for Online CR Reporting

In 2011 E.ON was again ranked in the top ten in a comparison of online Corporate Responsibility (CR) reporting by all DAX 30 companies conducted by the Lundquist communications agency in Milan. Compared to 2010 E.ON scored higher in the CSR Online Awards Europe 100, moving up to eighth place. In the CSR Online Awards Germany 2011 we also improved our ranking from fourth to second. These results are underpinned by the annual review conducted by KWD Webranking, which examines the scope and quality of companies' web-based CR reporting. As in the previous year, in 2010 E.ON was rated as one of the best companies in Europe, ranking fourth in Germany and 31st in Europe.

<http://www.eon.com/en/sustainability/approach/reporting/external-recognition.html>

Global Energy Award

As part of its Global Energy Awards, in 2011 the Platts consulting firm named the global unit Renewables “Green Energy Generator of the Year.” The company’s achievements in developing offshore wind parks were singled out for special praise. According to the jury, E.ON has positioned itself as a global leader in this sector in just five years.

TOTAL E-QUALITY Award for Equal Opportunity

In 2010 E.ON received its first ever TOTAL E-QUALITY award from the organization of the same name. Presented every three years, the prize recognizes equal opportunity excellence in HR policies and is supported by the German Federal Ministry of Family Affairs, Senior Citizens, Women and Youth.



GRI Content Index

We base our sustainability reporting on the current G3 guidelines of the Global Reporting Initiative (GRI), including the final version of the Electric Utility Sector Supplement (EUSS) dated April 2009. According to our self assessment, E.ON's 2011 reporting complies with application level B+ of the GRI guidelines.

About the Global Reporting Initiative

The GRI was established in 1997 with the goal of developing an internationally recognized guideline for voluntary reporting of the economic, ecological and social performance of organizations. The GRI guidelines comprise indicators for all sectors and all types of organization that aim to achieve transparent, comparable and stakeholder-oriented sustainability reporting. The current G3 standard was introduced in 2006. There are also sector supplements with industry-specific indicators. The EUSS applies to companies in the electric utility sector.

Our 2011 Sustainability Reporting

We see a clear trend towards a need for more specific information among our stakeholders. In 2009 we revised the indicators on which we report to comply with the requirements of the final version of the EUSS and, along with the general indicators of the GRI guidelines, adapted them to meet the changing information needs of our stakeholders. We do not consider some indicators to be material and/or significant. In these cases, we have added an appropriate comment in the GRI Content Index.

GRI Content Index

The GRI Content Index shows at a glance how E.ON's reporting meets the requirements of the GRI. The Index lists:

- Which indicators we report on and to what extent.
- Where they can be found on our website, in our Annual Report, Annual Report, and Strategy & Key Figures 2012 publication.
- Which indicators we are unable to include due to certain circumstances.

In addition, the GRI Content Index includes comments and additional information on selected indicators.

Reference

AR	2011 Annual Report (Page)
F & F	Facts & Figures 2012 (PDF, 1,5 MB)

Strategy and Analysis

1. Strategy and Analysis

1.1 Statement from the most senior decision-maker

Commitment to Sustainability

AR (2)

fully covered

1.2 Key impacts, risks, and opportunities

Mission and Strategy

Organization and Management

Guidelines

Materiality Analysis

Reporting

Fields of Action

Regional Activities

AR (50–59, 60–65)

fully covered

Organizational Profile

2. Organizational Profile

2.1 Name of the Organization

E.ON AG

fully
covered

2.2 Brands, Products, and/or Services

Business Areas

Sales

Customers

www.eon-energy-sales.com

E.ON Vertrieb Deutschland

AR (6–7)

fully
covered

2.3 Operational Structure

Structure

Group Management

Global Units

Regional Units

Support Functions

Company Finder

Organization and Management

AR (6–7)

fully
covered

2.4 Headquarter Location

Düsseldorf (Germany)

fully
covered

2.5 Countries in Operation

Global Units

Regional Units

Company Finder

Regional Activities

AR (6–14)

fully
covered

2.6 Nature of Ownership

AR (6, 116)

fully
covered

2.7 Markets Served

Global Units

Regional Units

Company Finder

Regional Activities

GB (6–14, 60 ff.)

fully
covered

2.8 Scale of the Organization

Profile

AR (2–4)

fully
covered

2.9 Significant Changes Regarding Size, Structure, or Ownership

Strategic Priorities

Transformation of E.ON

Structure

Workforce Challenges

AR (2–4, 24, 60 ff., 80)

fully
covered

2.10 Awards Received

Awards – Sustainability

Awards – Work Environment

Social Responsible Investment

fully
covered

EU1 Installed Capacity

Key Figures–Governance

AR (19)

fully
covered

EU2 Net Energy Output Broken Down by Primary Energy Source and by Region

Key Figures–Governance

AR (20)

fully
covered

EU3 Significant changes during the reporting period regarding size, structure, or ownership

Regional Activities

AR (22 f.)

fully
covered

EU4 Length of Transmission and Distribution Lines by Region

We regularly report our grid activities. The latest data is available in our [Facts & Figures publication](#), which is updated annually.

partly
covered

EU5 Allocation of CO₂ Emissions Permits

Key Figures–Environment

AR (42)

fully
covered

Report Parameters

3. Report Parameters

3.1 Reporting Period	fully covered
The 2011 CR Report covers the period from January 1 to December 31, 2011.	covered
3.2 Date of Most Recent Previous Report	fully covered
The most recent CR Report was published in May 2011.	covered
3.3 Reporting Cycle	fully covered
E.ON reports on its CR activities annually. The next report is due to appear in the second quarter of 2013.	covered
3.4 Contact Point for Questions	fully covered
<u>Contact</u>	covered
3.5 Process for Defining Report Content	
<u>Reporting</u> <u>Materiality Analysis</u>	
E.ON defines the content of the report on the basis of its objectives and experience as well as the expectations and interests of stakeholders. For example, relevant topics are identified by the E.ON materiality process.	fully covered
3.6 Boundary of the Report	fully covered
<u>Reporting</u>	covered
3.7 Limitations on the Scope or Boundary of the Report	fully covered
<u>Reporting</u>	covered
3.8 Joint Ventures, Subsidiaries, and Outsourced Operations	fully covered
AR (6–7, 60–64)	covered
3.9 Data Collection Methods and Basis of Calculation	
<u>Reporting</u>	
The regulations of our financial market oriented reporting are applied. Where specific measurement methods were used or special explanations of indicator calculations are required, they are noted in the respective diagrams and graphics. E.ON bases its reporting on the GRI indicator protocols, but also reserves the right to deviate from these protocols. Data and content is double-checked for correctness, as is customary in management accounting. E.ON AG was restructured in 2010. Market and business units were dissolved in favor of Global and Regional Units.	fully covered
3.10 Effects of Re-Statement of Information Provided in Earlier Reports	
<u>Reporting</u> <u>Materiality Analysis</u>	fully covered
3.11 Significant Changes in the Scope, Boundary, or Measurement Methods	
<u>Reporting</u> <u>Materiality Analysis</u>	
No significant changes.	fully covered

3.12 GRI Content Index

[GRI Index](#)

fully covered

3.13 External Assurance

[Assurance](#)

fully covered

Governance, Commitments and Engagement

4. Governance, Commitments and Engagement

4.1 Governance Structure

Key Figures—Governance

Management

AR (174 ff.)

E.ON's governance is based on a dual system comprising the Supervisory Board and the Board of Management at the executive level. E.ON complies with the German Corporate Governance Code. This safeguards the corporation's and shareholders' interests, the transparency of decisions by the Board of Management and the independence of the Supervisory Board. The Board of Management intends to propose to the 2012 Annual Shareholders Meeting that E.ON AG be transformed into a European Company (Societas Europaea, or "SE"). E.ON plans to continue equal representation in the Supervisory Board.

fully covered

4.2 Indication Whether Chairperson is also Executive Officer

Board of Management

The Chairman of the Board of Management of E.ON AG is also the company's chief executive officer.

fully covered

4.3 Independent Members at the Board

According to the G3 definition, this element is only applicable to organizations without a Supervisory Board. As E.ON has a Supervisory Board, this indicator is not applicable.

not material

4.4 Mechanisms for Shareholders and Employees to Provide Recommendations to the Board

AR (162 ff.)

Shareholders and employees have the following opportunities to make recommendations or provide information to the Supervisory Board and Board of Management:

- Shareholders: According to the "Aktengesetz" (German Joint Stock Corporation Act), shareholders can submit recommendations to the general meeting of shareholders. In addition, they can submit proposals and address questions to the Board of Management/Supervisory Board.
- Employees: Fifty percent of E.ON Supervisory Board members are employee representatives. These representatives can submit recommendations to the Board of Management. Recommendations to the Board of Management/Supervisory Board may also be made through the Works Council. In addition, employees may also submit proposals for decisions to the Board of Management.

The Board of Management intends to propose to the 2012 Annual Shareholders Meeting that E.ON AG be transformed into a European Company (Societas Europaea, or "SE"). E.ON plans to continue equal representation in the Supervisory Board.

fully covered

4.5 Linkage Between Executive Compensation and Organization's Performance

Key Figures–Governance

Key Figures–Social

2011 Corporate Governance Report

AR (46, 180 ff.)

The variable annual salary (short-term incentive) of E.ON managers is dependent on the performance of the individual and the company as a whole. The assessment of personal performance of the responsible E.ON managers also includes criteria such as environmental protection and health and safety.

In 2010, we adopted our Code of Responsible Conduct for Business. In this mission statement, we speak in favor of a clear relationship between services rendered and services received; financial losses must be reflected in executives' earnings.

fully
covered

4.6 Processes to Avoid Conflicts of Interest at the Board

2011 Corporate Governance Report

Key Figures–Governance

Initiatives

AR (46, 180 ff.)

The requirements of the German Corporate Governance Code are met. Our Code of Responsible Conduct for Business, which we adopted in 2010, demonstrates our clear commitment to the social market economy and to fair trading in global competition.

fully
covered

4.7 Process for Determining the Qualifications of the Members of the Highest Governance Body in Sustainability

Key Figures–Governance

Organization and Management

Mission and Strategy

AR (175–176)

The performance of the highest governance body is assessed by the Supervisory Board, which includes environmental, occupational health and safety and social criteria in its assessments (see answer to 4.5). The highest governance body is the Board of Management.

fully
covered

4.8 Statements of Mission, Codes of Conduct, and Principles

Corporate Culture

Corporate Governance

Commitment to Sustainability

Guidelines

Fields of Action

fully
covered

4.9 Procedures of the Highest Governance Body for Overseeing Sustainability Performance

Key Figures–Governance

Organization and Management

Corporate Governance

Important events relating to the environment and occupational safety are always promptly reported to the Board of Management. Key figures are also regularly reported to the Board of Management.

fully
covered

4.10 Processes for Evaluating the Highest Governance Body's Sustainability

Key Figures–Governance

Organization and Management

partly
covered

4.11 Precautionary Approach

Key Figures—Governance

Organization and Management

Mission and Strategy

Guidelines

Fields of Action

AR (50 ff.)

As a general principle, all E.ON operations are governed by a long-term perspective. This applies to all units of the Group and all areas of activity. The precautionary principle is applied in the field of environmental protection in everyday business, investment projects and impact assessments. The E.ON risk management system already takes ecological and social risks into account, in some cases beyond legal requirements.

fully covered

4.12 External Charters, Principles, or Other Initiatives

Initiatives

On all levels E.ON is active in a variety of initiatives. At the Group level, these include:

- Global Compact
 - World Business Council for Sustainable Development (WBCSD)
 - Econsense
- fully covered

4.13 Memberships in Associations and Advocacy Organizations

Initiatives

fully

Guidelines

covered

4.14 Stakeholder Groups

Stakeholder Management

Materiality Analysis

Reporting

Regional Activities

Dialog – Investors

Dialog – Media

Customers

As an international company, E.ON engages in constant dialog with a large number of stakeholders.

fully covered

4.15 Stakeholder Identification and Selection

Stakeholder Management

Materiality Analysis

Reporting

AR (42, 59)

As an international company, E.ON engages in constant dialog with a large number of stakeholders. The stakeholders addressed in each case depend on the specific topic.

fully covered

4.16 Approaches to Stakeholder Engagement

<u>Contact</u>	
<u>Mission and Strategy</u>	
<u>Stakeholder Management</u>	
<u>Materiality Analysis</u>	
<u>Reporting</u>	
<u>Fields of Action</u>	
<u>Regional Activities</u>	
<u>Customer Satisfaction</u>	
<u>Dialog – Investors</u>	
<u>Dialog – Media</u>	
<u>Employee Participation</u>	
<u>Customers</u>	fully covered
GB (59)	covered

4.17 Key Topics and Concerns Raised by Stakeholders

<u>Stakeholder Management</u>	
<u>Materiality Analysis</u>	
<u>Reporting</u>	
<u>Fields of Action</u>	
<u>Regional Activities</u>	
<u>Customer Satisfaction</u>	
<u>Dialog – Investors</u>	
<u>FAQ Retail Investors</u>	fully covered
<u>Dialog – Media</u>	covered

Economic Indicators

Economic indicators are divided into the three categories "Economic performance", "Market presence" and "Indirect economic impacts". The indicators provide information on the economic success of E.ON as well as the impact that this has on various stakeholder groups. Further information can also be found in the Annual Report.

Economic Indicators

Disclosure on Management Approach (including EU6, 7, 8 and 9)

<u>Mission and Strategy</u>	
<u>Guidelines</u>	
<u>Organization and Management</u>	
<u>Stakeholder Management</u>	
<u>Fields of Action</u>	
<u>Key Figures–Governance</u>	
<u>Regional Activities</u>	
<u>Strategic Priorities</u>	
<u>Innovation</u>	
<u>Corporate Governance</u>	fully covered
AR (8 ff., 24 ff., 42, 125 ff., 174 ff.)	covered

EC1 Direct Economic Value Generated and Distributed

<u>Key Figures–Governance</u>	fully covered
AR (204)	covered

EC2 Financial Implications Due to Climate Change

Climate Protection

Key Figures–Environment

AR (12 ff., 18, 53 ff.)

E.ON regularly investigates what impacts climate change- e.g. gradual temperature increase or extreme weather- has on the business. In this context we evaluate potential physical risks for our employees as well as material risks to our buildings and network systems. In addition we analyze financial risks like accidents. The probability of occurrence and potential impact of these risks are determined every year. These risk analyses are intended to identify focus areas for precautionary measures.

partly
covered

EC3 Coverage of the Organization's Defined Benefit Plan

Workforce Challenges

Key Figures–Social

Key Figures–Governance

AR (46, 71, 85, 102, 118, 122 f., 180 ff.)

We offer our employees at many locations comprehensive possibilities of providing for their retirement, in addition to the statutory requirements. In Germany, company pension plan benefits are a component firmly integrated in the overall remuneration system. In addition to an attractive pension scheme financed by the Group, E.ON offers its German employees the possibility of earning additional benefits by paying contributions. Depending on their individual needs and possibilities, employees can choose between a number of different models (such as direct life assurance schemes, supplementary pensions in accordance with the statutory provisions and/or the conversion of remuneration) and also combine these possibilities.

partly
covered

EC4 Financial Government Assistance

AR (81)

partly
covered

EC5 Entry Level Wage Compared to Local Minimum Wage(Add)

not
material

EC6 Locally-based Suppliers

Responsible Procurement

Key Figures–Governance

When selecting suppliers, we attempt to ensure appropriate economic relationships between the shares of individual suppliers to our market units. Services are often sourced in the immediate vicinity of our locations. In this way, we demonstrate our responsibility for the regions where we are active.

fully
covered

EC7 Local Hiring

Key Figures–Social

We select employees on the basis of our human resources strategy. The main criteria are qualifications and motivation. Preferential treatment for certain groups of people would run counter to the principle of non-discrimination.

fully
covered

EC8 Infrastructure Investment and Services for Public Benefit

Key Figures–Social

Key Figures–Governance

AR (36)

partly
covered

EC9 Indirect Economic Impacts (Add)

We do not collect detailed data on this area at present.

not
material

EU10 Planned Capacity Against Projected Electricity Demand Over the Long Term

Key Figures—Governance

AR (7 ff., 60 ff.)

partly covered

EU11 Average Generation Efficiency of Thermal Plants by Energy Source and Region

Key Figures—Governance

Key Figures—Environment

Owned Generation

partly covered

EU12 Transmission and Distribution Losses as a Percentage of Total Energy

AR (20)

partly covered

Ecological Indicators

The information requirements of ecological indicators range from consumption of materials to greenhouse gas emissions.

Ecological Indicators

Disclosure on Management Approach (including EU6, 7, 8 and 9)

Environmental Protection

Climate Protection

Mission and Strategy

Guidelines

Organization and Management

Stakeholder Management

Key Figures—Environment

Regional Activities

fully covered

EH1 Materials Used by Weight or Volume

Responsible Procurement

Key Figures—Governance

Key Figures—Environment

partly covered

EH2 Percentage of Materials used that are Recycled Input Materials

Key Figures—Environment

partly covered

EH3 Direct Primary Energy Consumption

Key Figures—Governance

Key Figures—Environment

The use of primary energy sources for electric power generation accounts for the greater part of direct primary energy consumption.

fully covered

EH4 Indirect Primary Energy Consumption

AR (20 f.)

The use of primary energy sources for electric power generation accounts for the greater part of direct primary energy consumption.

partly covered

EH5 Energy Conservation (Add)

Environmental Protection
Climate Protection
Technology Development
Customer Satisfaction
Key Figures–Governance
Key Figures–Environment
Regional Activities

Group-wide data is not available, individual examples are provided.

partly
covered

EH6 Initiatives for Energy Efficiency and Renewable Energy (Add)

Environmental Protection
Climate Protection
Technology Development
Customer Satisfaction
Key Figures–Governance
Key Figures–Environment
Regional Activities

AR (42)

fully
covered

EH7 Initiatives for Reducing Indirect Energy Consumption (Add)

Environmental Protection
Climate Protection
Technology Development
Customer Satisfaction
Key Figures–Governance
Key Figures–Environment
Regional Activities

partly
covered

EH8 Total Water Withdrawal by Source

Environmental Protection
Key Figures–Environment

We anticipate that climate change will impact the availability of water around the world. Water is an important resource for E.ON's operations, used primarily for cooling and processes. This is why we published even more extensive data in 2011 in our key figures section and in our response to the CDP Water Disclosure.

fully
covered

EH9 Water Sources Significantly Affected by Withdrawal of Water (Add)

Environmental Protection
Key Figures–Environment

We anticipate that climate change will impact the availability of water around the world. Water is an important resource for E.ON's operations, used primarily for cooling and processes. This is why we published even more extensive data in 2011 in our key figures section and in our response to the CDP Water Disclosure.

fully
covered

EH10 Water Recycled and Reused (Add)

Environmental Protection
Key Figures–Environment

We withdraw and return cooling water in accordance with the applicable legislation and environmental requirements. Apart from cooling, we use water for steam raising. Between 95 and 99 percent of the water used for steam raising is condensed and reused. We published even more extensive data in 2011 in our key figures section and in our response to the CDP Water Disclosure.

fully
covered

EH11 Location and Size of Land Assets in or Adjacent to Protected Areas

In our opinion, this is not a material indicator with regard to statements on biodiversity. E.ON owns a large number of land assets in many countries, which means that a list would not be meaningful for the reader.

not
material

EH12 Impacts of Activities on Biodiversity

Environmental Protection
Key Figures–Environment

partly
covered

EH13 Biodiversity of Offset Habitats Compared to Biodiversity of the Affected Areas

In our opinion, this is not a meaningful indicator on issues of biodiversity management or the impact of corporate activities on biodiversity.

not
covered

EH13 Habitats Protected or Restored (Add)

Environmental Protection
Key Figures–Environment

partly
covered

EH14 Strategies for Biodiversity (Add)

Environmental Protection
Responsible Procurement
Key Figures–Environment

partly
covered

EH15 Endangered Species (Add)

In our opinion, this is not a meaningful indicator on issues of biodiversity management or the impact of corporate activities on biodiversity.

not
covered

EH16 Greenhouse Gas Emissions

Climate Protection
Environmental Protection
Key Figures–Environment
AR (42)

We report on CO as the most important greenhouse gas for energy utilities. SF and CH are lower priorities.

fully
covered

EH17 Other Greenhouse Gas Emissions

For E.ON, other indirect greenhouse gas emissions are not relevant compared with direct emissions.

not
material

EH18 Initiatives to Reduce Greenhouse Gas Emissions (Add)

Climate Protection
Environmental Protection
Technology Development
Customer Satisfaction
Key Figures–Environment
Regional Activities
AR (42)

fully
covered

EH19 Emissions of Ozone-depleting Substances

No significant emissions due to business activities.

not
material

EH20 H0x, SOx, and Other Air Emissions

Environmental Protection
Key Figures–Environment

The most important other air emissions are NO, SO, CO and particulate matter.

fully
covered

EH21 Water Discharge	
We do not collect detailed data on this area at present.	not material
EH22 Waste by Type and Disposal Method	
<u>Environmental Protection</u> <u>Key Figures–Environment</u>	fully covered
EH23 Total Number and Volume of Significant Spills	
<u>Environmental Protection</u> <u>Key Figures–Environment</u>	fully covered
EH24 Waste Deemed Hazardous Under the Terms of the Basel Convention (Add)	not material
EH25 Impacts of Discharges and Runoff on Biodiversity (Add)	
We do not collect detailed data on this area at present.	not material
EH26 Initiatives to Mitigate Environmental Impacts	
<u>Climate Protection</u> <u>Environmental Protection</u> <u>Technology Development</u> <u>Customer Satisfaction</u> <u>Key Figures–Environment</u> <u>Regional Activities</u>	fully covered
EH27 Percentage of Products Sold and their Packaging Materials that are Reclaimed	not material
EH28 Sanctions for Non-Compliance with Environmental Regulations	
This data is regularly requested from units but is not reported Group-wide in consolidated form.	partly covered
EH29 Environmental Impacts of Transport (Add)	
We do not collect detailed data on this area at present.	not covered
EH30 Environmental Protection Expenditures	
<u>Environmental Protection</u> <u>Key Figures–Environment</u> AR (125 ff.)	partly covered

Labor Practices and Decent Work

Labor Practices and Decent Work

Disclosure on Management Approach (including EU14, 15 and 16)

<u>Mission and Strategy</u> <u>Guidelines</u> <u>Organization and Management</u> <u>Stakeholder Management</u> <u>Key Figures–Social</u> <u>Regional Activities</u> <u>Responsible Procurement</u> <u>Health and Safety</u> <u>Workforce Challenges</u> AR (43 ff.)	partly covered
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LA1 Total Workforce by Employment Type, Employment Contract, and Region

Workforce Challenges

Key Figures–Social

AR (45 ff., 62)

partly
covered

LA2 Employee Turnover

Workforce Challenges–Key Figures–Social

partly
covered

EU17 Days Worked by Contractor and Subcontractor Employees

E.ON has services performed by a large number of contractors and subcontractors. In our opinion, central recording and reporting of days worked would not be material with respect to statements concerning working practices.

not
material

EU18 Percentage of Contractor and Subcontractor Employees that Have Undergone Relevant Health and Safety Training

Key Figures–Social

Safety training is a binding requirement for all our contractors and subcontractors. E.ON also offers contractors additional safety training and intends to extend its certification scheme for contractors, which requires such training, to the entire Group.

partly
covered

LA3 Benefits to Full-Time Employees (Add)

Health and Safety

Key Figures–Social

AR (46, 85)

see also EC3

partly
covered

LA4 Employees with Collective Bargaining Agreements

83 percent of our employees are employed under collective bargaining agreements.

partly
covered

LA5 Minimum Notice Period(s) Regarding Operational Changes

Workforce Challenges

Key Figures–Social

The principle of co-determination applies in Germany. Locations in other countries are included via the European Works Council. The minimum notice periods fulfill or exceed the legal requirements.

partly
covered

LA6 Workforce Represented in Joint Health and Safety Committees (Add)

Health and Safety

In Germany, all employees are represented in occupational safety committees by the industrial council. Under the German Occupational Safety Act (Arbeitssicherheitsgesetz, ASiG), companies with 20 or more employees are legally required to have an occupational safety committee. Similar legal requirements apply in almost all countries in which we operate.

partly
covered

LA7 Occupational Diseases, Lost Days, and Number of Fatalities

Health and Safety

Key Figures–Social

partly
covered

LA8 Training on Serious Diseases

Health and Safety

Key Figures–Social

AR (44)

partly
covered

LA9 Trade Union Agreements on Health and Safety

In countries in which unions represent employees directly, occupational safety issues are included in agreements. partly covered

LA10 Training per Employee

Further Education
Key Figures–Social
AR (43)

In 2011 we spent approximately EUR 894 per person on continuing professional education for our employees. This was a slight increase on the previous year's average of EUR 860 per person. partly covered

LA11 Programs for Lifelong Learning (Add)

Further Education
Key Figures–Social
AR (43)

partly covered

LA12 Regular Performance and Career Development Reviews (Add)

Performance-related Compensation
Further Education
Key Figures–Social

partly covered

LA13 Composition of Governance Bodies

Key Figures–Social
AR (37 f., 165)

fully covered

LA14 Gender Pay Disparity

In accordance with our anti-discrimination guidelines, we do not differentiate by gender. not covered

Human Rights

Human Rights

Disclosure on Management Approach

Mission and Strategy
Guidelines
Organization and Management
Stakeholder Management
Key Figures–Governance
Key Figures–Social
Regional Activities
Responsible Procurement
Health and Safety
Workforce Challenges
Community Involvement

partly covered

HR1 Significant investment Agreements that Include Human Rights Clauses

Human rights compliance is a key concern for E.ON. In 2008, we issued a Human Rights Policy which applies throughout the Group. Human rights aspects are considered as part of risk management. partly covered

HR2 Supplier Screening on Human Rights

Responsible Procurement

E.ON's Responsible Procurement Policy places suppliers and contractors under an obligation to observe human rights. E.ON carries out regular checks to verify compliance with the policy. In our opinion, the indication of the percentage of major suppliers and contractors subject to human rights screening would not be material with respect to human rights issues.

We believe that integrating these aspects into day-to-day business is the best way of ensuring that human rights are observed.

partly covered

HR3 Training on Human Rights (Add)

Key Figures—Governance

partly covered

HR4 Incidents of Discrimination and Actions Taken

Guidelines

Key Figures—Governance

E.ON complies with all statutory non-discrimination requirements and has also introduced systems to uphold this behavior. All incidents are handled using a Group-wide reporting system. An immediate response is required for any incident that is reported.

partly covered

HR5 Freedom of Association and Collective Bargaining

Guidelines

Key Figures—Governance

See management approach. No business activities were identified in which infringements of freedom of association and collective bargaining rights were registered. This is backed up by the Human Rights Policy Statement of the E.ON Group. In purchasing, freedom of association and collective bargaining rights are covered by the E.ON Responsible Procurement Policy.

fully covered

HR6 Child Labor

Responsible Procurement

Guidelines

Key Figures—Governance

UN Global Compact

Communication on Progress

See management approach. No business activities were identified in which the ban on child labor was infringed. This is backed up by the Human Rights Policy Statement of the E.ON Group. In purchasing, compliance with the ban on child labor is covered by the E.ON Responsible Procurement Policy.

fully covered

HR7 Forced Labor

Responsible Procurement

Guidelines

Key Figures—Governance

UN Global Compact

Communication on Progress

See management approach. No business activities were identified in which the ban on forced labor was infringed. In purchasing, the ban on forced labor is covered by the E.ON Responsible Procurement Policy. In purchasing, compliance with the ban on forced labor is covered by the E.ON Responsible Procurement Policy.

fully covered

HR8 Training for Security Personnel (Add) not material

HR9 Violations of Rights of Indigenous People (Add)

Responsible Procurement Guidelines
Key Figures–Governance
UN Global Compact
Communication on Progress

As part of our materiality process, we have classified the topic as non-priority. E.ON complies with all legal and regulatory requirements in the markets in which it operates. This is backed up by the Human Rights Policy Statement of the E.ON Group. No business activities were identified that violated the rights of indigenous populations.

fully covered

Society

Society

Disclosure on Management Approach (including EU19, 20 and 21)

Mission and Strategy Guidelines
Organization and Management
Stakeholder Management
Key Figures–Governance
Key Figures–Social
Regional Activities
Responsible Procurement
Health and Safety
Community Involvement
AR (6 ff., 50 ff., 174 ff.)

fully covered

S01 Impacts on Communities

Community Involvement
Key Figures–Governance
Key Figures–Social
Key Figures–Environment

Ecological and social risks resulting from company activities are analyzed and managed by the risk management system. In addition to mandatory involvement of stakeholders in areas such as environmental compatibility tests, we also engage our stakeholders in wide-ranging dialog.

fully covered

EU22 Number of People Displaced (by New or Expansion Projects)

No displacements were identified.

fully covered

S02 Corruption Risks

Mission and Strategy

Guidelines

Key Figures–Governance

AR (50 ff.)

We are aware that we do business in countries where corruption presents a real threat. According to Transparency International's Corruption Perceptions Index (CPI), E.ON does business in 16 countries which score below the threshold value of five points. We have established a company-wide whistleblowing system accessible to all employees. The E.ON Board of Management and the Supervisory Board's audit committee are responsible for the operation of our compliance organization. The Chief Compliance Officer (CCO) reports to them on compliance topics such as anti-trust law, securities law and insider regulations, the Code of Conduct, and fraud and corruption issues. The CCO is also responsible for updating the Code of Conduct and other compliance guidelines on a regular basis. All regional and global units have a compliance officer who reports directly to the CCO at E.ON Group headquarters. Any unit in which a compliance rule is violated is directly responsible for investigating the breach, ensuring its cessation and applying sanctions. E.ON works with a law firm to facilitate the identification of potential compliance violations. In 2010 we launched a Group-wide whistleblower hotline where employees can report suspected breaches. The external lawyers receive these reports and pass them on to the CCO, anonymously if desired. This ensures that our employees can communicate suspected violations without fear of reprisal. As part of our compliance organization, we have created an expert team within Corporate Audit to detect and investigate fraud. It plays a key role in our efforts to fight corruption and fraud.

See SO 3.

partly
covered

S03 Anti-corruption Training

Mission and Strategy

Guidelines

Key Figures–Governance

AR (50 ff.)

In the past, we held regular training sessions on our Code of Conduct. Starting in 2011, we will launch compulsory Group-wide training for all employees. This will cover all salient points of our Code of Conduct: behavior in the spirit of the law, how to work with business partners, third parties and government offices; avoiding conflicts of interest; how to manage information; how to manage company property and resources.

See SO 2.

partly
covered

S04 Actions Taken in Response to Incidents of Corruption

Mission and Strategy

Guidelines

Key Figures–Governance

partly
covered

S05 Public Policy Positions and Participation in Public Policy Development and Lobbying

Climate Protection

Guidelines

Initiatives

Key Figures–Governance

AR (8 ff.)

partly
covered

S06 Donations to Political Parties and Politicians (Add)

Guidelines

Key Figures–Governance

partly
covered

S07 Legal Actions for Anticompetitive Behavior (Add)

<u>Guidelines</u> <u>Key Figures–Governance</u> AR (50 ff., 134)	fully covered
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S08 Sanctions for Non-Compliance with Laws and Regulations

<u>Guidelines</u> <u>Key Figures–Governance</u> AR (50 ff., 134)	fully covered
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Product Responsibility

Product Responsibility

Disclosure on Management Approach (including EU23 and 24)

<u>Mission and Strategy</u> <u>Guidelines</u> <u>Organization and Strategy</u> <u>Stakeholder Management</u> <u>Key Figures–Management</u> <u>Key Figures–Environment</u> <u>Regional Activities</u> <u>Technology Development</u> <u>Customer Satisfaction</u> <u>Responsible Procurement</u>	partly covered
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PR1 Health and Safety Impacts along Product Life Cycle

<u>Key Figures–Environment</u> <u>Technology Development</u> <u>Customer Satisfaction</u> <u>Responsible Procurement</u>	
Safe use of gas and electricity is part of E.ON's activities in energy, safety and environmental education as well as our information campaigns.	partly covered

PR2 Non-Compliance with Health and Safety Standards (Add)

E.ON complies with all legal and regulatory requirements in the markets in which it operates.	not covered
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EU25 Number of Injuries and Fatalities to the Public Involving the Company's Operations

E.ON distributes products which pose a risk that is not immediately identifiable. These products are distributed across an incredibly large and publicly accessible infrastructure (high-voltage lines, substations and pipelines). In 2010, we began Group-wide internal reporting and launched a reporting tool that records information on injuries and deaths among the general public that are related to our facilities and infrastructure. Regardless of who is at fault, our goal is to learn from these incidents and, where possible, to better inform and educate the public with regard to dangers.	partly covered
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PR3 Products and Service Labeling

<u>Customer Satisfaction</u> <u>Regional Activities</u>	partly covered
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	not material
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PR4 Non-Compliance with Product Information Standards (Add)

PR5 Customer Satisfaction (Add)

Customer Satisfaction
Regional Activities

partly
covered

PR6 Marketing Communication Standards

E.ON complies with all legal and regulatory requirements in the markets in which it operates.

partly
covered

PR7 Non-Compliance with Marketing Communication Standards (Add)

See also PR6

not
material

PR8 Complaints Regarding Customer Privacy (Add)

E.ON complies with all legal and regulatory requirements in the markets in which it operates.

not
material

PR9 Sanctions for Non-Compliance with Product and Service Related Regulations

No sanctions were reported to the Group Management as part of the existing Group-wide risk management system.

fully
covered

EU26 Percentage of Population Unserved in Licensed Distribution Areas

Wherever E.ON operates as a licensed energy company, the portion of the population served in the distribution areas is generally 100 percent.

fully
covered

EU27 Number of Residential Disconnections for Non-Payment

Customer Satisfaction
Regional Activities

E.ON takes its responsibility towards customers very seriously. E.ON has adopted a voluntary commitment as regards needy customers. Nevertheless, E.ON also disconnects electricity customers in some cases.

partly
covered

EU28 Power Outage Frequency

not
covered

EU29 Average Power Outage Duration

not
covered

EU30 Average Plant Availability Factor
www.eon-schafft-transparenz.de

partly
covered



Reporting on the Global Compact Principles

When we became a signatory to the Global Compact, we undertook to publish an annual Communication on Progress. Consequently, in our 2011 sustainability reporting, we also report on our progress in implementing the ten principles of the Global Compact. The table below provides links to our reporting on the respective Global Compact principles.

Reference

AR [2011 Annual Report \(Page\)](#)

Principle 1: Support and respect the protection of international human rights

- [Guidelines](#)
- [Responsible Procurement](#)
- [Health and Safety](#)
- [Key Figures Social](#)
- [Key Figures Governance](#)
- [GRI Content Index](#)
- [Human Rights Policy Statement \(PDF, 76 KB\)](#)
- [E.ON Responsible Procurement Policy \(PDF, 36 KB\)](#)
- [E.ON Code of Conduct \(PDF, 116 KB\)](#)

Principle 2: Make sure to not be complicit in human rights abuses

- [Guidelines](#)
- [Responsible Procurement](#)
- [Health and Safety](#)
- [Key Figures Social](#)
- [Key Figures Governance](#)
- [GRI Content Index](#)
- [Human Rights Policy Statement \(PDF, 76 KB\)](#)

- [E.ON Responsible Procurement Policy \(PDF, 36 KB\)](#)
- [E.ON Code of Conduct \(PDF, 116 KB\)](#)

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

- [Guidelines](#)
- [Workforce Challenges](#)
- [Health and Safety](#)
- [Key Figures Social](#)
- [Key Figures Governance](#)
- [GRI Content Index](#)
- [E.ON Code of Conduct \(PDF, 116 KB\)](#)

Principle 4: Elimination of all forms of forced and compulsory labor

- [Guidelines](#)
- [Responsible Procurement](#)
- [Health and Safety](#)
- [Key Figures Social](#)
- [Key Figures Governance](#)
- [GRI Content Index](#)
- [Human Rights Policy Statement \(PDF, 76 KB\)](#)
- [E.ON Responsible Procurement Policy \(PDF, 36 KB\)](#)
- [E.ON Code of Conduct \(PDF, 116KB\)](#)

Principle 5: Effective abolition of child labor

- [Guidelines](#)
- [Responsible Procurement](#)
- [Health and Safety](#)
- [Key Figures Social](#)
- [Key Figures Governance](#)
- [GRI Content Index](#)
- [Human Rights Policy Statement \(PDF, 76 KB\)](#)
- [E.ON Responsible Procurement Policy \(PDF, 36 KB\)](#)
- [E.ON Code of Conduct \(PDF, 116KB\)](#)

Principle 6: Elimination of discrimination in respect of employment and occupation

- [Guidelines](#)
- [Workforce Challenges](#)
- [Health and Safety](#)
- [Key Figures Social](#)
- [Key Figures Governance](#)
- [GRI Content Index](#)
- [E.ON Code of Conduct \(PDF, 116 KB\)](#)

AR (44, 177)

Principle 7: Support a precautionary approach to environmental challenges

- [Guidelines](#)
- [Mission and Strategy](#)
- [Work Program 2011-2015](#)
- [Climate Protection](#)
- [Environmental Protection](#)
- [Responsible Procurement](#)
- [Key Figures Environment](#)
- [GRI Content Index](#)
- [E.ON Global Climate Change and Environment Policy Statement \(PDF, 37 KB\)](#)

AR (42)

Principle 8: Undertake initiatives to promote greater environmental responsibility

- [Guidelines](#)
- [Mission and Strategy](#)
- [Work Program 2011-2015](#)
- [Climate Protection](#)
- [Environmental Protection](#)
- [Responsible Procurement](#)
- [Key Figures Environment](#)
- [GRI Content Index](#)
- [E.ON Global Climate Change and Environment Policy Statement \(PDF, 37 KB\)](#)

AR (42)

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

- [Guidelines](#)
- [Mission and Strategy](#)
- [Work Program 2011-2015](#)
- [Technology Development](#)
- [Climate Protection](#)
- [Environmental Protection](#)
- [Key Figures Governance](#)
- [Key Figures Environment](#)
- [GRI Content Index](#)
- [E.ON Global Climate Change and Environment Policy Statement \(PDF, 37 KB\)](#)

AR (42)

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

- [Guidelines](#)
- [Responsible Procurement](#)
- [Health and Safety](#)
- [Key Figures Social](#)
- [Key Figures Governance](#)
- [GRI Content Index](#)
- [E.ON Code of Conduct \(PDF, 116 KB\)](#)
- [Code of Conduct Annex 3: Guidelines on Benefits \(PDF, 31 KB\)](#)

AR (50 ff.)



Our Work Program 2012-2015

Since 2005, we have regularly announced binding, Group-wide CR Work Programs. These give a clear overview of our goals and the measures we intend to use to achieve them.

With the launch of our new Sustainability Work Program 2012-2015 we are building on the previous program, which has been completed. The elements of the new program are based, among other things, on the results of the dialogs with internal and external stakeholders.

Below you will find the eleven elements of our Sustainability Work Program.

1. CO₂ reduction (electricity generation)

Reduce CO₂ for the European generation fleet and use best technologies in the markets where we operate to increase operating revenue through reduced EU ETS financial risk and to establish a sustainable generation portfolio.

Objective

Reduce CO₂ emissions by optimizing E.ON's conventional generation portfolio and expanding renewable energies.

Measurement Criteria and Target

- Criterion: CO₂ intensity (t/MWh) in electricity generation in Europe
- Target: 50% reduction by 2025 (1990 baseline)

2012	2013	2014	2015	Status
-	-	-	75%	Ongoing process/project

2. Carbon footprint

Reduce the carbon footprint of E.ON's day-to-day business activities in order to increase efficiency and reduce costs.

Objective

Set minimum building energy efficiency standards for new and existing E.ON properties, implement a CO₂ target for E.ON's vehicle fleet and reduce CO₂ emissions from business travel.

Measurement Criteria and Target

- Criterion: Tons CO₂ (absolute)
- Target: 20% reduction by 2020 (2010 baseline)

2012	2013	2014	2015	Status
0%	0%	50%	approx. 85%	Process/project not started

3. Water management

Establish a sustainable water management framework within E.ON to identify and mitigate current and future water risks for E.ON (permits, costs, availability, discharge and supply chain).

Objective

Develop and implement a Group-wide qualitative sustainable water management framework along the entire value chain of E.ON's operational business by 2015, including those areas of the supply chain for which significant risks exist (based on CERES framework); and establish practices which enable E.ON to become a signatory to the UN CEO Water Mandate.

Measurement Criteria and Target

- Criterion: UN CEO Water Mandate compliance
- Target: 100% by 2015

2012	2013	2014	2015	Status
15%	25%	50%	100%	Process/project has been started

4. Inclusive business

Explore inclusive business opportunities in the energy sector to develop scalable business opportunities and provide sustainable solutions to people at the base of the pyramid (BoP).

Inclusive business develops models that profitably engage low-income populations across companies' value chains and develops affordable products and services that meet the needs of low-income populations.

Objective

Support sustainable rural energy projects for developing countries, contribute to international research & development and raise awareness of inclusive business.

Measurement Criteria and Target

- Criterion: Number of supported (expertise/funding) inclusive business projects
- Target: Three supported projects by 2015

2012	2013	2014	2015	Status
0	0	1	2	Process/project has been started

5. Stakeholder

Proactive stakeholder engagement & dialogs to enable trend anticipation, ensure local public support and obtain a license to operate.

Objective

Improve stakeholder participation in E.ON business activities and strengthen integration of stakeholder concerns in strategy development.

Measurement Criteria and Target

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

2012	2013	2014	2015	Status
0	1	2	3	Process/project has been started

6. Occupational Safety

Improving safety performance to increase employability and reduce losses/lost time.

Objective

Increase number of E.ON companies which comply with OHSAS 18001 as well as H&S certified sub(contractors); standardize processes (incl. improvement of procedures for high-risk activities).

Measurement Criteria and Target

- Criterion 1: LTIF (Lost Time Injury Frequency Index) of a) E.ON employees and b) contractors
- Criterion 2: TRIF of E.ON employees and contractors - c)
- Target: Reduction of LTIF to a) 2.0 / b) 3.0 and c) TRIF to 3.0

2012	2013	2014	2015	Status
50%	75%	100%	100%	Process/project has been started

7. Health

Improve employees' mental and physical health to maintain employability, reduce work-related illnesses and lost time and counterbalance demographic trends.

Objective

Improve employees' mental and physical health to maintain employability, reduce work-related illnesses and lost time and counterbalance demographic trends.

Measurement Criteria and Target

- Criterion: Participation in health measures
- Target: Min. 50% participation by risk group

2012	2013	2014	2015	Status
25%	50%	75%	100%	Process/project has been started

8. Gender diversity

Increase gender diversity of the workforce to benefit from the global talent pool.

Objective

Increase percentage of female executives.

Measurement Criteria and Target

- Criterion: Increase of percentage of female executives
- Target: Share of 14% by 2016

2012	2013	2014	2015	Status
25%	50%	75%	90%	Process/project has been started

9. Procurement (non-fuels)

Sustainability criteria are factored into supplier selection and procurement decisions to mitigate non-financial risks and respond to the increasing sustainability requirements and expectations of our stakeholders, e.g. investors, (industrial) customers, business partners and society.

Objective

By 2015, almost 100 percent of our critical suppliers (representing ~ 80% of total non-fuel spending volume) have been evaluated by E.ON's Supplier Pre-Qualification Program.

Measurement Criteria and Target

- Criterion: Percentage of of evaluated critical suppliers
- Target: 100% by 2015

2012	2013	2014	2015	Status
60%	70%	80%	100%	Process/project has been started

10. Procurement (fuels)

Sustainability criteria are factored into supplier selection and procurement decisions to mitigate non-financial risks and respond to the increasing sustainability requirements and expectations of our stakeholders, e.g. investors, (industrial) customers, business partners and society.

Objective

Strengthen the Better Coal Initiative to improve sustainability along the coal supply chain and expand audits of coal mines.

Measurement Criteria and Target

- Criterion: Number of audits
- Target: 4 audits by 2015

2012	2013	2014	2015	Status
0	1	1	2	Process/project has been started

11. Investment/divestment

Like other business risks, sustainability risks are factored into investment/divestment decisions in order to decrease risks in the context of environmental liabilities, remediation requirements or other environmental matters that may impact future cash flows.

Objective

Implement sustainability standards in relevant policies, directives and processes related to investment/divestment decisions.

Measurement Criteria and Target

- Criterion: Degree of integration
- Target: 100% by 2015

2012	2013	2014	2015	Status
25%	50%	75%	100%	Process/project has been started

We completed our CR Program 2008-2010 at the end of 2010, having established the processes and structures that it called for. In consolidating the results, we have displayed these separately for each subject area for 2010. For a summary of our achievements, please see the PDF file "CR Work Program 2008-2010", which can be found in the [Download Center](#).

<http://www.eon.com/en/sustainability/fields-of-action/work-program-2012-2015.html>



Our Climate Protection Reporting

Transparency is a decisive factor on our way into the energy future. Since 2004, we have been publishing figures for greenhouse gas emissions from our business activities as part of the Carbon Disclosure Project (CDP). The main component of our greenhouse gas emissions is carbon dioxide (CO₂) from the use of fossil fuels such as coal in our energy mix. Therefore, as part of our Work Program 2012-2015 we have defined the following targets:

- Halving the CO₂ intensity of our electricity generation in Europe by 2025 (compared to the 1990 benchmark) by improving our conventional generation portfolio and expanding renewables (due to Germany's exit from nuclear power, this is five years later than originally stated).
- Reduction of the CO₂ footprint from our everyday business activities that are not directly related to power generation by 20 percent (compared to 2010) through achieving higher standards of efficiency for buildings and through saving CO₂ in the vehicle fleet as well as in business travel, with the goal of lowering costs and decreasing price risks.

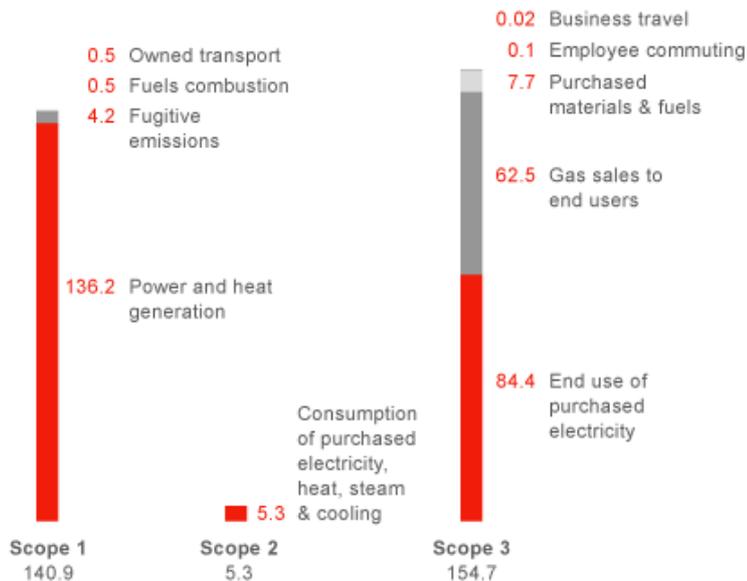
A further goal is to maintain our top quartile performance in key sustainability rankings: the Dow Jones Sustainability Index (DJS) and CDP Investor.

Detailed Publication of our Emissions

We use the globally recognized WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard as the basis for the complex calculation of our greenhouse gas emissions, as shown by this diagram:

Carbon Footprint

Total CO₂-equivalents in million metric tons



Scope 1 Emissions

Scope 1 includes those emissions from E.ON's own facilities and plants, for example from electricity generation. It accounts for the majority of our CO₂ emissions. Increases are often dependent on market dynamics that cause an increased demand for electricity.

Scope 2 Emissions

Scope 2 describes emissions which we can influence indirectly. These arise for instance through the production of electricity that we purchase to run our facilities, through the generation of heat or steam, and through losses in the transportation of natural gas.

Scope 3 Emissions

Scope 3 includes other indirect emissions resulting from our business activities. It involves emissions from our supply chain, emissions arising from business travel, as

well as emissions related to electricity and gas that customers purchase from us and consume themselves.

For detailed information about greenhouse gas emissions in each of the Scopes, please see the key figures section in our Sustainability Report and also under CDP Investor Response in the right-hand column. In the CDP Global 500 Report 2011 we continue to be listed as one of the top performing energy utility sector companies both in terms of disclosure and performance. Nevertheless, we did not achieve a repeat inclusion in the Carbon Performance Leadership Index (CPLI) in 2011. On the one hand, evaluation criteria were changed; for instance the total amount of CO₂ emissions was included as a criterion, which meant that in 2011 only a very few utility companies were included. On the other hand, we did not manage to lower our CO₂ intensity noticeably in 2010, which is the base year for evaluation. We fully intend to take these learnings into our business decision making to support the development of our climate protection strategy and we also aim to further improve our CDP results in the 2012 report. We actively participate in a range of technical multi-stakeholder working groups including the WBC SD Greenhouse Gas Protocol Working Group to contribute towards the further development of standards for the measurement and improved use of greenhouse gas data by companies and their key stakeholders such as investors.

Key Developments 2011

During the last year, we have progressed in the following areas:

Accelerated Expansion of Renewables



To achieve a clear reduction in the CO₂ intensity of our energy mix, we are investing in the next five years – as in the previous five years – 7 billion EUR in renewable energy technologies such as wind, hydro, solar and biomass power generation. For the period up to 2013 we plan to increase capacities from 3.6 GW today to 5.5 GW (excluding large hydropower plants). By 2020, the proportion of renewables in E.ON's power generation mix will be above 20 percent. Our Renewables global unit, E.ON Climate & Renewables has the responsibility for this expansion.

An important area of growth in renewables is offshore wind power. To date, we have invested around 2 billion EUR in offshore wind parks, and, together with partners, have constructed six parks in the North and Baltic Seas. E.ON Climate & Renewables received the 2011 Global Energy Award in the Green Electricity Producer category by Platts Energy Information Service. This award is regarded as the 'Oscar for energy companies'. In future, we intend to bring one new offshore wind park on stream every 18 months. Other important milestones in the area of renewables:

- In the Thames Estuary, UK, we are constructing the world's largest offshore wind park: the London Array. Three more large offshore wind parks are planned for the North and Baltic Seas.
- Likewise, the use of Concentrated Solar Power (CSP) and photovoltaics is a business with growth potential. By the end of 2011, we brought solar power capacities of 92 MW in Italy and Spain on stream.

Targeted Further Development of Conventional Power Plants



To increase the proportion of wind and solar energy in our power generation mix as planned – and to ensure economic viability and supply security at the same time – we require energy storage and conventional power plants as a complement. When solar and wind power are not available, the base load is best balanced through flexible conventional power plants capable of ramping up and shutting down again quickly. Pumped-storage power plants can store surplus energy amounts efficiently and are therefore very suitable for balancing a fluctuating power feed from renewables. A further option to be explored in the long term is using existing natural gas infrastructures for storing renewable energies in the form of hydrogen for later use, for instance as fuel. In addition, the management of end-user appliances will gain in importance.

<http://www.eon.com/en/sustainability/fields-of-action/climate-protection.html>

In Europe, we intend to increase the focus and optimization of our portfolio. Here, renewables represent a central growth area. Nevertheless, over the longer term we will continue to generate electricity from fossil fuels and use this as a bridge technology; efficiency increases are therefore especially important here and our Generation global unit holds responsibility for this. For example, the combined cycle power plant in Irsching, Germany, which came on stream in September 2011, achieves electrical efficiency of over 60 percent. We also want to use global potential for growth and open up new markets. Outside Europe, we are pursuing the goal of bringing the best technologies and most efficient power plants in each market into play. In this way, we want to improve the CO₂ footprint of the energy generation systems in the regions.

Development of Future Technologies



The transfer of new, climate-friendly solutions to commercial use is a task for the New Build & Technology global unit. Amongst other technologies it's working on technologies for the sequestration, transport and storage of CO₂ (Carbon Capture and Storage, CCS), or the development of small distributed hydropower plants. Another topic for the future is the merging of energy supply and consumption, e.g. through intelligent solutions for households (Smart Homes). Here, we're taking part in pilot projects ahead of market introduction.

Creating a Reliable Investment Climate

As part of EU climate protection legislation E.ON has been taking part in the European Union Emission Trading Scheme (ETS) since 2005. Exact amounts can be found in the key figures section. However, the carbon trading does not provide price signals, because national climate protection projects and support regimes undermine the system. Nevertheless, we consider the EU ETS to be indispensable as the nucleus of a potentially global climate protection instrument which includes all relevant sectors and countries as far as possible. In Europe, emission trading should have preference over parallel and nationally organized climate protection regimes. The decisive advantage of ETS is its simple, transnational and market-economy structure, which can be expanded to include new regions and sectors at any time. In Europe, with the aid of the carbon trading instrument, a binding path towards CO₂ avoidance that is more demanding than the current system can and should be determined by 2030; this would mean a common way forward in climate protection, in the sense of the EU Roadmap 2050. This would create an important basis for price signals and investments in emissions avoidance and new technologies.

The project-based Joint Implementation and Clean Development Mechanism certificates within the Kyoto Protocol continue to be used, but the overall volume is declining. Nevertheless, we continue to take part in worldwide CO₂ emissions reduction projects, for instance in Russia. We have summarized our expectations of a promising international climate regime in a paper, which is available for download in the right-hand column.

<http://www.eon.com/en/sustainability/fields-of-action/climate-protection.html>



Partners for Tomorrow's Energy System

Intelligent, energy-efficient technologies for households (Smart Homes) and solutions for storing energy were important topics for E.ON in 2011 – and they will continue to be so: For a more sustainable energy future, we need technologies that make it possible for us to match demand to fluctuating wind and solar power and to store excess capacities for later use. Among others, this includes intelligent networks (Smart Grids) as a tool to manage demand, as well as smaller distributed generation plants, which provide a proportion of the energy where it is needed. Other challenges are megatrends such as urbanization, climate change and the convergence of technologies as part of digitalization and networking. Through technology development and innovations, we want to:

- Continue developing renewables and distributed technologies
- Make our conventional energy generation more efficient and more flexible
- Develop new products and intelligent solutions for our customers and improve their energy efficiency
- Drive forward the development of sustainably operating cities through new solutions

With the growing importance of renewables, efficient utilization of energy and intelligent networks, expenditures on technology and innovation in these areas of business have also increased. We report in key figures on our investments in the individual areas.

Central Coordination of Research and Innovation Processes

As of 2011, our research and innovation processes are led centrally by the new Technology & Innovation business area. Here, we approach the numerous questions concerning the energy system of the future, maintain contacts with leading international think-tanks, universities and technology companies and coordinate our innovation network. The main task is to transfer global technological knowledge as efficiently as possible into our value-creating processes. This is how we will, as partners and pioneers, make progress in reshaping the world of energy. Currently,

<http://www.eon.com/en/sustainability/fields-of-action/technology-development.html>

we're running 13 E.ON Innovation Centers (EIC) in four areas: renewables, conventional generation, infrastructure, as well as sales and end-user consumption.

The competency for individual research and innovation topics often lies with our existing global or regional units, where the innovation process is being integrated into the relevant business areas. For example, E.ON Climate & Renewables is researching more robust vertical rotors for wind-turbine generators. The two EIC Technology to Business (T2B) units, newly created in 2011, serve as initiators for transferring technologies into new, marketable business models. The teams working on each have product development as their specific goal and help provide initial impetus, e.g. through cooperation with research establishments, field trials or networking with business areas within E.ON. Currently, they are mainly developing new distribution solutions: this includes E-Mobility products from charging points, through green power to leasing solutions. In 2012, we also intend to bring the first Smart Home products to the market: here we're participating in pilot projects with 40 households in the Stuhr and Weyhe communities in the Bremen area, for example.

Aspects which affect several Innovation Centers are examined centrally. The activities of the individual EICs can be seen in the interactive chart below.

E.ON Innovation Centers



Renewable Energies



We are testing innovations in the renewable energy sector on a commercial scale in order to make them marketable. For example, in Sweden we're putting a 200 kW pilot plant through its paces to be able to develop a 3 MW demonstration facility for vertical wind turbines that are much easier to maintain afterwards. We are continuing to run pilot projects with smaller hydropower plants and are researching options for using biomass as fuel in coal-fired power stations or producing biogas from wood.

<http://www.eon.com/en/sustainability/fields-of-action/technology-development.html>

Conventional Generation



To balance load fluctuations from renewables, we continue to require power generation through state-of-the-art and efficient conventional power plants. Here, we're working on technical innovations which will ensure that plants can be ramped up and shut down as flexibly as possible. In this context, we see the research and development of technologies for the sequestration, transport and storage of CO₂ (Carbon Capture and Storage, CCS) as an important step on the way towards a low-CO₂ generation mix. Therefore, we are taking part in cooperation programs with universities and we are setting up pilot CCS facilities at several power-plant sites. However, there are many regulatory, technical and economic hurdles to overcome until the large-scale utilization of CCS becomes viable.

Infrastructure



The main technological challenge for the networks required for a sustainable energy supply is an intelligent demand-side management: E.ON is developing different appliances and applications for this, including an IT platform to integrate our energy applications in a Smart Home standard. Smart Meters are an integral component of the new, intelligent networks. We have already fitted many households with this technology, mainly in Sweden and Spain but also in Germany. We will soon install 1.8 million smart meters across Europe. In 2011, we also focused on the topic of energy storage, especially for surplus wind and solar energy, for example through a power-to-gas project in Falkenhagen, for the regenerative extraction of hydrogen. Finally, we are currently still testing the input of natural gas and hydrogen into the gas-supply networks.

Sales and End-user Consumption



The focus of E.ON's development work is on integrated solutions for the energy system and intelligent energy usage by private and business customers. We are therefore working on Smart Home products together with leading information and communication technology companies. As partner of InnovationCity Ruhr in Bottrop, we are taking part, as one of around 60 companies, in a pilot project which intends to redesign a whole city in an energy-efficient and climate-friendly way. We are also working on sustainable mobility solutions and are carrying out charging-station and fleet tests across Europe. Vehicle batteries, for example, could represent an important large-scale energy storage solution and could contribute to network stability in the future. This is why today we are already testing,

together with users of electric vehicles, what kind of contribution cars can make, without limiting driving convenience at the same time.

E.ON Energy Research Center

In November 2011, the staff of the E.ON Energy Research Center moved into their new offices – an energy-efficient newly constructed building. At the Energy Research Center, founded in 2007 and part of RWTH Aachen University, 130 employees are now researching future solutions for a sustainable reduction of energy consumption.

E.ON Research Initiative

With the [E.ON Research Initiative](#), we have been supporting researchers and teams at universities and institutions in investigations related to the energy industry since 2007. As part of the research initiative, by the end of 2011 E.ON had made a total of 18 million euros available for international projects to find solutions for future energy-supply challenges. For details, please see our [key figures](#). The range of topics extends from energy storage (2007), through nanotechnology (2008) to heat storage as part of concentrated solar power generation (2010). The research topic for 2012, 'Smart Homes – a customer relationship with energy', sets the focus on customers' motivation, behaviors and reactions in relation to new Smart Home technologies. Please click [here](#) for information about the winning projects.



Responsibility for a Sustainable Value Chain

Since 2007, E.ON has followed Group-wide binding principles for responsible procurement. These are based on the principles of the United Nations Global Compact and are part of our company's Standard Terms and Conditions of Purchase. They require our suppliers to fulfill sustainability criteria and to ensure, amongst other requirements, appropriate working conditions, ethical business practices, environmental protection and respect for human rights.

To ensure that sustainability criteria are factored into procurement decisions and respond to the increasing expectations from our stakeholders, we are working to achieve the following goals:

- Strengthen the Better Coal Initiative to improve sustainability in the coal supply chain and expand audits of coal mines until 2015
- Until 2015, virtually 100 percent of our critical suppliers (that makes up ~ 80% from total non-fuel spending volume) will have been evaluated by E.ON's Supplier Pre-Qualification Program
- Expansion of the procurement activities for sustainable biomass
Inclusion of product lifecycles in our procurement processes

Through these measures we aim to reduce our procurement risks and to better meet the requirements set by business partners, non-governmental organizations (NGOs) and investors as well as other stakeholders. Within the procurement processes we distinguish between fuels for our power stations, such as hard coal and lignite, biomass or uranium (Fuels) and resources such as facilities, technical components, office supplies or services (Non-Fuels).

Cooperation between Procurement and Sustainability Experts

Fuels such as coal, uranium and natural gas are traded globally and are extracted and transported under special, often critical, conditions. In the procurement of biomass, for example, we need to ensure that its production does not comprise food supply. For better coordination of procurement processes and knowledge of sustainability, we want to interlock the procurement and sustainability functions at

E.ON even more closely. In doing so, the process owners for Fuels and Non-Fuels are to supervise the implementation of the procurement guidelines and ask sustainability experts for support.

Sustainable Procurement Processes



Steps towards Sustainable Qualification of Suppliers

The creation of qualification systems for our suppliers is an important tool in the implementation of our Principles of Responsible Procurement in the Fuel and Non-Fuel areas. We take a stepwise approach:

1. As part of pre-qualifications, we review new suppliers for their compliance with our sustainability requirements. In the Non-Fuels area we carried out 224 audits in various European countries in 2011, categorized by material group, manufacturer and sector.
2. For strategic main suppliers in the Non-Fuel area, our buyers carry out risk analyses and, where required, training. To qualify suppliers, we implement action plans with social as well as environmental targets and measures.
3. We check mining and manufacturing plants locally through external or internal experts. We also carry out audits for our strategic Non-Fuel suppliers. To qualify the auditors we have been carrying out Group-wide training courses since 2008, sometimes including external audit companies.
4. Based on the results of our audits we identify improvement potential together with our suppliers and agree on measures and deadlines for their implementation. If a supplier refuses to cooperate, we reserve the right to terminate the business relationship.

Key Developments 2011

During the last year, we have progressed in the following areas:

Standardized Supplier Suitability Test Process

In the Non-Fuel area, the majority of our suppliers are located in OECD countries. There the procurement risks, for instance in the area of environmental or social issues, are smaller compared to non-OECD countries. Nevertheless, the focus of our activities is on the transparent, standardized design of our procurement processes, independently of where we do business. In the future, all supplier information will be brought together in a central database of a neutral third party and interfaced with our IT systems. We have already achieved success with this solution in several countries. By expanding this approach to include all E.ON companies as well as the verification of supplier information through neutral third parties, we want to ensure that companies we will commission fulfill the minimum requirements determined Group-wide. This way, we want to achieve a consistent and fair selection process, which also raises our suppliers' awareness of E.ON's environmental and social standards.

Improving Standards through Better Coal



We are convinced that, together with other stakeholders, we need to find solutions for a sustainable supply chain. This especially applies to critical areas such as coal procurement. E.ON's most important sources of supply are Colombia and Russia.

Therefore, we work together with other European energy companies and NGOs to develop environmental and social standards in the coal supply chain. Together with seven other leading energy providers, we initiated the Better Coal Initiative. Through this initiative we aim to continuously improve sustainability standards, especially in coal mines. In doing so, we need to identify social, environmental and ethical requirements and integrate them in our business practices, as well as work more closely with stakeholders affected by this process.

Stable Procurement Channels for Uranium and Natural Gas

A mix of long-term and flexible supply contracts ensures price stability and decreases our dependence on individual supply countries. We purchase natural gas from Russia and Western Europe. We also intend to cover up to 20 percent of gas supplies from our own sources in the long term. Furthermore, we play an active role in the dynamic market for liquefied natural gas (LNG).

In 2011, we essentially covered our demand for uranium for our nuclear power plants in Germany and Sweden from stable exporting countries, such as Canada. We purchased further amounts from Kazakhstan, Russia, USA, Nigeria and Australia, the country with the world's largest uranium deposit. Compared to coal-fired power plants, the amount of required fuel is relatively low, which facilitates storage.

<http://www.eon.com/en/sustainability/fields-of-action/responsible-procurement.html>

Enrichment of the natural uranium was carried out in Europe and to a lesser extent in Russia. Additionally, we have access to a stock of natural uranium from our supply countries.

In 2011, we took part in discussions with a producer of uranium, facing up to criticism by NGOs of environmental damage and insufficient occupational safety during uranium mining in Niger. Representatives from the manufacturer's European headquarters and from a mine gave their views, explained the implemented improvement measures and presented the company's sustainability program.

Expanded Standards for Biomass



Biomass as a renewable source of energy is gaining importance. It plays an important role in the EU's long-term energy strategy – and compared to wind and solar power, it has the advantage that it can be flexibly managed in line with demand. The production of biomass must, however, be done sustainably. Under no circumstances may it occur at the expense of food production or endanger biodiversity, and it should have a significantly lower CO₂ footprint compared to fossil fuels. Therefore, we have been regulating the procurement of biomass since November 2009 with our Group-wide Biomass Purchasing Amendment, which is the foundation of all related contracts. Adhering to sustainability criteria is a necessary condition for drawing governmental subsidies and, not only for that reason, is a core component of our projects. To ensure this, we carry out risk reviews of all suppliers and joint venture partners in accordance with our procurement and biomass guidelines, conduct audits locally and make these guidelines an integral part of all contracts.

Coherent and consistent criteria for biomass procurement are also important for the development of a functioning European trading market. To develop sustainability criteria for procurement, we take part in the Wood Pellet Buyers Initiative, which is an association of European energy providers as well as pellet producers. Its goal is to jointly develop a standard for the purchasing of wood pellets which includes consistent sustainability criteria. In other areas, such as bio natural gas, we co-founded the industry association Biogasrat e.V in 2010. On this basis, we helped to commission studies and held discussions with the World Wildlife Fund amongst other stakeholders.



Systematic Reduction of Environmental Impacts

The E.ON Global Climate Change and Environment Policy, which came into force in 2008, ensures Group-wide environmental management with consistent standards. It helps us to keep the negative impacts of our activities as low as possible – whether in generation, transport or energy distribution. The underlying principle for our actions is the precautionary principle, as promoted by the United Nations. In order for damage not to occur in the first place, we ensure early on that legal requirements are fulfilled. That is why, since 2010, we have put environmental management systems in place (in compliance with EN ISO 14001 or EMAS II) at all sites with substantial environmental impacts and subjected in most cases to certifications by independent third parties. To anchor environmental and climate protection even more firmly in our organization, we intend to achieve the following objectives:

- Establish a sustainable water management framework across our value chain to understand and mitigate current and future water risks and enable E.ON to become a signatory to the UN CEO Water Mandate.
- Reduction of greenhouse gas emissions from our power generation and other business activities.
- Introduction of integrated environmental risk management covering our entire value chain

Group-wide Environmental Management

Since 2010, the HSE Governance Council has been reporting directly to the Board of Management. This body, which includes Klaus-Dieter Maubach as representative of the Group Board of Management as well as Board Members from global and regional business units, sets the direction and priorities for our occupational health, safety and environmental activities across the Group. By utilizing environmental management standards and exchanging knowledge and experience, we are working towards integrating environmental aspects better in decision-making across the entire Group. This applies not just to majority holdings, but also to joint ventures. We want to be among the leaders in environmental protection both inside and outside Europe. We also help our customers through innovative, intelligent solutions to contribute to climate and environmental protection themselves.

<http://www.eon.com/en/sustainability/fields-of-action/environmental-protection.html>

Key Developments 2011

During the last year, we have progressed in the following areas:

Improving Environmental Standards

The first step for us is the goal of eliminating the causes of negative environmental impacts. Here, it is important to take an integrated approach to environmental issues along the whole value chain. An efficient, integrated environmental management system is also becoming more and more important against the background of increasing regulation in the environmental area: examples are the new EU Water Framework Directive which intensifies waterway pollution control, as well as the adjustment of EU industrial emissions guidelines for lower threshold values for air emissions from large combustion plants. In 2011, we therefore developed a special Environmental Footprint Standard, which applies from 2012. It defines specified environmental indicators and their use as a supporting tool for portfolio management decisions, technology assessment and marketing strategy. The definition of the indicators within the scope of the E.ON Environmental Footprint is to be based on generally known environmental impact categories like climate change, resources conservation or others with the highest relevance to E.ON.

Environment-related Incidents

If damage is caused, the last resort is local remedial action. Environmentally relevant incidents are covered by our 24-hour reporting requirement. Unfortunately, in 2011 there was a larger incident at the quay of our power plant in Fiume Santo, Sardinia. As a result of a leak in a badly maintained drainage pipe, 45 tons of oil bypassed the standard off-loading procedure containment equipment, flowed to the open sea and affected 18 kilometers of Northern Sardinia's coastline. Local authorities, politicians and other stakeholders admitted that E.ON had done its best to contain the damage with prompt action, utilizing more than 150 people and spending over EUR 15 million to remediate the impact on the affected section of the coast. Fortunately this was an incident that caused reversible damage and not an environmental disaster.

Three further environmentally relevant incidents, which fell into the "medium" category, occurred at E.ON in 2011:

- Significant noise emissions at Staudinger power plant
- Excessive ash emissions at Fiume Santo power plant
- Spilled oil at Kiel power plant

We are working to avoid such incidents going forward by implementing a comprehensive, full-lifecycle plant and process safety program. It incorporates environmentally critical aspects of our operations to further enhance how we assess and manage risks.

Duty and Choice in Occupational Environmental Protection

As operators of generation facilities E.ON is required to take measures to improve air quality and to avoid and/or recycle waste, or to dispose of it safely and appropriately. For instance, operating our power stations results in emissions of sulfur dioxide (SO₂), nitrogen oxide (NO_x) and dust. In previous years, we worked on lowering the specific emissions through additional filters and catalysts, as well as flue-gas denitrification plants. Data and facts on the development of environmental emissions and waste are disclosed in our key figures. As part of our Materiality Process we regularly investigate topics that are increasingly important to us, such as water and resource efficiency.

Responsible Water Management

Responsible water management has been a strategic focus for us since 2010 and is part of our risk management. We expect a restricted availability of water in the future due to climate change developments. Water is an important resource for our daily business. We use water in power generation processes, mainly as cooling water for thermal energy generation and in our nuclear power plants. For specific information on the development of our fresh water consumption, please see our key figures. As part of the Carbon Disclosure Project (CDP) Water Disclosure, we published even more extensive data in 2011. The program has surveyed large companies since 2010 on their water-related risks. According to our analyses, the overwhelming majority of our plants are not located in regions suffering water scarcity. Nevertheless, we plan to investigate to what extent the water consumption in water-poor areas is related to our business processes. Together with the World Business Council on Sustainable Development, we started a cooperation project in 2011 on the development of sector standards for water management. We are also committed to fulfill all of the requirements of the UN CEO Water Mandate by 2015 for more efficient water management. To help us achieve this objective, we are assessing how to adapt the Ceres Aqua Gauge from the not-for-profit investor association CERES for use by our conventional power generation businesses.

Improving Resource Efficiency in our Plants

Resource efficiency in the construction and operation of our plants is also an important and measurable key figure within our environmental management. We have already gathered many years of experience in the resource-efficient utilization of waste products such as slag, ash and gypsum. For example, in 2011 we continued our cooperation with Baumineral AG in the processing of residuals from the flue-gas denitrification systems in our coal-fired power stations.



Our Commitment on the Ground

At E.ON, we see ourselves responsible for our social sphere and the environment. Through our Community Involvement we are committed to sustainable development in our society and ensure that our business activities can continue to count on long-term social acceptance. In this effort we focus on our core competencies and integrate our employees wherever possible into our commitment as part of not-for-profit initiatives. For the benefit of society, and with it ultimately for our own company, we aspire to playing a leading role in Community Involvement and to forging a stronger link between business and society.

Strategic Focus on Core Topics

For our commitment to be effective and credible, clear relevance to our core business and to our cleaner & better energy strategy is indispensable. Therefore, the strategic focus in our Community Involvement is on the areas of energy and environmental education, climate protection as well as access to energy. Even in economically difficult times we want to advance our Community Involvement and aim to take the following steps by 2015:

- placing a stronger focus on strategic support projects and aligning our donation and sponsorship activities more closely with challenges such as climate change and resource scarcity,
- building cross-company cooperation to develop standards for social commitment,
- identifying and developing measuring tools for quantitative and qualitative progress reviews,
- expanding cross-sector partnerships.

In the areas mentioned above, we support local programs through long-standing partnerships and integrate the interests of the various local players. The associated stakeholder dialogs also enable us to revise our understanding of sustainability.

Organization of Group-wide Community Involvement

At E.ON, our Community Involvement is centrally led and then locally implemented by managers in charge, taking regional circumstances into account. Group Management assists the units with expert advice and promotes the Group-wide exchange of experience and best practices. International working groups advance Group-wide community involvement topics, such as the Energy for Children program.

Mutual Understanding and Joint Action

In 2007, we laid down the framework conditions for our Community Involvement Strategy in a handbook, which gives our employees a common understanding of our actions and our goals in the areas of social commitment. These can be seen in the list below:

Energy and Environmental Education



Energy for Children

Energy for Children is the Group-wide program for energy and environmental education; it was launched in 2007 and has now been implemented in 13 countries. The overarching goal of this program is to become the leading educational project for energy and the environment, in all communities where E.ON does business. It is intended for children between the age of 3 and 18, as well as for their teachers and educators. Every unit develops its own national flagship project that corresponds to the local circumstances in each country. Not least because of their educational quality, these projects in the respective countries have set benchmarks for energy and environmental education.

Employee Involvement

Strengthen Employee Commitment on Different Levels

Employee Involvement in not-for-profit projects is one of the building blocks of our Community Involvement in the regions. Besides supporting our employees' involvement in the numerous community projects initiated by E.ON (Corporate Volunteering), we also promote those projects that they have taken up on their own initiative in their free time. As part of this Personal Volunteering, E.ON either contributes to the donations collected by employees (Matched Funding), or donates a specific amount equivalent to the hours donated by employees to relevant organizations (Matched Time).

Since 2009, there have been options for Employee Involvement in all of the countries where we are active. The range of these options varies from one country to another.

<http://www.eon.com/en/sustainability/fields-of-action/community-involvement.html>

Corporate Giving

Corporate Giving: Emergency Response

Under Corporate Giving, we understand the mostly purely financial support of not-for-profit organizations. For the management of donations of our employees and units, our Community Involvement Handbook specifies criteria, which are aligned with the guidelines of the World Business Council for Sustainable Development (WBCSD). Here, if possible, we consider projects in the areas of health and well-being, education, job creation, and the environment.

If a natural disaster occurs in one of our supply regions, we work around the clock to secure and/or restore the power supply as quickly as possible. We also act promptly to provide personal, material and financial assistance in these regions – and in particularly severe cases, such as the recent earthquakes in Haiti or Japan, our effort has a global reach.

Sponsoring



Community Involvement and Sponsoring Activities

Elements of Community Involvement can also enrich our activities in the fields of art, cultural and sports sponsorship. For example, we sponsored a project at the School of Arts for Disadvantaged Children in Varna, Bulgaria: students in the art class were able to organize an open-air photo exhibition focused on environmental pollution in their region. Also, as part of sponsored sports events, athletes present themselves as role models to convey key characteristics for a successful and self-determined life to children.

Key Developments 2011

During the last year, we have progressed in the following areas:

Environmental Champions in Schools



In cooperation with the charitable organization Global Action Plan UK, we expanded our Environmental Champions in Schools program. E.ON employees in Italy, Hungary and Spain helped a total of 27 schools in 2010/11 to reduce their energy consumption. Together with around 1,000 middle-school students, energy checks were carried out and energy-saving measures were developed. E.ON employees supported students and their teachers in raising their awareness for the environment and promoting sustainable behavior. Overall, 73 metric tons of CO₂ emissions have already been eliminated in this way.

The Energy Experience



The online-based learning platform The Energy Experience conveys different aspects of the production, distribution and consumption of energy in an interactive way. Students learn about the various regional and global effects of energy supply in a playful way, and make their own decisions for virtual action. This learning program was originally developed by E.ON UK. It is suitable for students from age 5 to 16 and is being expanded step by step across the Group. During the reporting period, Slovakia and the Benelux countries adapted The Energy Experience for their communities. The websites are being publicized, among other things, on Facebook.

Donations for Children in the Earthquake Area in Japan



Following the earthquake disaster in Japan in March 2011, together with the children's aid organization Save The Children, E.ON started a Group-wide fundraising campaign called E.ON for Japan. By the middle of May 2011 employees had donated more than 40,000 EUR. Save the Children used this money for the construction of child protection centers, which provided affected children a safe space and psychological care. The aid project, set up for three years, is run in close cooperation with local agencies.



Customer Orientation in all Markets

Customer orientation is an important part of our business model and is anchored in E.ON's mission statement. We pay careful attention to the needs of our customers and are reorganizing our sales structure to become even more efficient in this regard. In the United Kingdom, for example, we are currently redefining our customer relationships from the ground up. We are the first energy company to convene an independent customer advisory council. Initially, the Customer Panel will investigate all relevant areas of customer concern within half a year. The results will then help to shape our processes and product ranges. This allows us to achieve a better understanding of our customers and reinforce their trust in us.

Depending on the regional situation, we are focusing on products and services that align with the wishes of our customers, depending on the regional approach, for example:

- Services and advice for increasing energy efficiency
- Energy-saving products, encouraging the reduction of energy consumption through discounts and rewards
- Smart Metering solutions for measuring power usage, to enable customers to monitor consumption data and costs
- Distributed solutions including smaller power-generation plants and micro-cogeneration
- Green electricity options generated exclusively from renewable energy sources
- Individual products for small and mid-sized enterprises (SMEs) as well as industrial customers
- Fixed and capped tariffs or e.g. Tracker Prices, which track falling market prices, to suit our customer preferences

To get to know customer preferences better, we continue to measure customer satisfaction with the help of the Net Promoter Score® (NPS).

Key Developments 2011

During the last year, we have progressed in the following areas:

NPS Systematically Improves Customer Orientation



Our local colleagues are most familiar with the needs of their customers. This is why we address customer orientation on a regional level. However, central coordination is still important to initiate learning processes on both sides. In 2009, we began introducing NPS in our markets to facilitate the continuous improvement of our services. NPS serves as a tool to measure customer loyalty and to improve our customers' experience with E.ON and gives customers a voice in our daily business. In selected contact situations, we ask our customers to rate on a scale of zero to ten how willing they would be to recommend E.ON to their friends. In addition, we ask them to explain the score they gave. Each regional team analyzes and derives insights from these responses to improve our services further. The NPS method was trialed in 2009. In 2010, the complete NPS program was rolled out in Germany, Sweden, Italy and the UK. In 2011, the Benelux countries followed (with a focus on the Netherlands), along with the Czech Republic and Spain. We plan to expand the program to other regions in 2012. Based on the feedback from our customers we have already identified different improvements, such as:

- In Italy, the feedback from new customers signaled insufficient communication when switching to E.ON. We responded by designing a system that keeps new customers constantly up to date on the status of the changeover process.
- Based on relevant customer feedback, the German sales organizations have simplified the design of their invoices, cutting the number of queries and the associated costs.
- Customers in the Netherlands felt that having a premium-rate number to contact the service hotline was not very customer-friendly. E.ON reacted by switching to the local rate for such calls.

A common language is important to move us closer to our customers. We will try to be even more committed in our customer contacts, leaving a lasting positive impression on the customer.

Regional Approach



Beyond securing the basic power supply, our strategy is tailored to meet the different customer needs across our regions. Depending on the region, our customers can receive, for example, energy-saving and green products. To encourage the efficient use of energy, we offer customers rewarded energy-saving products with incentives such as premiums and rebates. We also help our customers with additional services, such as advice and support when converting to more efficient heating systems and technologies such as micro-CHP (combined

heat and power) and solar energy.

We present selected examples, showing how we respond to customer preferences, on the [regional pages](#). We offer business customers individual products and services, and support their energy management with professional solutions. This includes tools such as Energiedialog in Sweden. In some countries, we are exploring new channels for customer communication, for instance through social media, or applications for mobile phones which allow customers to better control their own energy usage. In Sweden, we are among the providers who resolve power blackouts the fastest and most efficiently – customers can even follow the progress live on the Internet.

In 2011, we received [several awards](#) for customer orientation – E.ON UK, for example, won the Complaints Team of the Year Award for its excellent complaints management.

To make future consumers and market participants familiar with energy questions and to raise their awareness of sustainability, we are expanding our energy education program for the younger generation ([Energy for Children](#)) launched in 2007 in many regions.

Prices, products and services



The price is undoubtedly important to many customers. However, service quality and climate protection are also significant aspects. Depending on their individual situation, we support our customers by giving them access to a large range of products and services. In some regions, we provide capped or fixed price products, which relieve customers of the worry about price increases within a defined time period. For other products, we enable our customers to protect themselves from high bills, for instance in cold winters, by paying in regular installments spread over the year. For low-income households we offer special support, dependent on the relevant national support structures. We help customers with payment difficulties in some regions where there is no social welfare by checking whether they are eligible for financial support, or we pre-finance with partners the insulation of living space and set up payment plans.



Group-wide Health & Safety Culture

In our Group Policy on Occupational Safety and Health Protection, E.ON commits to maintaining high safety standards and to supporting the health of our employees. “Zero tolerance for accidents” is our approach in the area of occupational safety – we intend to become pioneers within the energy sector here. Nothing we do is so important or urgent that our people should ever work under unsafe conditions. We therefore anchor a Health & Safety (H&S) culture throughout the Group to protect our employees, partners and the public, while at the same time securing our business processes.

H&S as Part of the Comprehensive Corporate Strategy

Over recent years our Corporate Safety Plan saw the systematic implementation and expansion of H&S processes and structures Group-wide. During the 2011 reporting period, these processes were refined in close connection with our cleaner & better energy corporate strategy.

Process and plant safety, securing our employees’ long-term employability as well as paying close attention to H&S in Mergers & Acquisitions were central topics in 2011. By taking measures in these areas we avoid reputation risks and at the same time decrease cost risks that can result from absenteeism or diminishing performance.

Goals and New Measures to Improve H&S Performance

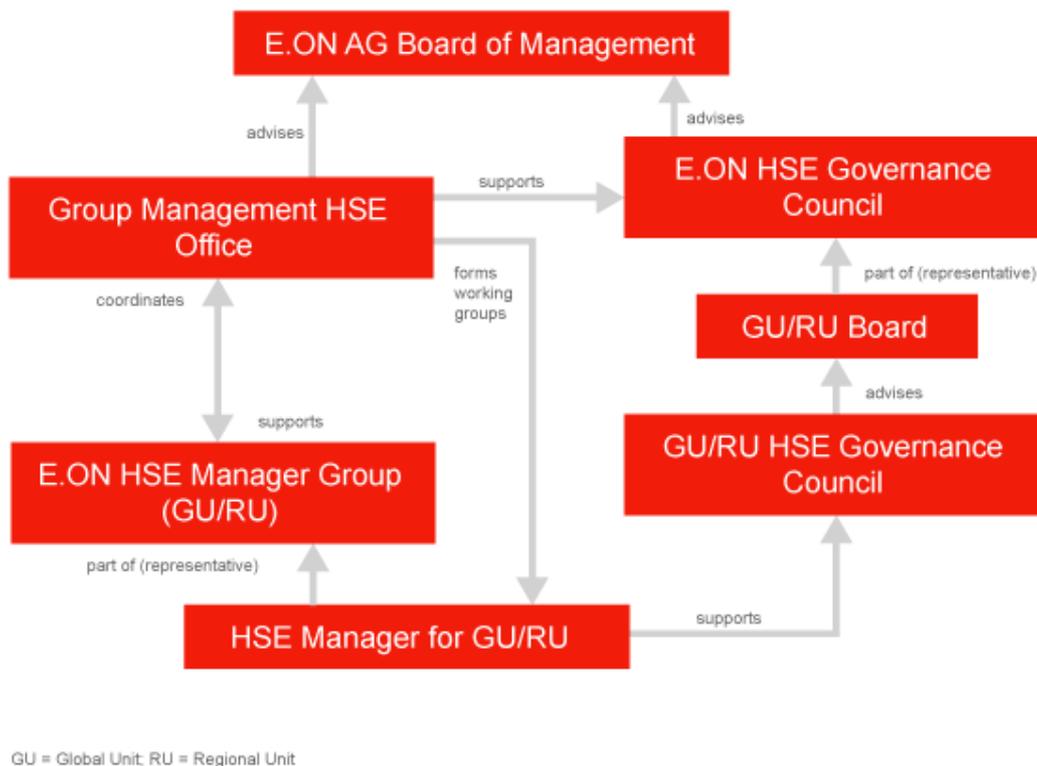
In order to continuously improve our H&S performance, we carry out extensive risk and root-cause analyses. In our Sustainability Work Program we have set ourselves specific targets to reduce accidents by 2015. These targets include:

- Lowering the total number of all recorded accidents (Total Recordable Injury Frequency Index – TRIF) affecting E.ON employees and partner companies to 3.0 per million man-hours
- Reducing the frequency of lost working time due to accidents (Lost Time Injury Frequency Index – LTIF) affecting E.ON employees to 2.0 per million man-hours and affecting partner companies to 3.0

- Increasing the proportion of our operational units and (sub)contractors with certified or certifiable occupational health systems to 100 percent
- Increasing participation in health measures within each risk group by at least 50 percent.

Beyond that, we put our focus on systematic health management in all units and on a continuous awareness-raising among our managers and staff for the importance of health protection and prevention as well as occupational safety.

Internal Organizational Structures in the HSE Area



E.ON's global Health, Safety and Environment (HSE) activities are monitored and advanced by the Group Management Board.

Two advisory bodies exist to aid the Group Management Board: the E.ON HSE Governance Council, chaired by Klaus-Dieter Maubach, Member of the Management Board, as well as the Group Management HSE Office, which develops Group-wide policy frameworks together with expert teams of HSE Managers. An HSE Governance Council appointed by the respective Executive Board drives HSE culture in every unit. Specific issues in occupational safety, such as managing partner companies, are dealt with by members of the E.ON HSE Manager Group.

Revision of Group H&S Policy

To strengthen H&S culture we have been revising the Group Policy on Safety and Health Management since 2011, and intend to approve it in 2012. It also contains our

H&S Policy Statement, which defines our goals and values in the areas of health and safety. In addition, the Group Policy describes the organization and scope of the H&S management systems as well as management requirements for the Group and our contractual partners. The main changes concern:

- Orientation towards international standards, such as OHSAS 18001 (work management system) and ISO 14001 (Environmental Management System)
- The integration of occupational health management and therefore more prominent positioning of this topic
- Increasing the recognition value through structural alignment with management systems in the units.

Key Developments 2011

During the last year, we have progressed in the following areas:

Additional Procedural Instructions for Safety Management



Based on a review of fatal accidents and near misses, back in December 2010 we agreed standards (process instructions and technical rules) to support the Group Policy on Safety and Health Management. These minimum requirements were implemented in 2011 in all of E.ON's global and regional units, taking national regulations into account. They affect, amongst others, the management of partner companies and risks, the reporting and investigation of accidents and near misses as well as fall protection. The implementation of procedural instructions and technical rules is part of the Safety Improvement Plan and is also an integral component of internal and external safety audits.

Safety Improvement Plan as a Pro-active Safety Tool

The Safety Improvement Plans represent a key tool in the continuous improvement of E.ON's occupational safety effort. These Plans are updated annually by the global and regional units' HSE Governance Councils: as early indicators, they allow the units to conduct a forward-looking risk analysis and to define specific targets for risk reduction. The extent and preparation of these plans are checked regularly through audits. Safety Improvement Plans are a new approach in safety management and have been implemented consistently by all units since 2010. The 2011 plans were also used to generate key targets to be taken into account in the calculation of variable remuneration for upper management, worth up to 10 percent of the total.

Safety Awareness through Safety F1RST! and Training Courses

With Safety F1RST! – our 2011 Group-wide campaign to promote health and safety at work – E.ON established three central rules of behavior for employees at all levels of responsibility. These were introduced across the Group with the help of comics and videos.



1. We take care of our colleagues



2. We stop unsafe work



3. We learn from near hits & mistakes

This is a further step towards raising awareness of the importance of H&S in the working routine among our own employees as well as the employees in our partner companies. In addition, E.ON offers unified, Group-wide training programs about

<http://www.eon.com/en/sustainability/fields-of-action/health-and-safety.html>

safety topics to all managers and staff. In particular, the training course for managers on Leaders in Safety – the Group's most successful manager program in 2011 – aims at markedly improving participants' safety awareness.

Group-wide Incident Reporting

We are continuing with the roll-out of Prevent!, our Group-wide incident management system. Since the beginning of 2012 this system has allowed all incidents affecting employees of E.ON and their partner companies as well as non-work related incidents to be recorded, analyzed and passed on to the relevant departments. This also applies to potential fatalities – another topic in which we strive for a high degree of transparency to encourage learning processes. Prevent! enables rapid, Group-wide introduction of specific preventative measures. Where this is not put into practice yet, we receive respective notice from other known reporting systems.

Focus on Muscular and Skeletal Illnesses

From ergonomic workstations to individual health programs and noise protection, E.ON has a wide spectrum of measures in place to protect our employees' health. Every year, we set a focus topic for the whole Group, with which we approach important stress factors in a targeted way. Due to the relevance of absenteeism statistics, in 2010/11 the focus was on psychological health for the second time. Intranet reports and films raised employees' and managers' awareness of this issue, enabling them to spot and tackle the signs of mental illness early on in themselves as well as in their colleagues and staff. The focus topic for 2011/12 is muscular and skeletal illnesses. For this, the German sites have access to a standardized implementation concept, which can be used as required.

International Standards as Reference

E.ON additionally reinforces its commitment in the area of H&S by adhering to international standards. As early as 2009 we signed the Luxembourg Declaration on Occupational Health Promotion in the European Union as well as the Düsseldorf Statement in support of the Seoul Declaration on Safety and Health at Work. In the same year, we also created our pandemic preparedness plan, which ensures central management and business-process continuity in case of an emergency.



Adjust Structures, Improve Working Environment

E.ON is strategically committed to providing cleaner & better energy. 'Cleaner' and 'better' mean that we are convinced that affordability, supply security and climate protection are mutually compatible elements of a corporate strategy – even in tougher economic times.

E.ON operates in a difficult market environment shaped by increasing regulation, an advanced nuclear power phase-out in Germany, and diminishing returns in both generation and natural gas business. In addition, there is a fundamental technological change. The impact of these developments can already be seen: in the second quarter of 2011, E.ON recorded the first loss in the company's history and the share value has declined more than 50 percent from its peak. Likewise, EBITDA was 30 percent lower in 2011 than in the previous year. To ensure our competitiveness, we must adjust our business model and our structures to the new circumstances. That is why E.ON started the E.ON 2.0 efficiency improvement program in August 2011.

E.ON 2.0 Efficiency Improvement Program

The objective of E.ON 2.0 is to reduce E.ON's controllable costs to 9.5 billion EUR per year by 2015 at the latest, in order to give us greater flexibility for investments. It also aims to simplify E.ON's organizational setup in order to speed up our decision-making. The third objective is to avoid non-mandatory administrative effort. Moreover, we want to improve the performance of our operating business, as well as reduce the purchasing costs by improving efficiency in our organization. But to achieve our goal of a leaner organization, we will need to cut around 11,000 jobs initially.

With E.ON 2.0 we are focusing even more on improving our performance than before. Only more efficient and effective processes and structures will enable us to secure the future of our company and consequently the majority of our workplaces of our currently around 80,000 employees. Especially during this difficult phase, we are seeking solutions with employee representatives that are as consensual as possible.

Close Cooperation with Codetermination Bodies

Right from the first phase of the program, the Executive Board held discussions with the Group and the European Works Councils. On the local level too, the relevant codetermination bodies are closely integrated in the process. Together with the trade unions ver.di and IG BCE, the employers' federations in charge of E.ON agreed on collective agreements in January 2012 for the implementation of E.ON 2.0 in Germany. Comprehensive instruments and framework conditions for a socially acceptable redundancy process are laid down in this collective agreement, which gives those affected a high degree of social security. All discussion participants fulfilled their responsibility and consequently created the conditions to implement E.ON 2.0 as planned.

E.ON Group Works Council

Under Sec. 58 of the German Employees Representation Act (BetrVG), the Group Works Council is responsible for matters affecting either the whole Group or multiple Group companies in Germany. At the same time, local Works Councils may request the Group Works Council to carry out certain tasks. The Group Works Council consists of members of Works Councils of the E.ON business units in Germany.

European Works Council

The European Works Council is an information and consultation body for the E.ON employees working in Europe. It consists of elected members from the regional units.

Group Representative Body for Severely Disabled People

Together with the company, the Group Representative Body for Severely Disabled People in Germany ensures the framework conditions for the employment of severely disabled employees or their peers and also performs a consultative function.

Strategic Focus in the Human Resources Area

Apart from the specific human-resources policy challenges that result from E.ON 2.0, human resources management is particularly concerned with the further development of talented staff. This also includes supporting diversity in the workforce (Diversity Management) with the aim of more than doubling the proportion of women in leadership positions. As a specific milestone for this goal, we want to achieve a proportion of 14 percent women in management in Germany by the end of 2016.

Talent Management and Human Resources Development



Support and further development of employees is a central task for managers at E.ON. The focus is on life-long learning and systematic talent management. In 2011, we expanded the Group-wide development tools accordingly. In addition, there are now cross-company Talent Conferences with representatives from Executive Boards of individual units, as well as representatives of HR departments. Their goal is to identify the talent situation in the Group, interlink talent management more strongly with business activities and make adjustments at an early stage.

Diversity at all Levels



Diversity and equal opportunities are fundamental parts of our corporate culture. We support this with the Equal Opportunity and Diversity Framework of the E.ON Group.

It requires:

- Zero tolerance of discrimination, prejudice and harassment
- Active promotion and targeted expansion of diversity within the workforce
- Equal opportunities for personal and career development
- Equal opportunities, not homogeneity: respecting individuality
- Fostering intensive internal dialog to boost mutual understanding.

Likewise, the Integration Agreement developed together with representatives of disabled employees gives us binding guidelines to promote corporate integration and health care for disabled employees across the Group.

A current focus is on the topic of Gender Diversity, meaning a balanced mix of both genders. In 2011, we were able to further implement our Gender Diversity activities: Every unit now has targets whose achievement influences the level of variable remuneration of our top executives within their job performance, amongst other factors. In addition, through the adjustment of the Group-wide Placement Policy, we want to ensure that job hiring processes are carried out fairly. Therefore, it is planned that at least one man and one woman are named as potential successors for leadership positions that become vacant.

<http://www.eon.com/en/sustainability/fields-of-action/workforce-challenge.html>

We also show our commitment publicly. For example, E.ON was one of the driving companies in the joint German DAX-30 Declaration in 2011. With this declaration, the DAX-30 companies committed to creating individual targets to increase the proportion of women in the workforce. First successes are already visible compared to the previous year: E.ON managed to increase the proportion of women executives from 11.5 to 12.5 percent, while in Germany an increase from 8.6 percent to 9.5 was achieved. Since 2001, E.ON also carries the internationally recognized company seal top4women which is awarded to especially women- and family-friendly companies. We also signed the national “Komm, mach MINT!” pact (Take Part in STEM) in July 2011. This pact is an initiative of the German Federal Ministry of Education and Research with the aim of encouraging more women to take up scientific and technical careers.

Life Balance



Our commitment to the topic of Life Balance – achieving a sustainable balance between career and private life – is important for supporting diversity. Targeted support offers, such as flexible working times, subsidized childcare or advisory and agency services in the area of homecare and care for the elderly assist our employees in balancing their work and family commitments. To secure a sustainable support for Life Balance, we're working on the continuous development of demand-driven offers and measures for our employees.

In 2011, E.ON AG agreed corporate regulations to support our employees in combining work and family life. This affects, amongst others:

- Sabbaticals
- Flexible working time models when caring for family members
- Statutory parental leave.

In addition, E.ON AG was successfully certified in 2011 for another three years through the Career and Family Audit of the Hertie Foundation and therefore continues to carry the recognized quality seal for family-conscious human resources policy.

Environment

In order to evaluate how successful we have been in implementing our projects, processes and strategies, we need measurable indicators that are economically and socially relevant. These figures help us discover where we can do better and allow a comparison with other companies.

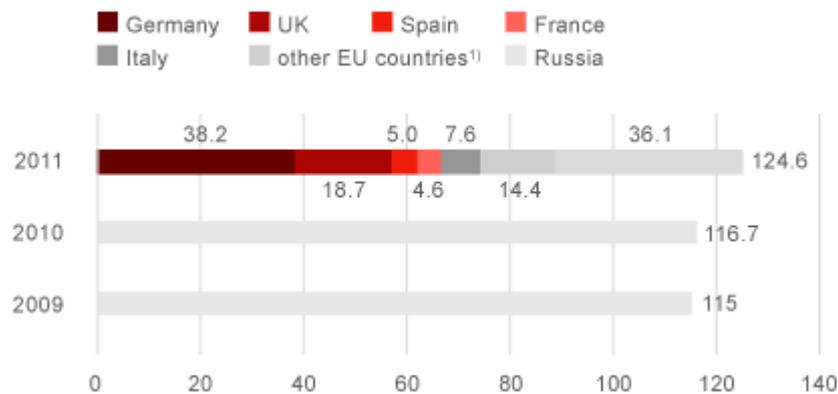
In the following we present an overview of all CR key figures for the environmental sphere. Selected figures from our CR Reporting 2011 were verified by external auditors in the course of our assurance engagement (Reviewed 2011).

CO₂ Emissions from Electricity Generation

✓ Reviewed 2011

CO₂ Emissions from Electricity Generation¹⁾

in million metric tons



1) Includes carbon emissions from gas transport.

In 2011, CO₂ emissions from our electricity and heat generation increased by almost 8 million tons to a total of 124.6 million tons. This was due in part to increases in production in Russia. Our total CO₂ emissions in Europe rose to 88.5 million tons, approximately 3 million tons more than in the previous year.

CO₂ Intensity E.ON Group

✓ Reviewed 2011

E.ON Group Carbon Intensity¹

Metric tons of CO ₂ per MWh	1990	2009	2010	2011
Germany	-	-	0.32	0.38
United Kingdom	-	-	0.66	0.62
Spain	-	-	0.51	0.55
France	-	-	0.81	0.71
Italy	-	-	0.41	0.45
Other EU Countries	-	-	0.27	0.26
E.ON Group (Europe only)²	0.63	0.39	0.39	0.41
Russia	0.62	0.56	0.56	0.56
E.ON Group ³	0.66	0.42	0.42	0.43

 XLS Download

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

² : Includes renewable generation in Europe

³ : Includes renewable generation outside Europe (wind power in the United States)

Our CO₂ intensity increased from a total of 0.42 tons of CO₂ per MWh to 0.43 tons of CO₂ per MWh. In Europe alone, our CO₂ intensity worsened from 0.39 tons of CO₂ per MWh to 0.41 tons of CO₂ per MWh. The increase can be attributed to the decommissioning of our Isar and Unterweser nuclear power plants following the German government's decision to phase out nuclear power plants. As a result some of our CO₂-neutral power generation capacity was no longer available in our largest market. A decrease in CO₂ intensity remains a long-term objective of the E.ON Group. We aim to halve our CO₂ intensity in Europe by 2025 (baseline: 1990).

CO₂ Allowances from Emissions Trading

✓ Reviewed 2011

CO₂ Allowances Allocated to E.ON Group¹

Million metric tons	2011	2010	2009	2008 ²
CO ₂ Allowances	80.7	75.1	77.6	78.5
CO ₂ Emissions	88.5	85.4	84.7	80.2

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¹ : Russia is not covered by the EU Emissions Trading Scheme.

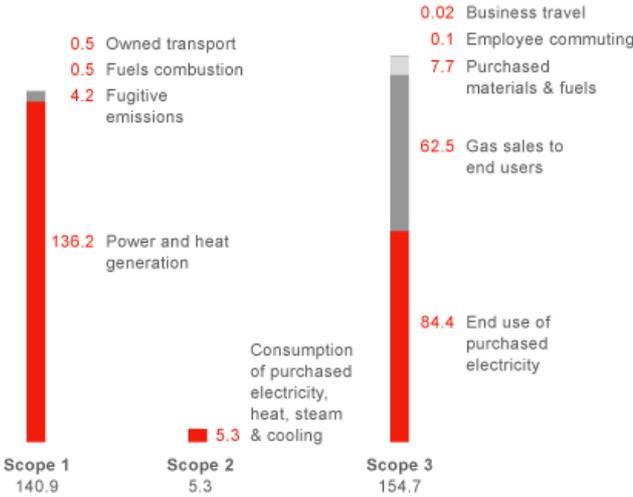
² : 2008 figures have been adjusted in 2009 due to changes in the consolidation basis.

<http://www.eon.com/en/sustainability/key-figures-2011/environment.html>

We were awarded emission allowances for 80.7 million tons of CO₂ as part of the national allocation plans of the EU Emission Trading Scheme (ETS). In our power plants covered by the ETS, CO₂ emissions from electricity and heat generation totaled 88.5 million tons, 7.8 tons more than the allocated emission allowances.

Carbon Footprint

Carbon Footprint
Total CO₂-equivalents in million metric tons



Since 2010, we have measured the carbon footprint of our whole company. As well as carbon emissions caused by electricity generation, which we were already recording, this also includes our entire value chain, from suppliers to end customers. In 2011, our Scope 1 emissions directly caused by our own power plants and sites, especially from electricity generation amounted to 140.9 million tons CO₂. Our Scope 2 emissions, which arise for instance through the production of electricity that we purchase to run our facilities or through the generation of heat or steam, were 5.3 million tons CO₂ in 2011. Scope 3 emissions amounted to 154.7 million tons CO₂ arising e.g. from our supply chain, business travel, but especially from electricity and gas that customers purchase from us.

Sites with Environmental Management Systems

Since 2010 we have set up environmental management systems (in compliance with EN ISO 14001 or EMAS II) in all E.ON Group sites with significant environmental impacts. In most cases the systems have been certified by independent third-party auditors.

Environment-related Incidents

Thanks to our systematic environmental and safety management system, environment-related incidents occur very rarely at E.ON. Nevertheless, we remain alert to identify even slight risks and reduce the probability of accidents. Across the Group there were no environment-related incidents between 2005 and 2009 which met the criteria for mandatory reporting within 24 hours. As disclosed in our last report, there was one such incident in Sweden in 2010.

Unfortunately, in 2011 there was a larger incident at the quay of our power plant in Fiume Santo, Sardinia. As a result of a leak in a badly maintained drainage pipe, 45 tons of oil bypassed the standard off-loading procedure containment equipment, flowed to the open sea and affected 18 kilometers of Northern Sardinia's coastline. Local authorities, politicians and other stakeholders admitted that E.ON had done its best to contain the damage with prompt action, utilizing more than 150 people and spending over EUR 15 million to remediate the impact on the affected section of the coast. Fortunately this was an incident that caused reversible damage and not an environmental disaster.

Three further environmentally relevant incidents, which fell into the "medium" category, occurred at E.ON in 2011:

- Significant noise emissions at Staudinger power plant
- Excessive ash emissions at Fiume Santo power plant
- Spilled oil at Kiel power plant

We are working to avoid such incidents going forward by implementing a comprehensive, full-lifecycle plant and process safety program. It incorporates environmentally critical aspects of our operations to further enhance how we assess and manage risks.

Our short-term provisions for environmental protection measures and similar liabilities amounted to EUR 42 million in 2011; long-term provisions increased to EUR 924 million (from a total of EUR 873 million in 2010).

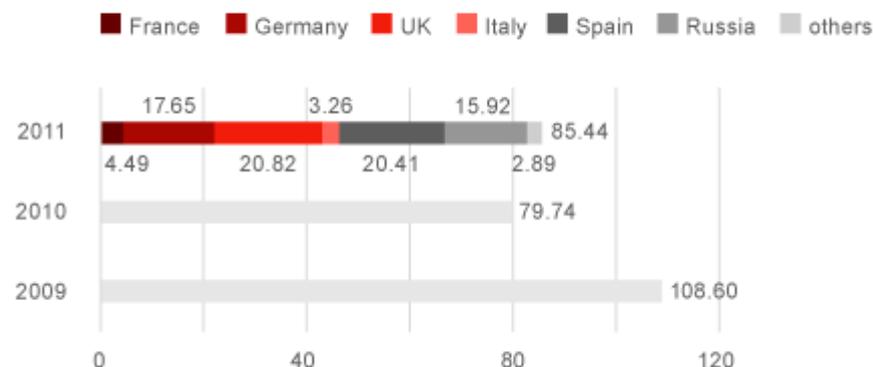
In 2011 there were no category 1 to 7 incidents as measured on the seven-step International Nuclear Event Scale (INES) at our nuclear power plants.

SO₂ Emissions

✓ Reviewed 2011

SO₂ Emissions

in kt



The primary source of sulfur dioxide (SO₂) emissions is the combustion of coal containing sulfur. We were able to significantly reduce our SO₂ emissions in past years by using additional filters and increasing the proportion of gas in our energy mix. From 2009 to 2010 we further reduced our SO₂ emissions by almost 28 percent to some 80 kilotons. However, in 2011 we were unable to achieve additional reductions in SO₂ emissions; at approximately 85 kilotons, our emissions were around 5 kilotons higher than the 2010 total. The specific measure of SO₂ emissions per unit of energy also rose significantly, from 0.29 kg/MWh in 2010 to 0.32 kg/MWh in 2011.

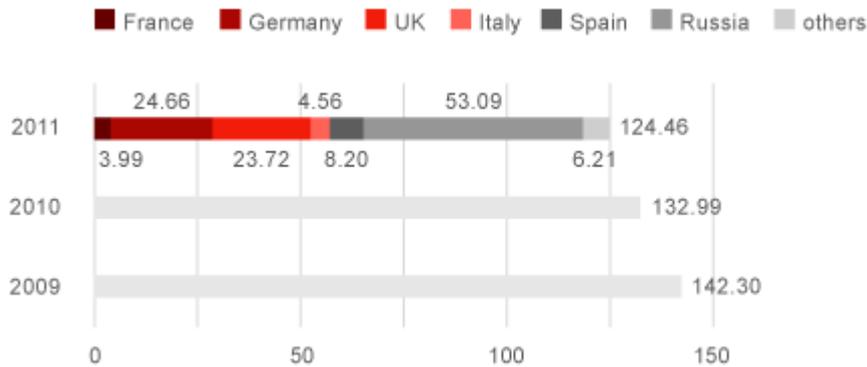
The increase was due to higher levels of energy generation in Russia and the use of sulfur-containing coal in Spain. These factors were not counterbalanced by lower SO₂ emissions in other countries. As a consequence of Spain's Domestic Coal Royal Decree, a certain percentage of coal must be domestically sourced. This resulted in E.ON using twice as much local coal in Spain in 2011 as in 2010. SO₂ levels were affected by the combustion of this coal, which contains higher concentrations of sulfur, and by the more intensive operation of a plant with higher emissions.

NO_x Emissions

✓ Reviewed 2011

NO_x Emissions

in kt



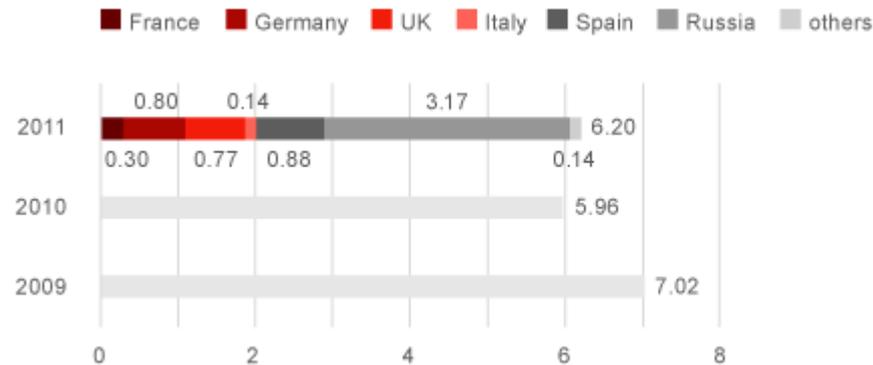
Nitrogen oxide (NO_x) emissions are primarily generated when high combustion temperatures cause nitrogen in the air to combine with oxygen. The combustion of gas and coal in our power plants is therefore associated with the production of NO_x, leaving us with a special responsibility to further reduce these harmful emissions. We have equipped our newly commissioned power plants as well as the facilities added to our portfolio in 2009 with modern filter technology. This has enabled us to reduce our NO_x emissions in recent years. The positive trend continued in 2011, when our NO_x emissions decreased from the previous year's level of 133,000 kg to 124,000 kg. Emissions also sank relative to the amount of energy generated (271.2 GWh in 2011). In 2011 the specific NO_x emissions sank to 0.46 kg/MWh, compared to 0.48 kg/MWh in 2010. This was due in part to a reduction in our use of fossil fuels for energy generation in France, the United Kingdom and Spain. In addition, we used more gas than coal in the United Kingdom, a fuel which generates fewer NO_x emissions.

Particulate Emissions

✓ Reviewed 2011

Total Particulate Emissions

in kt

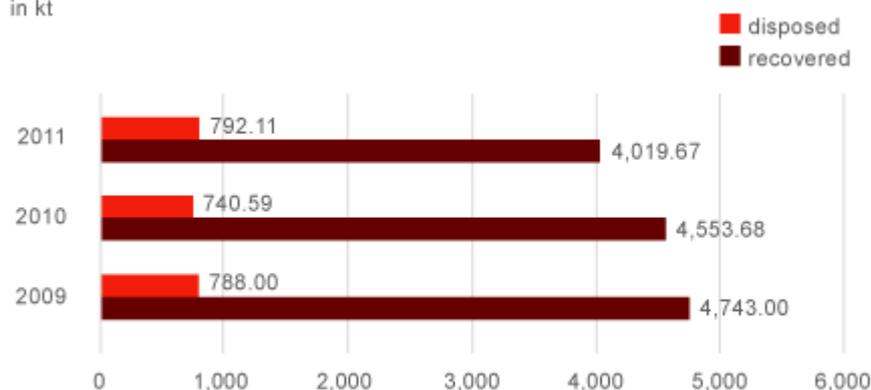


Coal-fired power plants generate dust in the form of particulate emissions. In 2011 our particulate emissions totaled some 6.2 kilotons, approximately 4 percent more than the previous year. This upturn resulted from higher levels in Russia due to increased power generation and to the use of a more emission-intensive power plant in Spain. These factors slightly outweighed the decrease in particulate emissions in other countries.

Ash and Slag

Ash and Slag

in kt



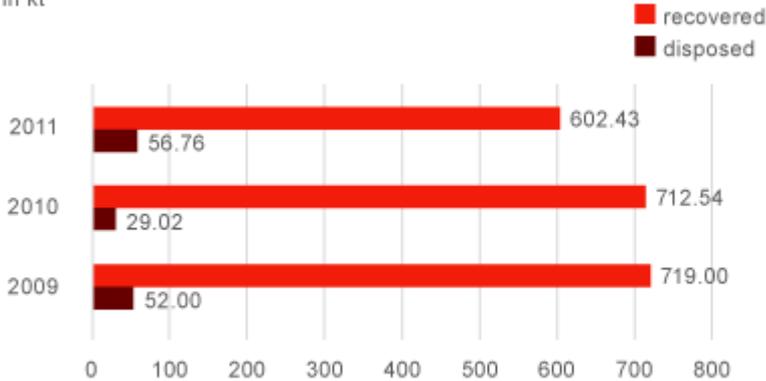
Burning coal produces considerable amounts of furnace bottom ash (FBA) and pulverized fuel ash (PFA). In 2011, we further decreased our total volume of FBA and PFA, from 5,294 to 4,812 kilotons. It is our aim to recycle waste to the greatest extent possible. That said, despite the reduction in total volume the percentage of FBA and PFA we disposed of rose from approximately 16 percent in 2010 to 19 percent in

2011. In absolute numbers, this was some 50 kilotons more in 2011 than in the previous year.

Gypsum

Gypsum

in kt

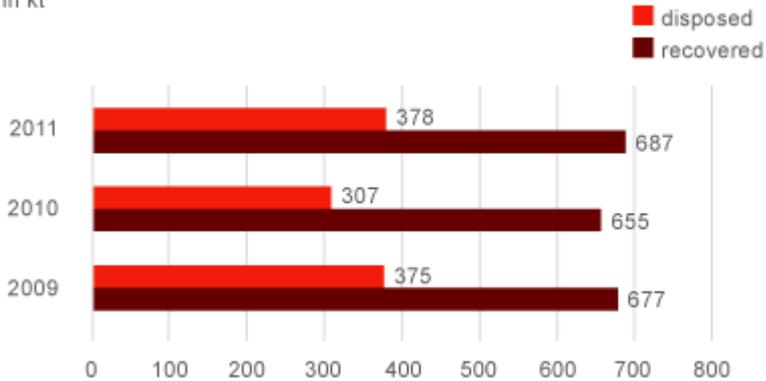


At our power plants we generate significant quantities of FGD gypsum as a by-product of flue gas desulphurization. In principle FGD gypsum is non-hazardous. It can be recovered for use as a construction material, which also helps cut down on gypsum mining and its negative environmental impacts. The total amount of FGD gypsum produced in 2011 fell by approximately 12 percent compared to the previous year. The volume of FGD gypsum that was disposed of rather than recovered rose from 29 to 57 kilotons.

Non-hazardous and Hazardous Waste

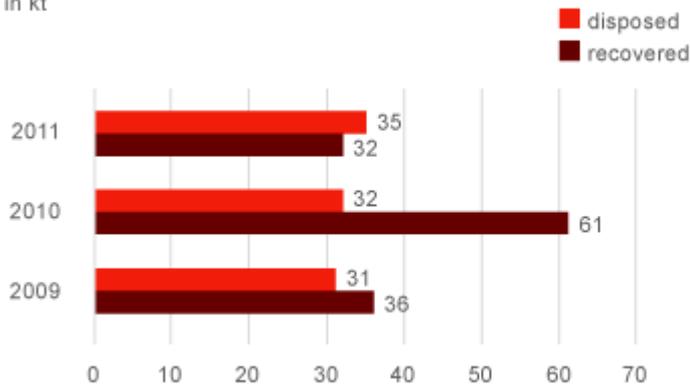
Non-hazardous Waste

in kt



Hazardous Waste

in kt



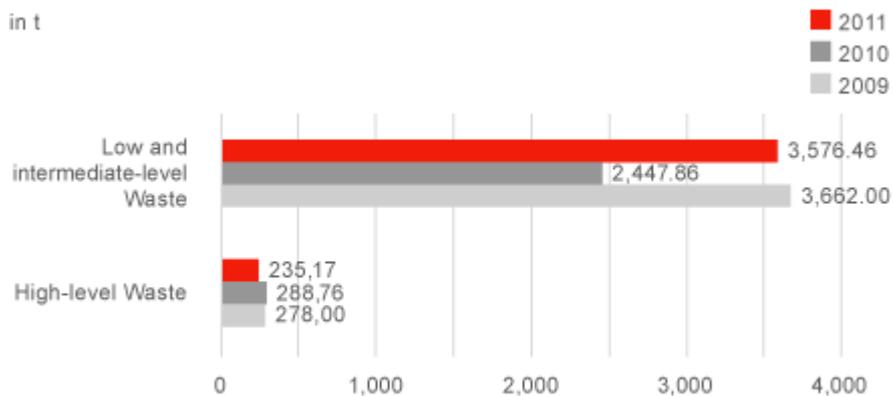
E.ON places the highest priority on waste prevention; when this is not possible, waste recycling is seen as a better alternative to waste disposal. Our total volume of hazardous waste was 67 kilotons, a decrease of almost one third compared to the previous year. Of this total volume, 32 kilotons of hazardous waste were recycled, while 35 kilotons were disposed of in accordance with local regulations. In 2010 we conducted a number of building projects which ended by 2011, leading to a significant reduction in hazardous waste. The volume generated in 2011 is comparable to 2009 levels. The total volume of non-hazardous waste increased slightly to 1,065 kilotons. With 687 kilotons of this being recycled.

Radioactive Waste

✓ Reviewed 2011

Nuclear Waste

in t



Radioactive waste is generated in our nuclear power plants in Sweden and Germany. In 2011 we generated a significantly larger proportion of low and intermediate-level nuclear waste. This can be attributed to certain phase-out activities in Germany. At 3,576 tons the volume is similar to levels in 2009, when we carried out structural measures in nuclear power plants in Sweden. In addition, 235 tons of high-level nuclear waste were produced across the Group through our generating operations

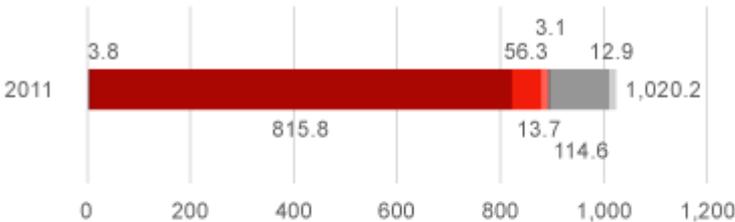
and the dismantling of decommissioned plants. This represented a decrease compared to the previous year. It resulted from the shutdown of our Isar and Unterweser nuclear power plants following the German government's decision to phase out the use of nuclear energy.

Fresh Water Consumption

Total Fresh Water Consumption

in million m³

■ France ■ Germany ■ UK ■ Italy ■ Spain ■ Russia ■ others



We anticipate that climate change will impact the availability of water around the world. Water is an important resource for E.ON's operations, used primarily for cooling and processes. In 2011, we joined other major energy providers in supporting the development of the Global Water Tool (GWT) by the World Business Council for Sustainable Development (WBCSD). We have aligned our water indicator with the GWT and since 2011 have measured the consumption of fresh water in our operations rather than process water. This indicator represents the difference between our fresh water in- and output. It therefore shows the amount of fresh water we actually consume and which is no longer available to third parties as a result.

Because this indicator cannot be used to evaluate our overall risk in this area, we will require additional data for our future water management. In keeping with the GWT, in the future we will also measure the availability or scarcity of fresh water on a local level. This will help us identify the regions in which water scarcity poses a risk for us and the communities in which we operate.

Social

In order to evaluate how successful we have been in implementing our projects, processes and strategies, we need measurable indicators that are economically and socially relevant. These figures help us discover where we can do better and allow a comparison with other companies.

There follows we present an overview of all CR key figures for the social sphere. Selected figures from our CR Reporting 2011 were verified by external auditors in the course of our assurance engagement (Reviewed 2011).

Group Employees

✓ Reviewed 2011

Group Employees¹ as of December 31st

	2011	+/- %	2010	2009
Generation	10,578	-3.8	10,997	n/a
Renewables	1,808	+4.1	1,737	n/a
Trading	1,002	-5.6	1,062	n/a
Gas	3,202	+0.4	3,189	n/a
Germany	21,542	+2.2	21,084	n/a
Other EU Countries	31,909	-14.7	37,403	n/a
Russia	4,896	+1.7	4,812	n/a
Group Management/Other ²	3,952	-18.0	4,821	n/a
Total	78,889	-7.3	85,105	85,108

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¹ : Excluding Board Members/Managing Directors (2011: 298) and apprentices (2011: 2,466). Excluding U.S. Midwest in 2009.

² : Includes E.ON IT Group.

As of December 31, 2011 the E.ON Group employed 78,889 employees in its fully consolidated companies. The number of employees decreased by 7.3 percent compared to the end of 2010. In addition, our workforce included 2,466 apprentices and 298 board members and managing directors. In our Generation unit, the decrease in employee numbers was primarily due to the sale of a power plant in Poland as well as the transfer of personnel in Italy from Generation to the regional unit. The decrease in our Trading unit is due to employee turnover as well as the end of temporary job assignments and the expiration of fixed-term contracts in the context of the centralization of the unit.

The growth of the workforce in our German unit is largely due to the expansion of our service companies. It can also be attributed to hiring by regional providers following the passage of a German law giving priority to renewable energies.

<http://www.eon.com/en/sustainability/key-figures-2011/social.html>

For the most part the decrease in employees in the Other European Countries segment can be traced to the divestment of activities in the U.K. and Swedish regional units. Efficiency measures in the U.K. regional unit also played a role. In Russia a newly established central maintenance unit was expanded. The reduced headcount in the Headquarters/Other segment is primarily the result of the outsourcing of the IT infrastructure.

Employees by Region

✓ Reviewed 2011

Employees by Region¹

	2011	2010	2009
Germany	35,133	35,116	35,636
United Kingdom	12,264	16,343	17,179
Romania	6,457	6,535	6,772
Hungary	5,337	5,431	4,913
Russia	4,912	4,828	5,317
Sweden	3,530	5,064	4,702
Czechia	3,477	3,454	2,735
Bulgaria	1,999	2,038	2,108
Spain ²	1,287	-	-
Other ³	4,493	6,296	5,746

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¹: Excluding Board Members/Managing Directors (2011: 298) and apprentices (2011: 2,466). Excluding U.S. Midwest in 2009.

²: Spain is listed individually since 2011 (before included in Other).

³: Including Italy, France, the Netherlands, Poland and several other countries.

Compared to the end of 2010, the percentage of our workforce employed outside Germany decreased slightly. A total of 43,756 employees (55 percent) were employed outside Germany at the end of the fourth quarter of 2011.

Employees with Full-time or Permanent Employment Contracts

✓ Reviewed 2011

Proportion of E.ON Employees (Total Workforce)¹ with full-time or permanent Employment Contracts

In %	Full-time	Permanent
Generation	94	96
Renewables	94	95
Trading	97	90
Gas	87	98
Germany	84	91
Other EU Countries	93	97
Russia	100	98
Group Management/Other ²	88	95
Total 2011³	91	95
Total 2010	91	96
Total 2009	90	96

 XLS Download

¹ : Including Board Members/Managing Directors and apprentices.

² : Includes E.ON IT Group.

³ : Retroactively adjusted to exclude U.S. Midwest.

At the end of 2011, a total of 7,932 E.ON Group employees had part-time contracts, of whom 4,337 were women (55 percent).

Average Length of Service

✓ Reviewed 2011

Average Length of Service (Total Workforce)¹

In years	2011	+/- %	2010	2009
Generation	17.7	n/a	n/a	n/a
Renewables	15.1	n/a	n/a	n/a
Trading	5.9	n/a	n/a	n/a
Gas	13.0	n/a	n/a	n/a
Germany	17.0	n/a	n/a	n/a
Other EU Countries	12.0	n/a	n/a	n/a
Russia	12.2	n/a	n/a	n/a
Group Management/Other ²	10.6	-	-	-
Total³	14.2	-2.9	14.7	13.8

 XLS Download

¹: Including Board Members/Managing Directors and apprentices.

²: Includes E.ON IT Group.

³: Retroactively adjusted to exclude U.S. Midwest.

At 14 years, in 2011 the average length of service in the Group remained almost unchanged compared to the previous year.

Turnover Rate

✓ Reviewed 2011

Turnover Rate (Total Workforce)¹

In %	2011	2010	2009
Generation	2.5	n/a	n/a
Renewables	3.5	n/a	n/a
Trading	6.4	n/a	n/a
Gas	2.0	n/a	n/a
Germany	2.6	n/a	n/a
Other EU Countries	4.5	n/a	n/a
Russia	4.8	n/a	n/a
Group Management/Other ²	4.4	n/a	n/a
Total³	3.6	4.5	5.1

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¹ : Including Board Members/Managing Directors and apprentices.

² : Includes E.ON IT Group.

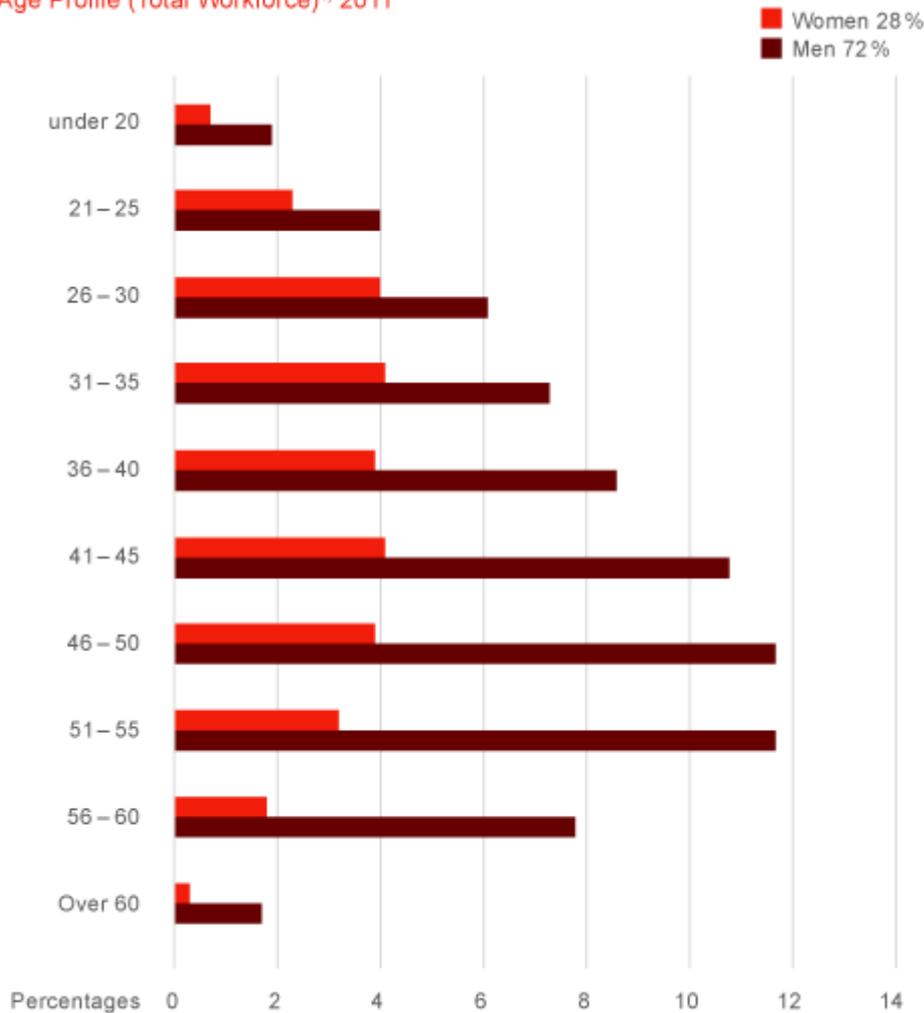
³ : Retroactively adjusted to exclude U.S. Midwest.

The employee turnover rate within the E.ON Group has decreased steadily since 2009. In 2011 it reached 3.6 percent.

Age Profile

✓ Reviewed 2011

Age Profile (Total Workforce)¹⁾ 2011



1) Including Board Members/Managing Directors and apprentices.

At the end of the year the average employee age in the E.ON Group was 42 years. This is comparable to other DAX 30 corporations. The age profile of the E.ON workforce reflects the demographic distribution of the labor pool. In 2011 approximately 19 percent of the E.ON workforce was 30 years old or under, 54 percent between 31 and 50 years old, and 27 percent over 50 years old.

Global Workforce

The E.ON Group's global workforce consists of employees from over 100 nations and all continents.

Proportion of Women among Total Workforce

✓ Reviewed 2011

Proportion of Women among Total Workforce¹

In %	2011	2010	2009
Generation	12	n/a	n/a
Renewables	20	n/a	n/a
Trading	32	n/a	n/a
Gas	27	n/a	n/a
Germany	30	n/a	n/a
Other EU Countries	-	n/a	n/a
Russia ²	31	n/a	n/a
Group Management/Other ³	31	n/a	n/a
Total⁴	28	27	27

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¹ : Including Board Members/Managing Directors and apprentices.

² : E.ON Russia not considered in the Senior Management Category.

³ : Includes E.ON IT Group.

⁴ : Retroactively adjusted to exclude U.S. Midwest.

The proportion of women in the E.ON workforce was 28 percent in 2011, representing a slight increase compared to the previous year.

Proportion of Women among Management

Proportion of Women among Management

In %	2011	2010	2009
Total¹	12,5	11,5	11

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¹ : Retroactively adjusted to exclude U.S. Midwest.

The proportion of women managers at E.ON rose from 11.5 to 12.5 percent across the Group.

Number of Employees with a Severe Disability

✓ Reviewed 2011

Number of Employees (Total Workforce)¹ with a Severe Disability of Group Companies located in Germany

	2011	2010	2009
Total²	2.212	2.092	1.987
Of which apprentices	29	37	50

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¹: Definition according to § 2, Abs. 2 SGB IX.

²: Including Board Members/Managing Directors and apprentices.

Number of Employees (Total Workforce)¹ with a Severe Disability of Group Companies located in Germany

In %	2011	2010	2009 ³
Generation	7.3%	n/a	n/a
Renewables	11.3%	n/a	n/a
Trading	0.5%	n/a	n/a
Gas	4.1%	n/a	n/a
Germany	6.6%	n/a	n/a
Holding Services	4.0%	n/a	n/a
E.ON Group²	6.3%	6.0%	5.6%

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¹: Definition according to § 2, Abs. 2 SGB IX.

²: Including Board Members/Managing Directors and apprentices.

³: Retroactively adjusted to exclude U.S. Midwest.

In 2011 E.ON's German companies employed 2,200 people with a severe or similarly classified disability. The absolute number of severely disabled employees again rose by more than 100 employees from 2010 to 2011. This represented an increase in the proportion of severely disabled employees to 6.3 percent.

Furthermore, in 2011 E.ON employed almost 30 apprentices with severe disabilities in Germany. Providing vocational training to severely disabled individuals is an important element of our corporate social responsibility.

Apprentices in Germany

✓ Reviewed 2011

Apprentices in Germany

	2011	2010	2009
Total'	2,466	2,501	2,556

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†: As of December 31, 2011

We place great value on providing vocational training for young people. As in the previous year, in 2011 apprentices made up some 7 percent of our workforce in Germany. With 729 young people entering our training programs in 2011, the Group employs a total of 2,466 trainees and dual-education students. The vocational training initiative to help prevent unemployment among young people, launched in 2003, continued in 2011. During the year, E.ON offered more than 900 individuals support in entering the workforce, e.g. through projects in schools and internships to prepare them for vocational training.

Trainings per Employee

In 2011 we spent approximately EUR 894 per person on continuing professional education for our employees. This was a slight increase on the previous year's average of EUR 860 per person.

Total Recordable Injury Frequency Index E.ON Employees

✓ Reviewed 2011

TRIF E.ON Employees^{1 2}

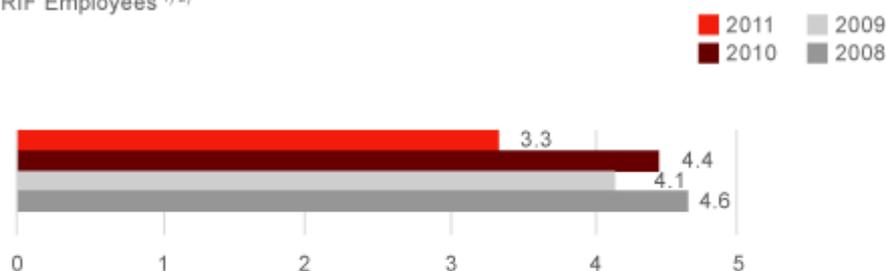
	2011
Generation	3.6
Renewables	1.9
Gas	2.7
Trading	0.5
Germany	5.3
Other EU countries	3.0
Russia	0.1
Group Management/Other	0.1
E.ON Group	3.3

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¹ : Total Recordable Injury Frequency - sum of work-related accidents per million hours worked that result in fatalities, lost workday cases and a limited ability to work, or where employees have received medical attention, but where no time is lost.

² : In deviation from standard the safety indicators includes also companies with a minor shareholding of <50% when E.ON has the operational control.

TRIF Employees^{1) 2)}



1) In deviation from standard the safety indicators includes also companies with a minor shareholding of <50% when E.ON has the operational control.

2) Total Recordable Injury Frequency – sum of work-related accidents per million hours worked that result in fatalities, lost workday cases and a limited ability to work, or where employees have received medical attention, but where no time is lost.

To better understand potential safety risks in the workplace, we have been compiling the Total Recordable Injury Frequency Index (TRIF) since 2008. The TRIF not only records the number of injuries that lead to lost working hours, but also accidents that result in a limited ability to work, or where employees have needed medical attention but no working hours were lost. As of 2011 we also include our contractors and their employees in the TRIF. Our Sustainability Work Program sets a target of 3.0 for this combined TRIF by 2015. The Group's average TRIF was 3.3 in 2011, which already represents a significant improvement compared to previous years. The positive trend of recent years shows that we can use training and management involvement as well

<http://www.eon.com/en/sustainability/key-figures-2011/social.html>

as clear rules and standards to significantly improve workplace safety for our employees and those of our contractors.

Lost Time Injury Frequency Index E.ON Employees

✓ Reviewed 2011

LTIF E.ON Employees^{1 2}

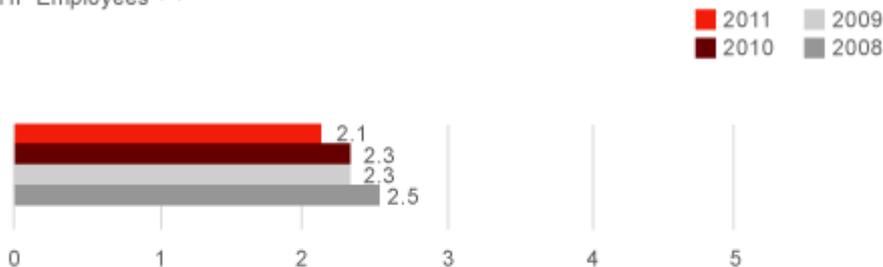
	2011
Generation	2.5
Renewables	1.3
Gas	1.9
Trading	0.5
Germany	3.4
Other EU countries	1.8
Russia	0.0
Group Management/Other	0.1
E.ON Group	2.1

XLS Download

1) : Lost Time Injury Frequency- work-related accidents with lost time per million working hours.

2) : In deviation from standard the safety indicators includes also companies with a minor shareholding of <50% when E.ON has the operational control.

LTIF Employees^{1) 2)}



1) Lost Time Injury Frequency – work-related accidents with lost time per million working hours.

2) In deviation from standard the safety indicators includes also companies with a minor shareholding of <50% when E.ON has the operational control.

E.ON's annual accident rate, calculated using the Lost Time Injury Frequency Index (LTIF), improved from 2.3 to 2.1. LTIF reflects the frequency of workplace accidents per million hours worked. We have almost met the Group-wide LTIF target of 2.0 by 2015. We aim to further lower our LTIF by expanding safety training and continuing to implement our culture of safety.

Lost Time Injury Frequency Index at Affiliated Companies

LTIF by Contractors working for E.ON^{1 2}

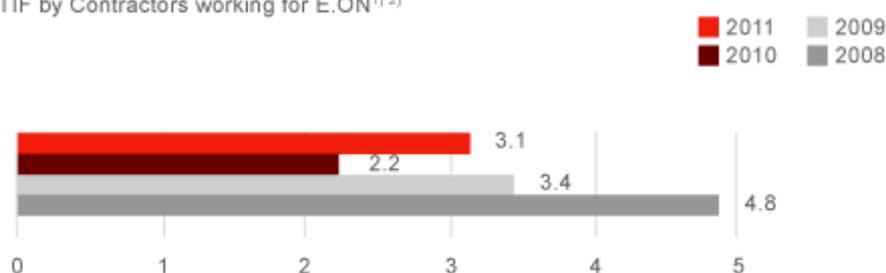
	2011
Generation	4.0
Renewables	3.0
Gas	2.3
Trading	0.0
Germany	3.9
Other EU countries	3.4
Russia	0.3
Group Management/Other	0.8
E.ON Group	3.1

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¹: Lost Time Injury Frequency- work-related accidents with lost time per million working hours. Lost Time Injury Frequency- work-related accidents with lost time per million working hours.

²: In deviation from standard the safety indicators includes also companies with a minor shareholding of <50% when E.ON has the operational control.

LTIF by Contractors working for E.ON^{1 2)}



1) Lost Time Injury Frequency – work-related accidents with lost time per million working hours.

2) In deviation from standard the safety indicators includes also companies with a minor shareholding of <50% when E.ON has the operational control.

E.ON's high safety standards apply equally to our suppliers and contractors. In 2011 we were not able to continue the positive trend in the Lost Time Injury Frequency Index (LTIF) for affiliated companies which began in 2008. Furthermore, at 3.1 we fell just short of the Group's LTIF target of 3.0 for affiliated companies. The worsening of this indicator can be attributed in part to the introduction of a revised HSE standard which sets new rules for reports and investigations. In Germany in particular this led our affiliated companies to become more rigorous in their reporting of incidents which were investigated.

Fatal Accidents

Despite our high occupational safety standards, as in the previous year five fatal accidents occurred across the Group in 2011 at E.ON and our contractors. We deeply regret each of these fatalities. We are working intensively to further strengthen our culture of occupational safety, e.g. by involving the top management more closely as safety role models. In 2009 we launched a Group-wide H&S training program and introduced additional financial incentives. These measures have allowed us to almost halve the number of fatal accidents since 2009.

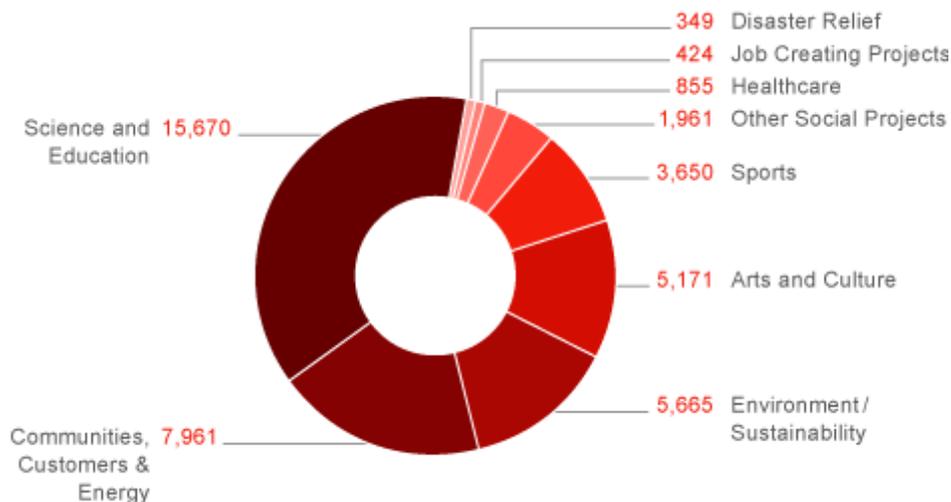
Community Investment

✓ Reviewed 2011

Not-for-profit Investments in the Communities, by Strategic Focus 2011



Total Community Investments 2011
in t€



In 2011, the Group-wide financial commitment to our communities increased from EUR 40.8 million (2010) to EUR 41.9 million. Our community investments can be broken down into three focus areas:

- Strategic community involvement
- Sponsorships that benefit the community, e.g. sponsoring sports and the arts
- Financial corporate giving, including disaster relief

In 2011 more than half of E.ON's social investment was dedicated to strategic community involvement. In the future we will continue to move from donations and sponsorships to providing more targeted support to strategic community initiatives.

The largest share of our investments in society falls into the areas of the arts and culture, science and education, and sports projects. Compliance activities are not included in the total social investment spending figures. Investment in research and development programs and spending on customer marketing also do not fall into this category. Including these investments would lead to a substantial increase in the sums listed here.

Employee Volunteering

As part of our employee Corporate Volunteering, in 2011 some 3,000 employees volunteered for the good of their communities. Their efforts totaled almost 29,000 working hours, which we remunerated according to the terms of their employment contracts. The sum of these remunerations rose from EUR 500,000 in the previous year to over EUR 720,000 in 2011.

Governance

In order to evaluate how successful we have been in implementing our projects, processes and strategies, we need measurable indicators that are economically and socially relevant. These figures help us discover where we can do better and allow a comparison with other companies.

There follows we present an overview of all CR key figures for the governance sphere. Selected figures from our CR Reporting 2011 were verified by external auditors in the course of our assurance engagement (Reviewed 2011).

E.ON Group Financial Highlights

✓ Reviewed 2011

E.ON Group Financial Highlights¹

	2011	+ / - %	2010	2009
Sales (€ in millions)	112,954	+22	92,863	79,974
Adjusted EBIT ² (€ in millions)	5,438	-42	9,454	9,291
Electricity sales ³ (billion kWh)	1,144.80	+11	1,030.4	785.5
Gas sales ³ (billion kWh)	1,718.10	+28	1,342.4	1206.5
Cash-effective investments (€ in millions)	6,524	-21	8,286	8,655
Employees at year end	78,889	-7	85,105	85,108

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¹ : Adjusted for discontinued operations.

² : Adjusted for extraordinary effects (see Glossary).

³ : Including trading sales volume.

Net Value Added

Net Value Added

€ in millions	Use	2011	2010	2009
Value added¹	-	7,665	16,787	18,196
Employees	Wages, salaries and benefits	5,947	5,281	5,158
Government	Current income taxes, other taxes ²	1,421	2,064	2,290
Lenders	Interest expense ³	2,172	2,325	2,109
Other shareholders	Minority interests share of income/loss	358	428	246
Net value added	-	-2,233	6,689	8,393
Shareholders	Dividends ⁴	2,001	2,858	2,858

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¹: From continuing operations.

²: Adjusted for deferred taxes, excludes other federal, state and local fees and levies (such as concession fees of 492 Mio € in 2011).

³: Excludes the accretion expense on long-term interest expense.

⁴: Income from continuing operations (attributable to shareholders E.ON AG).

Energy Mix of Electricity Generated

 Reviewed 2011

Energy mix of Electricity Generated¹

In %	2011	2010	2009
Coal	29	28	29
Nuclear	22	26	27
Gas/Oil	38	35	34
Hydro	6	6	6
Wind	4	3	2
Others (Renewables including waste)	1	2	2
Total	100	100	100

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¹: Adjusted for discontinued operations.

In 2011 the amount of electricity generated in E.ON's power plants totaled 271.2 billion kWh, 2 percent below the previous year's level of 276.1 billion kWh. Fossil fuels continue to play a large role in our energy mix, with their share increasing to 67 percent in 2011. One important reason was the decreased use of nuclear energy, caused in part by the German government's 2011 moratorium and ensuing decision to phase out the use of nuclear power. Two of our nuclear power plants in Germany were decommissioned as a result. In 2011, 11 percent of our generated energy came from renewables. Renewable energies make up a steadily growing proportion of our energy mix, with wind power alone increasing by 1 percent every year since 2008.

<http://www.eon.com/en/sustainability/key-figures-2011/governance.html>

Average Age of Power Plants

- Average age of gas and oil power plants: 32.2 years
- Average age of coal-fired power plants: 36.9 years
- Average age of nuclear power plants: 28.6 years

Gas Supply by Country

✓ Reviewed 2011

Gas supply by country¹

In billion kWh	2011	% ²	2010	2009
Russia	178.1	27	184.9	164.3
Norway	149.5	23	174.2	166.8
Germany	148.6	22	159.7	134.4
Netherlands	118.1	18	118.2	93.1
Denmark	14.3	2	16.8	17.7
Others	51.9	8	30.7	47.8

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¹: Gas purchases of E.ON Ruhrgas AG; total 660.5 billion kWh.

²: Numbers rounded.

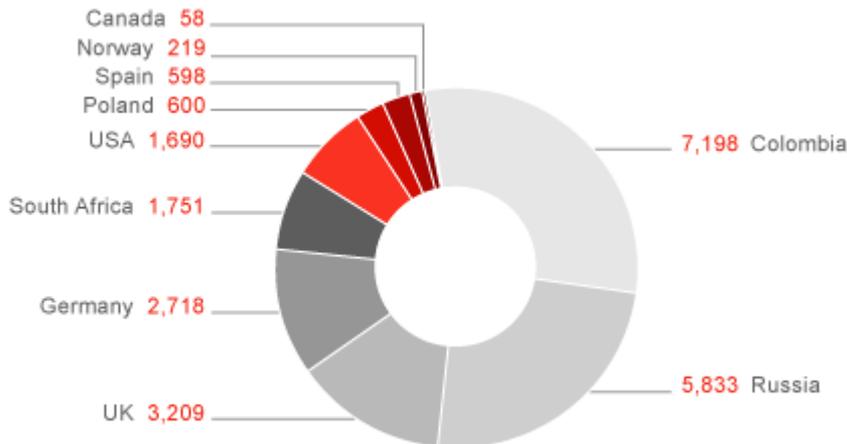
Using a mix of long-term and flexible purchasing contracts, we aim to both ensure price stability and minimize our dependence on individual supplier countries. In 2011 E.ON Ruhrgas purchased 660.5 billion kWh of natural gas from different countries, an approximately 4 percent decrease compared to 2010. The most important source countries were Russia at 27 percent, Norway at 23 percent, Germany at 23 percent and the Netherlands at 18 percent. In addition, E.ON Földgaz Trade purchased some 79 billion kWh (2010: 92.4 billion kWh) of natural gas in 2011, primarily from Russia. We intend to cover up to 20 percent of gas supplies from our own sources in the long term. Here we are focusing on the North Sea off Great Britain and Norway, North Africa and Russia. Since August 2010 we have been operating an initial gas production platform located off the coast of Great Britain. It is set to produce more than 5 billion cubic meters of natural gas in the next 20 years. Our activities in the dynamic market for liquefied natural gas (LNG) form the third pillar of our natural gas procurement strategy.

Hard Coal Procured by Source Country

✓ Reviewed 2011

Hard Coal Procured for E.ON Power Stations by Source Country (2011)¹⁾

in kt (Total: 23,855)



In 2011 E.ON purchased a total of 23,800 kilotons of coal for coal-based power generation, a moderately larger amount than in the previous year (21,800). Representing 50 percent of all coal purchased, Russia and Columbia are by far our most important source countries for hard coal. While Russia was our main supplier for a long time, the balance has shifted in Columbia's favor in recent years (2011: 30 percent overall). E.ON worked with seven leading European energy providers to develop the Better Coal Initiative. Its goal is to continuously improve sustainability along the entire coal supply chain, especially the mining stage.

Uranium Supply by Source Country

The world's largest deposits of uranium are found in stable export countries such as Canada and Australia. Since the quantities needed are small compared to fuels such as coal, natural uranium is also easy to store. In 2011 E.ON met the majority of its uranium requirements with natural uranium from Canada, Kazakhstan, the USA, Russia and Australia; the uranium was then enriched in Europe and Russia. In addition, we have stocks of natural uranium that originated in the abovementioned five countries. On average we need approximately 1,300 tons of natural uranium each year to fuel our nuclear power plants in Germany and Sweden.

R&D Budget

✓ Reviewed 2011

Technologie and Innovation, Software

€ in millions	2011	2010	2009
Technology	81	61	62
Demonstration	18	26	26
University Support	8	6	17
Total T&I	107	93	105
Software [†]	42	27	-
Total	149	120	-

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[†] : intangible assets according to IAS 38 (here: software development) are reported in the area of Technology & Innovation since 2011

In 2011 we restructured our Technology & Innovation (T&I) organization. T&I activities carried out in the regional units are now centrally managed by Group headquarters. System-relevant aspects that affect all units are also analyzed here. One major responsibility of the T&I organization is to drive business innovations forward until they can be brought to fruition by the relevant unit. Despite the challenging market environment, we increased our T&I spending for the first time since 2008. At a minimum we plan to maintain spending at this level in the coming years. We may allocate more funds to specific topics as needed.

ESG Performance within E.ON

The Board of Management and Supervisory Board of E.ON have cross-divisional responsibility and bear central decision-making power for all sustainability activities and strategic objectives. The boards receive periodic updates on sustainability activities. Those responsible for CR and HSE keep the individual members of the Board of Management informed by regularly submitting reports or holding personal meetings. The Quarterly Board Report, which is addressed to the Board of Management, also contains key indicators in the areas of safety, environmental protection and diversity.

The variable annual salary (short-term incentive) of E.ON executives is dependent on the performance of the individual and of the company as a whole. Depending on their scope of responsibility, the performance reviews of E.ON board members and managing directors also include concrete objectives that impact their bonuses, e.g. HSE targets. In 2010, we adopted our Code of Responsible Conduct for Business. In this mission statement, we advocate a clear relationship between services rendered and services received; financial losses must be reflected in executives' earnings.

<http://www.eon.com/en/sustainability/key-figures-2011/governance.html>

Compliance and Anti-Corruption

We are aware that we operate in countries where the risk of corruption exists. According to Transparency International's Corruption Perceptions Index (CPI), E.ON does business in 16 nations which score below the threshold value of five points. To counteract this risk, we have established a comprehensive Group-wide whistleblowing system that is accessible to all employees.

The E.ON Board of Management and the Supervisory Board's audit committee are responsible for the operation of our compliance organization. The Chief Compliance Officer (CCO) reports to them on compliance topics such as anti-trust law, securities law and insider regulations, the Code of Conduct, and fraud and corruption issues. The CCO is also responsible for updating the Code of Conduct and other compliance guidelines on a regular basis. All regional and global units have a compliance officer who reports directly to the CCO at E.ON Group headquarters. Any unit in which a compliance rule is violated is directly responsible for investigating the breach, ensuring its cessation and applying sanctions.

E.ON works with a law firm to facilitate the identification of potential compliance violations. In 2010 we launched a Group-wide whistleblower hotline where employees can report suspected breaches. The law firm receives the reports and passes them on to the CCO, anonymously if desired. This ensures that our employees can communicate suspected violations without fear of reprisal.

As part of our compliance organization, we have created an expert team within Corporate Audit to detect and investigate fraud. It plays a key role in our efforts to fight corruption and fraud.

Responsible Lobbying

E.ON respects the provisions of European law as well as national legislation in the countries where we do business. We comply with the applicable regulations when participating in committees and political working groups. In December 2011 E.ON joined the European Union (EU) Transparency Register for organizations and self-employed individuals engaged in EU policy-making and policy implementation. This is an expression of our commitment to interacting with the institutions of the EU in a transparent manner. In addition, we use the European Parliament's accreditation procedure for lobbyists to the EU. We have also lent our support to efforts to introduce a similar accreditation process in Germany.

In all of our activities, E.ON adheres to our self-imposed standards of ethical behavior and our Code of Conduct. Our Guidelines on Benefits state that we will give no gifts or grant other benefits to government officials that could convey the impression of trying to influence the decision-making process or arrange a quid pro quo. Targeting policy makers with gifts or contributions in anticipation of pending official decisions is categorically prohibited. We respect the dignity of the individual and their right to form an opinion independently.