Highlights 2021/22

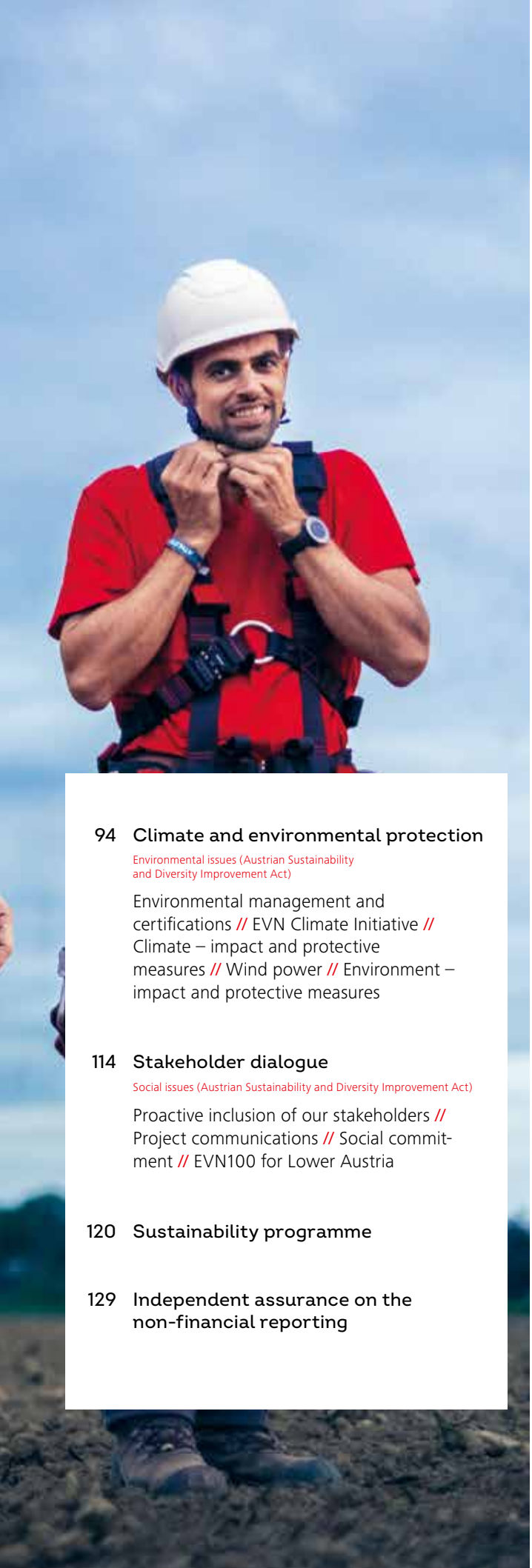
Revenue
EUR 4.1 bn

EBIT
EUR 331.6 m

Group net result
EUR 209.6 m

Dividend proposal
EUR 0.52 per share

Contents



About this report

Under the title "EVN Full Report", we publish an integrated annual and sustainability report for the previous financial year which covers the period from 1 October to 30 September. Our goal for this publication is to provide equal treatment for financial and non-financial information, including the corporate governance report.

Reporting in accordance with the Austrian Sustainability and Diversity Improvement Act

EU Directive 2014/95/EU on the disclosure of non-financial and diversity-related information (NFI Guideline) was implemented in Austria through the Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz"). In order to meet the related requirements, we selected the option to prepare a separate non-financial report for the 2021/22 consolidated financial statements and integrate this information in our full report. The disclosures required by the Sustainability and Diversity Improvement Act on environmental, social and employee issues, respect for human rights and the fight against corruption are therefore presented under the section "Non-financial report" and listed separately in the table of contents for easier orientation.

EU Taxonomy Regulation

EVN is required to meet the requirements defined by Article 8 of the EU Taxonomy Regulation for the first time in reporting on the 2021/22 financial year. Since the EU Taxonomy reporting requirements take effect in stages, EVN must only include an evaluation of its taxonomy-eligible economic activities for the environmental goals "climate change mitigation" and "climate change adaptation" as part of its reporting for 2021/22. However, we have decided to report voluntarily, and one year earlier than legally required, the share of turnover, capital expenditure and operating expenditure generated by our taxonomy-aligned economic activities to give our stakeholders, in particular investors, analysts and lenders, a comprehensive overview of our efforts in this area.

For information on the EU Taxonomy Regulation, see page 39ff

Applied standards and guidelines

This full report meets the high standards of the UN Global Compact and presents our progress in the related areas. The following corporate departments were responsible for the collection and calculation of data in accordance with national and international standards and with the guidelines for financial and sustainability reporting: accounting, controlling and human resources management as well as the staff department for innovation, sustainability and environmental protection. The consolidated financial statements were prepared in accordance with § 245a of the Austrian Commercial Code based on the requirements of the IFRS issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which required mandatory application as of the balance sheet date and had been adopted by the European Union.

Non-financial reporting for the 2021/22 financial year is based on the applicable standards of the Global Reporting Initiative (GRI), option "core", and also includes additional performance indicators. The reported GRI indicators are summarised in the GRI content index to provide an overview of the subject matter.

For information on the GRI content index, see page 275ff

Reporting principles and structure

At EVN, we attach great importance to giving equal treatment to the interests and concerns of our various

stakeholders. The selection of the non-financial reporting content is based on its relevance for sustainability and our goal to achieve a balanced and complete presentation of the most important current issues in line with the following principles:

- **Inclusion of stakeholders:** The reporting content is based on legal requirements and the information needs of our stakeholders, which were last identified through a stakeholder survey in 2021. This structured survey process takes place every three years.
- **Materiality:** EVN's most important activity and subject areas are defined by the EVN materiality matrix based on the results of the stakeholder survey and are reflected in the structure for this full report. The classification by area of activity is intended to give equal treatment to the diverse and varied information needs of EVN's target groups. In agreement with the GRI reporting standards, information of low importance is not provided in order to maximise relevance and transparency by concentrating on the most significant issues.
- **Completeness:** This reporting meets applicable legal requirements as well as the applied GRI standards.

For information on EVN's materiality matrix, see page 16f

External verification

The limited assurance audit for the 2021/22 financial year was conducted by BDO Austria GmbH Wirtschafts- und Steuerberatungsgesellschaft and was performed in agreement with the requirements of the Austrian Sustainability and Diversity Improvement Act, respectively with § 267a of the Austrian Commercial Code and GRI standards 2016 option "core" as well as Article 8 of the EU Taxonomy Regulation (2020/852) in connection with Article 10 para. 2 and para. 4 of the delegated regulation of the European Commission (2021/2178) and in connection with Article 9 letter a and b of the EU Taxonomy Regulation (2020/852).

The auditors' report can be found on page 269ff
For the independent assurance report on the consolidated non-financial report, see page 129ff

Additional information

We prepared this full report and verified the data with the greatest possible diligence. Nevertheless, rounding, typesetting and/or printing errors cannot be excluded. The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates. This full report also contains forward-looking statements, estimates and assumptions which are based on the information available to us up to the editorial deadline. Such statements are typically connected with terms such as "expect", "estimate", "plan", "anticipate" etc. We would like to point out that actual circumstances – and, in turn, the company's performance and results – may differ from the expectations and forward-looking statements contained in this report for a variety of reasons.

We use the following signs in this report:

- Reference to additional information in this full report
- Reference to content on the internet
- Reference to GRI standards

EVN is committed to equal treatment in references to all genders in its internal and external publications, i. e. also in this full report.

This full report is available in German and English. In case of doubt, the German version takes precedence.

The editorial deadline for this report was 23 November 2022.

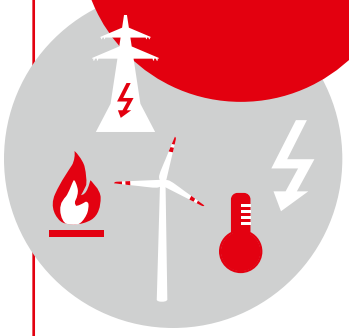
- For information on the Global Reporting Initiative, see www.globalreporting.org
- For information on the UN Global Compact, see www.unglobalcompact.org
- GRI indicators: GRI 102-46, GRI 102-54

Our EVN – the company for energy, water and environmental services

EVN's headquarters are located in Lower Austria, further core markets are Bulgaria and North Macedonia. In total, EVN is currently active in 14 countries.

Business areas

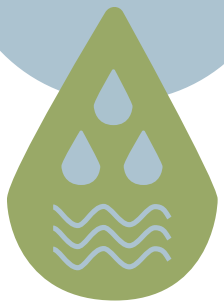
Energy business



Our integrated business model covers the entire value chain:

- → Energy generation
- → Operation of distribution networks
- → Supply of electricity, natural gas and heat to end customers (with different focal points in our individual markets)

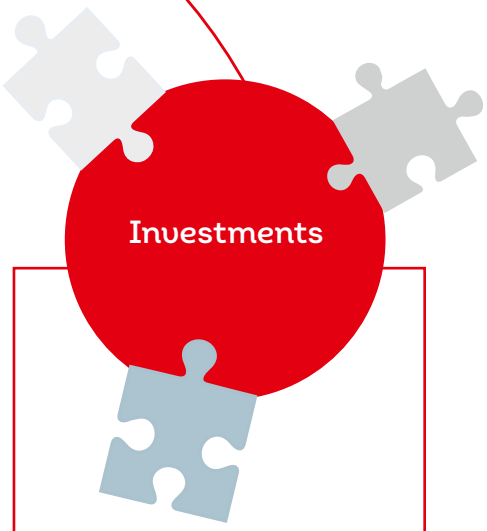
Environmental services business



The environmental services business covers the following activities:

- → Drinking water supplies in Lower Austria
- → International project business: planning, construction, financing and operation of plants for drinking water supplies, wastewater disposal as well as thermal waste and sludge utilisation

Investments



Investments in areas related to the core business supplement and hedge our value chain:

- → Verbund AG (12.63%)
- → Burgenland Holding (73.63%), which, in turn, holds 49.0% of Burgenland Energie
- → RAG (50.03%)

Markets[1] and business areas

Germany
- → **Generation:** electricity
- → **Energy supplies:** electricity
- → **Environmental services business:** drinking water supplies and wastewater treatment, thermal sludge utilisation

Austria
- → **Generation:** electricity, heat, thermal waste utilisation
- → **Network operations:** electricity, natural gas, heat, cable TV, telecommunications
- → **Energy supplies:** electricity, natural gas, heat
- → **Environmental services business:** drinking water supplies

Bulgaria
- → **Generation:** electricity, heat
- → **Network operations:** electricity, heat
- → **Energy supplies:** electricity, heat

Croatia
- → **Network operations:** natural gas
- → **Energy supplies:** natural gas
- → **Environmental services business:** wastewater treatment

North Macedonia
- → **Generation:** electricity
- → **Network operations:** electricity
- → **Energy supplies:** electricity

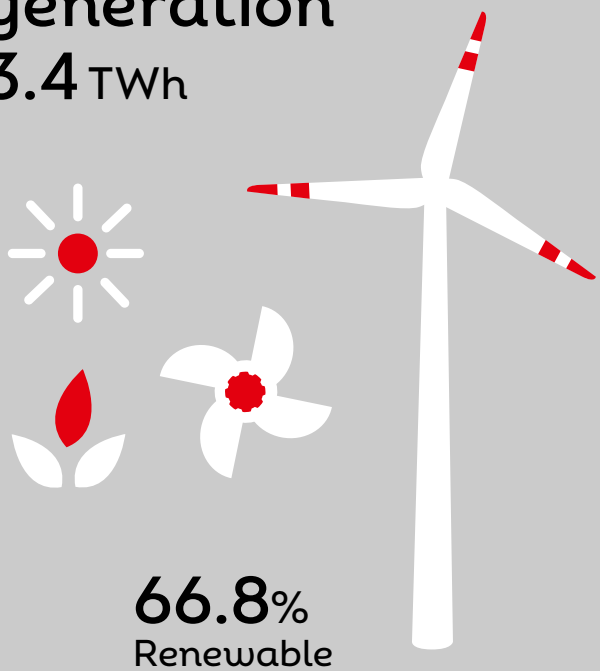
Albania
- → **Generation:** electricity

Other countries
- → **International project business:** WTE is responsible for the construction and operation of plants for drinking water supplies, wastewater treatment and thermal waste and sludge utilisation in Germany, Poland, Lithuania, Romania, Slovenia, Croatia, Cyprus, Bahrain and Kuwait

1) Map outlines markets in the energy business

Value chain and key data

Electricity generation
3.4 TWh



66.8%
Renewable

33.2%
Thermal

Trade and supply

Energy sales volumes
28.4 TWh

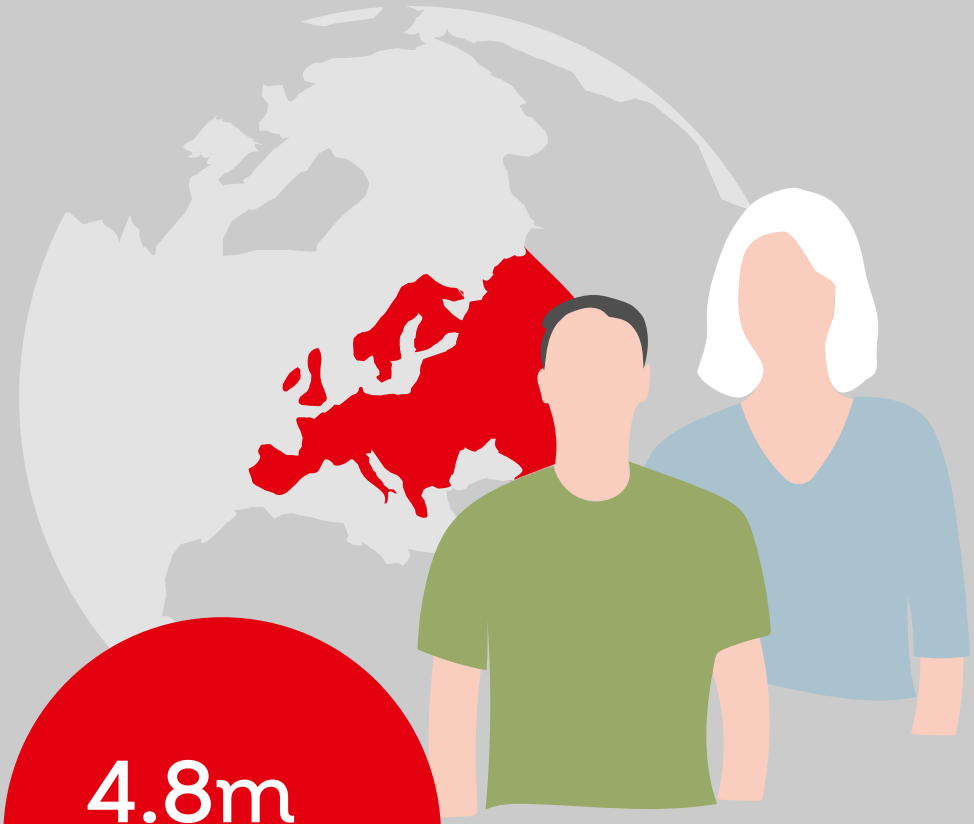
163,879 km Networks

148,961 km
Electricity

13,999 km
Natural gas

937 km
Heat

Storage
6.3 bn m^3
Natural gas storage capacity of RAG



4.8m
Customers

3.5m
Electricity

0.3m
Natural gas

0.1m
Heat

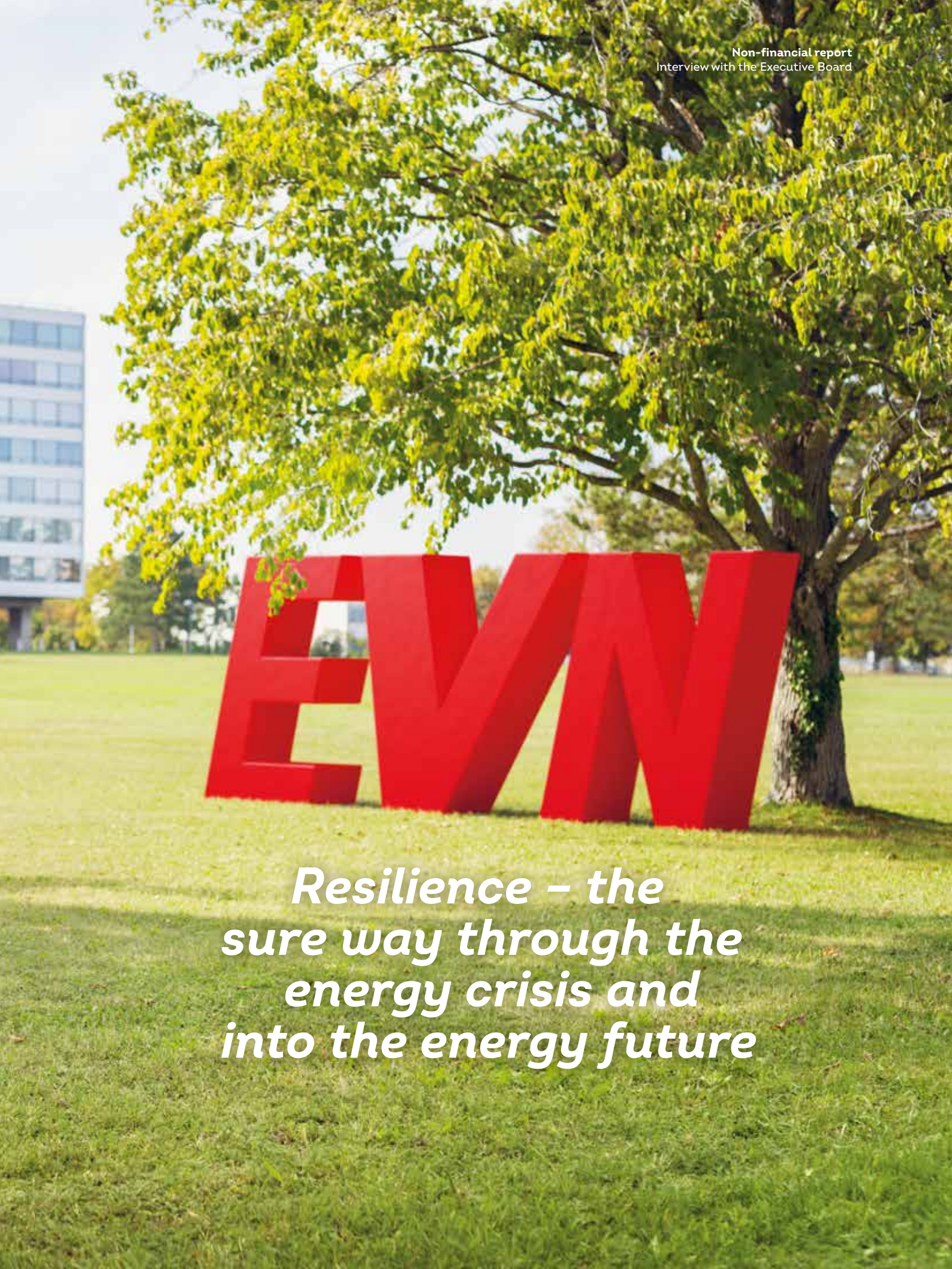
0.6m
Drinking water

0.3m
Cable TV and telecommunications

Environmental services business

Drinking water supply in Lower Austria and 14 international projects in realisation

Stefan Szyszkowitz, Franz Mittermayer
EVN Executive Board



Resilience – the sure way through the energy crisis and into the energy future

For EVN, 2022 was supposed to set the stage for the celebration of the company's 100th anniversary. The framework for these festivities was, however, clouded by unusually heavy disruptions throughout the energy branch. Taken as a whole, how would you judge the past year?

Stefan Szyszkowitz: There is absolutely no doubt that the energy branch is experiencing an unprecedented situation. The extent of the distortions is massive, and the dimensions are historic. An in-depth analysis shows that a combination of factors led to this unparalleled situation: In summer 2021, the start of the economic recovery after the Covid-19 pandemic was responsible for a surge in energy demand and, consequently, for an increase in energy prices. An additional driver for natural gas and electricity prices was the shortage of CO_2 emission certificates, and resulting higher prices, intentionally triggered by the European Union. These factors were followed by warlike rhetoric, then the start of the war in Ukraine during February 2022 and, since that time, a cycle of escalations involving Russian gas deliveries. The forward prices for energy became a mirror image of all these developments – and resulted not only in a continuing series of new highs but also in strong volatility and uncertainty. According to our estimates, it will be some time before we see any normalisation – and that is reflected in our updated forecasts.

When the greatest crisis in our branch coincides with the 100th anniversary of our company – just like the scenario in 2022 – that naturally influences our current position: "How is EVN doing in this centennial year?" Irrespective of the crisis, however, our résumé is very positive: EVN is – in spite of all the present-day adversities and uncertainty – in a very stable position! This resilience is, in the end, also the result of a corporate culture that we have actively lived for more than 100 years – a culture based on a mindset that includes values such as respect, foresight and the will to change, all of which are integral parts of our DNA. We owe this position to our many

» We are **clearly committed** to positioning EVN as **an attractive investment** for ESG investors. «

Stefan Szyszkowitz,
Spokesman of the Executive Board

colleagues who – now as well as then – have contributed to the diversification and further development of our business model with their expertise and commitment and will continue to do so in the future. This spirit creates the resilience for quick reaction to unexpected situations and solution-oriented answers.

Exactly how have your customers been affected by the energy crisis?

Franz Mittermayer: Price trends have, of course, been a particular focus of our monitoring since the beginning of the market disruptions. Our responsibility to protect the economic interests of EVN and its stakeholders is particularly challenged in the present situation. Against this backdrop, we had no alternative but to gradually pass on these higher procurement costs to our customers. A major concern at this same time was to provide the best possible support for vulnerable customer groups by ensuring the accuracy of the monetary assistance programmes initiated by the federal and provincial governments. For example: We launched a broad-based information campaign in September 2022 to make sure all Lower Austrian households could utilise their entitled rebates and subsidies as quickly as possible. We proactively contacted residents by sending our customer relations teams into the near and far corners of our supply area with the EVN bus for an entire month.

Our campaign included easy-to-implement electricity saving tips as well as specific opportunities for energy savings. With "Optima Smart Natur", we also developed an innovative offering with two tariff options that are based on the weekday or time of the day. The advantages created by smart meters are the key here – assuming they are activated – and enable the transmission of electricity consumption at quarter-hour intervals. This exact information on energy consumption makes it possible to reduce costs by using electricity, where possible, at a lower tariff during the evening or night hours, and consumption patterns can then be optimised from a pricing perspective. Roughly 5,000 customers have already switched to this tariff.

Do you have any examples of "crisis as an opportunity" in the present situation?

Franz Mittermayer: Without disregarding the enormous burden placed by rising energy prices on national economies, we can actually see several paradigm shifts. There has been a massive rethinking, for example, regarding energy consumption, and efficiency improvement as an incentive for customers is suddenly finding broad acceptance. In these times of pressing issues involving climate policy as well as the shortage of resources – in addition to natural gas, hydropower has also become a concern due to the low precipitation this past summer – it is now obvious that every kilowatt hour of electricity that is not needed contributes to the stability of the energy system. Another interesting development in discussions over the long-term transformation of this system is the realisation that the current price level will move new technologies from the niche of unprofitable futuristic options into the stage of initial industrial test facilities. One example is the electrolysis equipment required for the production of green gas.

The energy future and climate policy bring us right to the next subject. What are the latest developments in these areas?

Stefan Szyszkowitz: When we developed our Strategy 2030 two years ago, it was absolutely clear that we wanted to position EVN close to the relevant international frameworks for our branch – for example, the United Nations Sustainable Development Goals or the energy and climate policy goals of the Paris Climate Agreement and the European Green Deal. One year ago, we coordinated a path with the Science Based Targets initiative to successively reduce our greenhouse gas emissions by 2034. And we have integrated these goals in our medium- and long-term financial planning. We also launched a new campaign "EVN for the Climate – the EVN Climate Initiative" to strengthen the emotional ties between our own ambitions and our internal and external stakeholders. And we are well aware that we can only reach these goals when we work together and really want to make the energy future reality.

And that leads to our next subject, investments …

Franz Mittermayer: We remain committed to our investment programme with its annual volume of EUR 500m – or, generally speaking, more than that – as part of our Strategy 2030. These investments underscore EVN's clear positioning on all central future issues and play a key role in renewable generation, network infrastructure and drinking water supplies for Lower Austria. Roughly three-fourths of our annual capital expenditure is directed to these three areas.

The expansion of renewable energies – after many years of tedious approval procedures – is finally gaining momentum: Our installed wind power capacity equalled 407 MW as of 30 September 2022 and, based on available permits, we can realise two other wind parks with a combined capacity of 55 MW as well as a repowering project. That means we are on schedule to raise our total wind power capacity to 750 MW by 2030.

Our project pipeline for photovoltaics is also well filled, and we are on track to meet our target for a total capacity of 300 MW by 2030. We are currently constructing our first large-scale photovoltaic plant with a capacity of 10 MW on the grounds of a former landfill in Trumau, south of Vienna. The expansion of private photovoltaic construction in Lower Austria is also very impressive and underscores the need for our network investments: In Lower Austria, 58,000 photovoltaic plants with a combined output of over 684 MW now feed electricity into the network.

» EVN is optimally positioned and equipped to master the challenges of our times! «

Stefan Szyszkowitz,
Spokesman of the Executive Board

EVN's new biomass cogeneration plant in Krems is scheduled for commissioning at the beginning of 2023 after a construction period of only two years. We can then supply roughly 15,000 households with green electricity and nearly 30,000 households with natural heat from regional biomass. In addition to the further expansion of biomass heating plants – as you know, we have sufficient local supplies of biomass in Lower Austria – we are evaluating a number of other options to reduce the volume of natural gas needed to heat indoor rooms. These alternatives include heat pumps (driven by renewable electricity) as well as geothermal energy or the use of biogas as a substitute for natural gas.

In the field of water, EVN is responsible for operations in five natural filter plants. The fifth is located in Petronell and was commissioned in March 2022. It supplies nearly 50,000 customers in the region surrounding Vienna International Airport in Schwechat with drinking water that is softened by natural means. However, this past summer – with its above-average temperatures and below-average precipitation – demonstrated the importance of our ongoing investments in the expansion of our cross-regional supply pipelines. That's the only way we can continue to guarantee optimal distribution from our wells and elevated tanks in view of the rising demand for water and the decline in regional ground water volumes.

All these ambitious projects require qualified employees. Is the frequently mentioned lack of specialists and personnel shortage also an issue for EVN?

Stefan Szyszkowitz: We are convinced that progress must become an essential part of our workplace culture and never be reduced to keywords like mobile working. A substantial part of this change must also come from EVN as an employer. Let me give you one example to make this more tangible: EVN has always believed that our colleagues should work in changing fields, grow with challenges, and develop with increasing responsibility. If, in the future, we have a lack of qualified staff, especially in technical disciplines, and, at the same time, a smaller pool of suitable candidates, we must open EVN even more with a clear commitment to diversity. This will support the development of a culture that addresses today's diversity. In addition, our communications with the employment market across all regions and fields of activity are focused on employer branding and thus on the positive perception of EVN as an employer.

What are the latest developments in the international project business?

Franz Mittermayer: Good progress was made on our large-scale project in Kuwait during the past financial year, after a very difficult start due to corona-related lockdowns, especially the month-long shutdown of the Kuwait airport, as well as disruptions in international supply chains. We have filed for compensation for these delays, which were well beyond our control, and are in positive talks with the responsible ministries and public authorities. The important issue now is to keep construction on schedule: At the end of September 2022, the stage of completion on the wastewater treatment plant had reached nearly 60% and the related infrastructure roughly 40%. Assuming progress continues as planned, we will be able to complete the construction of this wastewater treatment plant by the end of the 2022/23 financial year.

We also have good news from our thermal sewage sludge utilisation projects. The plant in Halle-Lochau, which was built by our 50:50 joint venture sludge2energy, was commissioned in April 2022, and we started construction on a further sewage sludge utilisation plant in Berlin-Wassmannsdorf during September 2022.

Contrary to all reservations, EVN is continuing to work on the implementation of its Strategy 2030. That should also make the capital market happy …

Stefan Szyszkowitz: Actually, it does.

The EVN share successfully completed its intended returned to Vienna's benchmark index in March 2021 and is now well positioned in the ATX. Based on our strategy, we are clearly committed to positioning EVN as an attractive investment for ESG- and sustainability-oriented investors. That is reflected

in our decision to report voluntarily on the share of turnover, CapEx and OpEx generated by our taxonomy compliant economic activities in 2021/22.

We see ourselves as a stable partner for our shareholders. Our recommendation to the Annual General Meeting will call for the distribution of a EUR 0.52 dividend per share for the 2021/22 financial year. In the future, our dividend policy is designed to hold the annual dividend at least constant. We are also committed to appropriate participation for our shareholders in future earnings growth.

We also want to retain our rating in the solid A range and therefore pay particular attention to maintaining a balance between earnings and net debt. However, we do see a certain flexibility for temporary fluctuations in net debt – in view of our investment requirements and working capital financing needs.

The previously mentioned resilience of our business model, our Strategy 2030 and decarbonisation path as well as our investment programme with its clear focus on our regulated and stable business fields send a clear signal to the capital market: EVN is optimally positioned and equipped to master the challenges of our times!

» With **our investments,** we play **a key role** in renewable generation, network infrastructure and drinking water supplies **for Lower Austria.** «

Franz Mittermayer,
Member of the Executive Board

Clear values, focused strategy

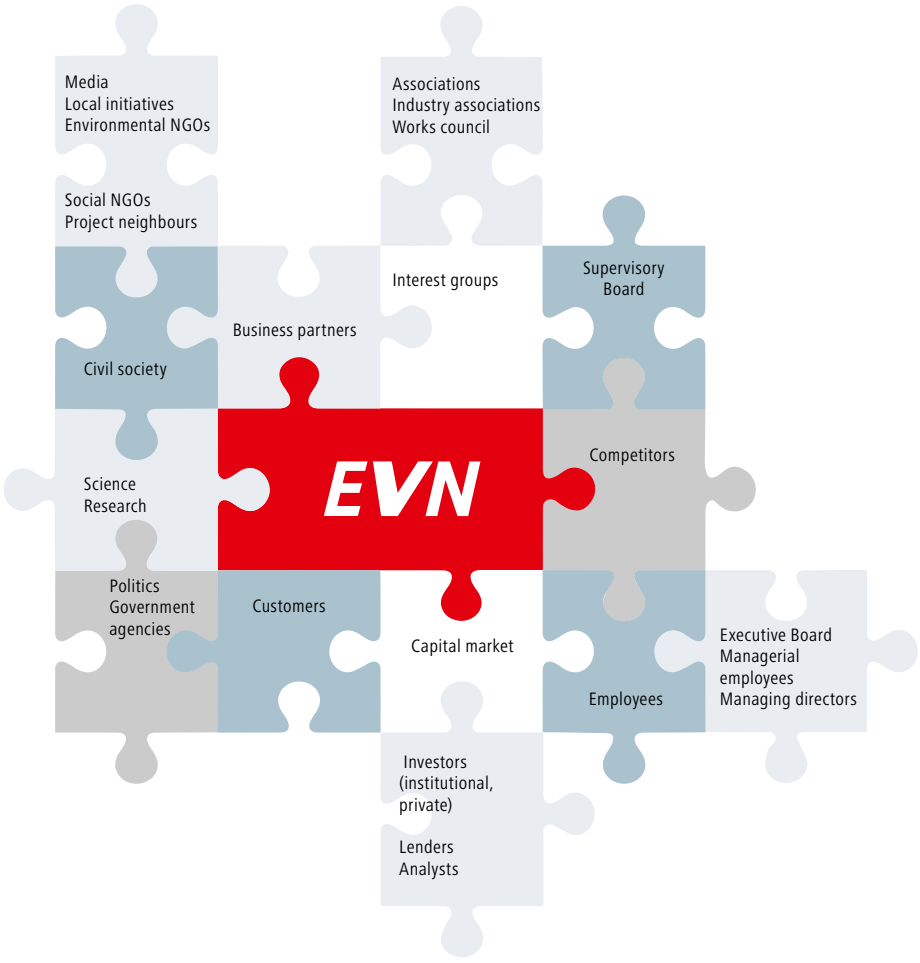
A clear set of values and a focus on areas of activity that we regularly review and prioritise together with our stakeholders form the basis for all our corporate actions. This structure determines the principles and rules for our interaction with our employees, suppliers and business partners – as well as our corporate strategy.

EVN's value structure includes fundamental statements on our vision, mission and corporate values as well as binding Group-wide standards for behaviour and actions. As a member of the UN Global Compact, we are expressly committed to compliance with the global principles of ethical business activities. Our strong sense of responsibility for our daily supply and disposal activities is reflected in strict standards for our business and the management of our Group. Compliance with ethical values and all applicable legal requirements is a matter of course.

We are committed to the concept of sustainable management and, in this sense, work to create a balance between economic, ecological and social factors. This covers the ethical, social and environmental aspects – meaning the subject areas summarised under Environment, Social and Governance (ESG) – which we combine under the term "sustainability". Our guiding principle is to achieve a fair balance between the concerns of everyone interested in our company – our stakeholders. Expertise and reliability create satisfaction for our customers and, in turn, safeguard our long-term success. We meet our responsibility for the climate and the environment, in particular, by minimising emissions, conserving resources and increasing the use of renewable energy carriers. Continuous innovation and efficiency improvements play a decisive role in this process. Our value system is strengthened by a clear commitment to social responsibility.

The EVN Code of Conduct: see page 28ff
Also see www.evn.at/corporate-policy-statement
Also see www.evn.at/environmental-policy-statement
Also see www.evn.at/integrity-clause
GRI indicators: GRI 102-16, GRI 102-21, GRI 102-40, GRI 102-42, GRI 102-43

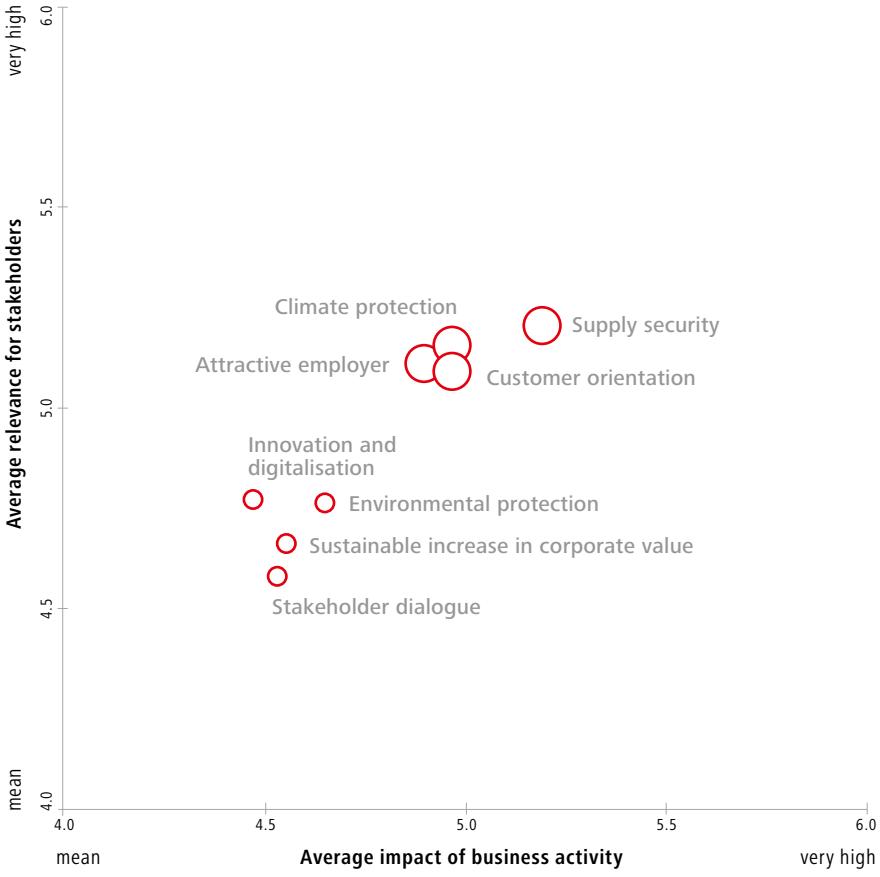
EVN's major stakeholders



Stakeholder interests and the EVN materiality matrix

We attach high importance to maintaining an institutionalised dialogue on strategic issues with our various stakeholder groups. Apart from the event-driven contacts at different levels that are related to our normal business activities, the regular updating of our materiality matrix – generally in a three-year cycle – forms the core of our stakeholder management in the area of sustainability. The last stakeholder survey was conducted in spring 2020 during the first lockdown triggered by the Covid-19 pandemic and was followed by a new survey in 2021 to verify the results.

EVN materiality matrix 2021/22



A representative selection of our internal and external stakeholders was asked to complete an online questionnaire and evaluate the relevance of the areas of activity and their impact on business activities. This structured survey process was designed to focus on the issues which have the highest priority for our stakeholders and, at the same time, represent the greatest economic, ecological or social impacts on our business activities. Our reporting is also directed to the key issues and areas of activity which have a mean to very high relevance for EVN in the materiality matrix.

In combination with our value system, this concept creates a clear framework for our entrepreneurial activities and our core strategies. The concerns and priorities of our internal and external stakeholders provide us with valuable input and guidance. The materiality matrix is an important element which helps us to focus on the relevant issues in updating our strategy.

- For information on the areas of activity, see page 23ff
- For information on the project-related stakeholder dialogue, see page 116ff

- GRI indicators: GRI 102-44, GRI 102-47

Strategy 2030: More sustainable. More digital. More efficient.

The 2019/20 financial year set the stage for the future-oriented development of our corporate strategy in a Group-wide process by EVN's management in close coordination with the Supervisory Board. It covers eight core strategies which are presented on the following double page.

Our strategy process is significantly influenced by the international frameworks applicable to the energy sector. Included here are the Sustainable Development Goals of the United Nations (SDGs) and the goals of energy and climate policy (e. g. the Paris Climate Agreement and European Green Deal). These goals and policies are leading, in part, to massive changes in the environment and in the legal and regulatory requirements on energy providers. The determining change for our industry – and a crucial factor for our strategy – is the result of social and political efforts to achieve the fastest possible transition to a functioning CO_2-free energy system in order to minimise sector-specific climate effects faster and even more clearly. Our answer to these developments is the EVN Climate Initiative, which is based on the Strategy 2030. It links relevant objectives, which include the decarbonisation goals coordinated with the Science Based Targets initiative and the climate neutrality of selected group companies, with EVN's overall strategy.

The development of many basic market and environmental factors is connected with uncertainty. Our strategy process therefore includes sensitivity and scenario analyses to support reliable conclusions for the identification of concrete measures. We also continuously monitor energy sector conditions and regularly discuss developments, including deviations from plan assumptions and their effects, at the management level – for example, at the quarterly segment steering committee meetings where the members of the Executive Board and managers exchange information with internal experts. The Executive Board then regularly discusses the aggregated findings with the Supervisory Board.

- For the EVN Climate Initiative, see page 100f

- GRI indicators: GRI 102-21, GRI 102-29, GRI 102-43, GRI 102-44, GRI 102-47, GRI 413-1

Continued on page 20→

Our core strategies 2030

	Integrated business model as a solid basis	Investment focus on network infrastructure	EVN Climate Initiative	Strengthening of end customer business through steady digitalisation
Sector environment and trends	Climate and energy policies are driving the rapid transformation towards a CO_2-neutral energy system Initiatives to combat climate change are leading to massive changes in the international energy markets	Strain on networks due to the transport of rising, volatile feed-in from renewable generation	Global targets for the reduction of greenhouse gas emissions European and Austrian climate policy with a clear commitment to system conversion towards renewable generation	Increasing competition in the end customer market Rising demand for digitalisation and smart technologies
Our strategy	**Diversification with a clear focus on climate neutrality, circular economy, digitalisation and drinking water supplies** **Efficiency improvements in all business areas** **Stable and regulated activities form a solid backbone**	**Continuous and future-oriented expansion of facilities in the regulated network segment** **Focus on supply security and quality**	**Active contribution to climate protection (e. g. through agreeing a decarbonisation path by 2034 with the Science Based Targets initiative as well as climate neutrality in selected subsidiaries)** **Focus on wind power and photovoltaics**	**Digitalisation of sales processes** **Further development of business models and energy services through digitalisation**
	1 4 5 6	1 2 5 6	1 5	1 3 4

Areas of activity

1. Sustainable increase in corporate value
2. Supply security
3. Customer orientation
4. Innovation and digitalisation
5. Climate protection
6. Environmental protection


Growth and efficiency improvement in South East Europe
Increased focus on drinking water supplies in Lower Austria
Focus on concepts to support a circular economy
Diversification through selected projects in the international environmental services business
High growth potential for renewable generation (very good wind and solar conditions)
Continued high demand for efficiency improvements in network operations
Progressive liberalisation as challenge for energy distribution
Increase in water consumption due to demographic changes (urbanisation) and growing number of weather-related peak periods
Rising quality demands on water supplies (e. g. hardness of the water)
Ban on spreading of sewage sludge and stricter EU requirements for the separation and recycling of household waste (e. g. plastic)
Specific regional characteristics and general conditions require individual solutions for municipal water supplies and wastewater disposal
Sector environment and trends
Growth through realisation of new wind power and photovoltaic projects
Commitment to supply security and quality
Focus on measures to reduce network losses and improve the collection rate
Efficiency improvements in the operating business
1 2 3 5
Increase in pumping station capacity to improve performance and expansion of cross-regional pipeline networks
Construction of natural filter plants to reduce the hardness of the water by natural means
Development of new drinking water sources
1 2 3 6
Concepts and projects for the thermal utilisation of sewage sludge and waste (focus on Austria and Germany)
1 5 6
Concentration of our solution expertise on selected projects in municipalities and countries with strong credit standings
Creation of added value for our customers as the basis for our economic success
1 6
Our strategy

Efficient sustainability organisation

The responsibility for ESG and its further development lies with the Executive Board, i. e. at the highest corporate level. All these issues flow into our sustainability strategy which, in turn, is derived from the corporate strategy (which is also the responsibility of the Executive Board). Moreover, the Executive Board exchanges information on the sustainability strategy with the Supervisory Board on a regular basis and reports quarterly on the principal developments and measures involving ESG.

The sustainability steering committee, which also meets four times each year, includes the members of the Executive Board, key managers from various areas of the company, the managing directors of the most important Austrian and international subsidiaries and the members of the intradepartmental sustainability team. This committee deals with current ESG issues, approves major ESG activities and, based on its broad composition, ensures that the strategies, measures and goals defined in these meetings are rolled out and implemented in operating activities throughout the EVN Group.

The staff department for innovation, sustainability and environmental protection, which reports directly to the Executive Board, is responsible for the coordination of sustainability activities and environment- and climate-related issues. Management conferences, in particular the biannual all-day innovation conferences, provide a platform for this staff department to report on the innovation and research projects under its direction. The primary objective of these projects is to make a positive contribution to environmental and climate protection and to customer benefits.

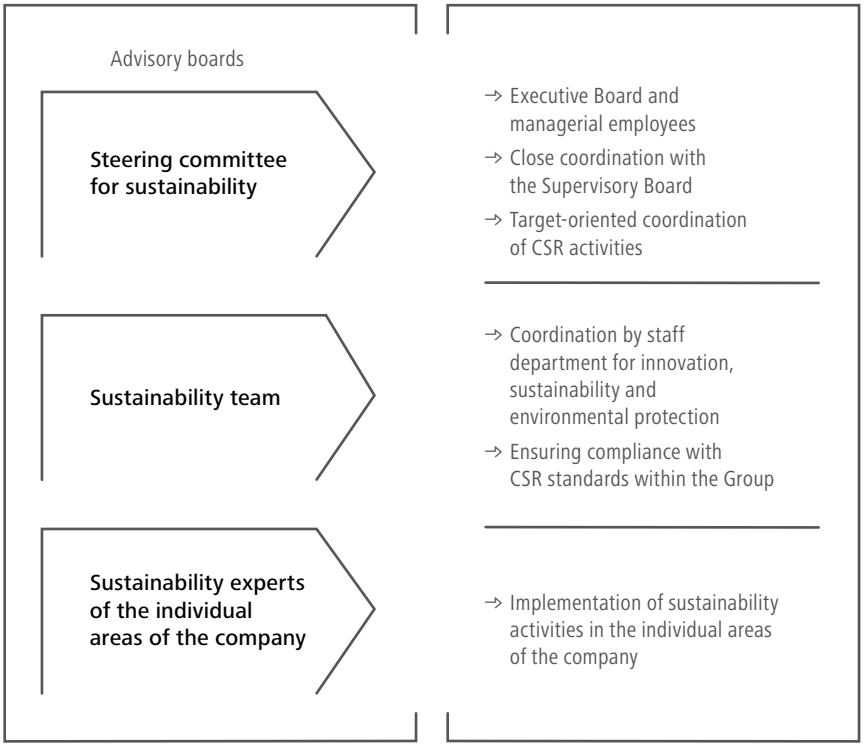
The staff department for innovation, sustainability and environmental protection also coordinates an intradepartmental sustainability team which ensures compliance with our high sustainability standards and the operational development and implementation of new ESG aspects in our Group. The aspects of climate change that are relevant for our business activities also have high priority for this team.

Valuable external inputs

In addition to the regular exchange of information with internal experts, our Executive Board and Supervisory Board are supported by various advisory boards. These panels include external experts from different disciplines who contribute their expertise and outside perspectives on the ESG aspects of our activities.

For the Sustainability Advisory Board, see page 98
For the EVN Social Fund, see page 119
For the Sustainability Advisory Board, see www.evn.at/sustainability-advisory-board
For the EVN Social Fund, see www.evn.at/social-fund
For the EVN Art Advisory Board, see www.evn-sammlung.at
GRI indicators: GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-21, GRI 102-27, GRI 102-31, GRI 102-44

EVN sustainability organisation



Impact of our business activities

Our annual risk inventory in line with the Sustainability and Diversity Improvement Act covers potential risks and the related effects of EVN's business activities and business relations on environmental, social and employee-related issues, the observance of human rights and the fight against corruption. It also includes an assessment of the resulting financial impact on the EVN Group.

This gives us a clearly structured and defined process to identify and analyse potential risks and their effects on various organisational and hierarchical levels and, in turn, develop suitable countermeasures. We ensure the inclusion of the management and Executive Board levels by presenting and discussing the results and findings of the risk inventory in the risk working group and the Group Risk Committee. In 2020/21, we also used the online questionnaire created for the update of the EVN materiality matrix to ask internal and external stakeholders about the effects of our business activities on society, the environment and the economy.

The following table summarises the most important potential effects. It also includes examples of the instruments and measures used or taken – in agreement with the EVN Code of Conduct and our overriding behavioural standards for compliance – to minimise any negative effects.

Focus on sustainability and, above all, on climate risks

The high priority given to climate protection is illustrated by our risk inventory with its focus on potential climate risks and their impact on our business activities in connection with climate change. Climate risk is, however, consciously not defined as a separate risk category but – where appropriate – assigned to the individual risk categories as an interdisciplinary issue. We differentiate between transition risks and physical risks. Transition risks represent the uncertainties resulting from the transformation towards a renewable energy system. Physical risks involve events and changes that are triggered directly by the climate.

We identify climate-related fluctuations in our earnings through our risk management and evaluate the potential quantitative effects with sensitivity and scenario analyses as part of our planning process. Comparable issues also influence the selection of the scenarios for the future development of energy and primary energy prices. This information forms the basis for discussions on climate change and its impact on our business activities at the management, Executive Board and Supervisory Board levels.

Damages caused by extreme weather events represent a threat to supply security. In a broader sustainability context, the risks in this area also include supply interruptions or physical dangers caused by explosions or accidents. In order to guarantee trouble-free operations and the technical security of our power plants – both of which are essential to protect reliable supplies – we conduct regular inspections and maintenance work that also involves scheduled downtime. We measure and monitor actual interruptions in network electricity supplies with the System Average Interruption Frequency Index (SAIFI) – which shows the mean supply interruption – and the System Average Interruption Duration Index (SAIDI) – which shows the average annualised duration of unplanned power interruptions.

Occupational safety and accident prevention are also prominent issues in all our business units. We guarantee the required high level of safety, above all, through training and by raising employees' awareness. In addition to legal requirements, we have developed an extensive set of internal rules, directives and guidelines. All work accidents in the EVN Group are recorded and analysed centrally by the occupational safety department. As shown in the following table under the area of activity "sustainable increase in corporate value", employee-related risks also cover the loss of highly qualified staff. We address these risks, among others, through the creation of an attractive work environment and flexible working time models. The risk analysis also includes the intended or unintended misrepresentation of transactions or positions in the annual financial statements, which we work to prevent with our internal control system (ICS).

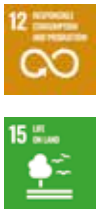
The staff department for innovation, sustainability and environmental protection is responsible for the identification and analysis of the ecological impact of our business activities with regard to the use of resources, energy and water consumption, emissions, biodiversity and transport as well as wastewater and waste disposal (environmental risks). Based on its analyses, this department also supports the operating units in preventing or minimising their effects on the environment.

- For information on the Group-wide risk management process, which includes the identification of sustainability risks, see page 158ff
- For information on SAIFI and SAIDI, see page 60f
- For information on occupational safety, accident prevention and compliance, see page 85ff and page 28ff
- For information on the ecological impact of EVN's activities, see page 96ff
- GRI indicators: GRI 102-11, GRI 102-15

Overview of the major potential effects of our business activities (selected items)

EVN area of activity and definition	Impact assessment (excerpt) "–" = negative; "+" = positive	Management instruments and measures (excerpt)	Sustainable Development Goals
Sustainable increase in corporate value … stands for entrepreneurial actions which, in connection with strategic decisions, are intended to maintain a balance between value-oriented investments and an attractive return for our shareholders. Ethical and legally compliant behaviour by our employees is a matter of course. The anchoring of social and ecological aspects in procurement as well as in the awarding of contracts and compliance with human rights by our suppliers and business partners represent further focal points in this area.	– Risk of a loss in value for equity and debt investors – Compliance violations + Stable development of dividends + Improvement of the infrastructure in countries/regions where projects are in progress or were carried out + Job security + Regional added value through cooperation + Solid capital base eases effects of economic crises + Fair and transparent tenders	→ Goal: balance between investment projects and an attractive return for shareholders → Protection of projects through guarantees and insurance → Integrated business model with focus on regulated and stable activities → Goal: ratings in solid A-range → EVN Code of Conduct → EVN values → Corporate compliance management → Compliance training → EVN integrity clause as an integral part of every supplier relationship → Sustainable focus of all EVN procurement procedures → Self-reporting form for all bidders in tenders → Anonymous whistle-blowing procedure → Regular control of compliance with human rights and workers' rights in the supply chain	
Supply security … stands for reliable supplies, also in crisis situations. Uninterrupted supplies of the required energy and the technical quality of the networks are the key factors in the energy area. We focus on the sustainable expansion of our networks and technical infrastructure and on the reliable supply of and increase in the quality of drinking water.	– Influence on habitats (people, animals and nature)/negative impact on biodiversity through network expansion, hydropower plants and the construction of wind power plants – Consumption of natural resources – Emissions – Impact of network breakdowns on society and the economy + Increase in the share of renewable energy + Reliable energy supplies for society and the economy + Provision of infrastructure + Provision of high-quality drinking water	→ Certified environmental management systems → Goal until 2030: expand wind power from currently 407 MW to 750 MW and photovoltaics to 300 MW → Top priority for supply security and quality → EVN-internal crisis and emergency plans (e. g. flooding, hydropower plants, pandemics) → Extensive monitoring activities (e. g. water quality) → Low network losses and electricity supply interruptions → Ongoing investments to improve network infrastructure and drinking water supplies → Cybersecurity and insurance	
Customer orientation … stands for products and services that are transparent and meet individual needs, for high service quality, for target group-oriented communications and for support for our customers in the efficient and safe use of energy. The protection of personal data also has high priority.	– Data protection incidents – Rising exchange prices endanger the affordability of energy + Improved, more efficient use of energy + Cooperation projects protect jobs in the region + High standards for supply security + High availability of EVN power plants	→ Top priority for supply security and quality → Top priority for data protection → Extensive monitoring activities (e. g. water quality) → Monitoring of mean electricity supply interruption → Support for customers in improving consumption efficiency → Various communication channels for customers → Combatting energy poverty	

Overview of the major potential effects of our business activities (selected items)

EVN area of activity and definition	Impact assessment (excerpt) "–" = negative; "+" = positive	Management instruments and measures (excerpt)	Sustainable Development Goals
Attractive employer … stands for our claim to be a responsible, fair and crisis-resistant employer. We support diversity and equal opportunity, are committed to employee training and to offering a wide range of responsibilities in a modern working environment. That allows us to pursue targeted and efficient human resources development in a continuously changing working world – and all this within the context of comprehensive occupational safety and health protection.	– Work accidents – Effect of stress on employees' health – Compliance violations + Job creation + Job security + Attractive working environment + Flexible working conditions + Macroeconomic contribution through training and continuing education	→ EVN values → Corporate social partnership → Sustainable human resources development → Principles and guidelines of the International Labour Organization (ILO) and UN Global Compact → High standards for health protection and occupational safety → Flexible working time models → Internal control system (ICS) → Re-entry of employees on parental leave; retention periods that exceed legal requirements → Group health insurance → Compliance training	
Climate protection … stands for the step-by-step system conversion towards climate-neutral energy generation while, at the same time, protecting supply security. Efficiency improvements and innovation initiatives – also to reduce greenhouse gas emissions – make an important contribution in all areas.	– Greenhouse gas emissions + High standards for supply quality + Efficient and environmentally friendly energy supplies for society and the economy + Contribution to meeting international and national climate targets + Reduction of greenhouse gas-relevant emissions + Necessary adjustments to business model to reflect climate change	→ Goal up to 2030 (at the Group level): expand wind power from the current level of 407 MW to 750 MW and photovoltaics to 300 MW → Decarbonisation targets according to SBTi (by 2034) → Climate neutrality for selected Group companies → Network investments to integrate electricity from volatile renewable generation → Focus on efficiency improvements, above all through minimisation of GHG emissions → Heat generation from biomass and heat pumps → Suitability of natural gas network for renewable and CO_2-free gas	
Environmental protection … stands for minimising the environmental impact of our activities, for the responsible use of resources, e. g. materials and water, for the protection of flora and fauna and for conservation of the natural habitats of the animals and plants in the areas surrounding our plants and projects. Environmentally compatible waste management represents another focal point. Full compliance with environmental regulations and requirements in all our activities is a matter of course.	– Influence on habitats (people, animals and nature)/negative impact on biodiversity through network expansion, hydropower plants and the construction of wind power plants – Consumption of natural resources – Emissions + High environmental standards for supply quality + Efficient and environmentally friendly energy supplies for society and the economy	→ Certified environmental management systems → EVN-internal crisis and emergency plans (e. g. flooding, hydropower plants) → Wide-ranging measures for species conservation, protection of biodiversity and the protection and restoration of natural habitats → Use of state-of-the-art environmental technology → Ongoing modernisation of natural gas pipeline network → Focus on efficiency improvements → Efficient and effective waste management → Restoration of contaminated sites and locations	

Overview of the major potential effects of our business activities (selected items)

EVN area of activity and definition	Impact assessment (excerpt) "–" = negative; "+" = positive	Management instruments and measures (excerpt)	Sustainable Development Goals
Innovation and digitalisation … stand for the future-oriented development of our business model, among others with a focus on continuing adjustments to keep pace with our constantly changing environment through targeted innovations and digitalisation.	– Lack of customer acceptance for innovative products – Growing risk of cybercrime + Protection of competitive ability + More flexible working conditions for employees + Macroeconomic contribution through innovation initiatives, infrastructure projects and investments	→ Continuous monitoring of innovation processes → Extensive IT security measures → Innovation, research and development activities → Goal: balance between investment projects and attractive return for shareholders	
Stakeholder dialogue … stands for the acceptance of responsibility towards EVN's various interest groups through wide-ranging social and cultural initiatives, also outside our core operating business. The key element is a proactive dialogue with our stakeholder groups and the responsible handling of their concerns, e. g. through the involvement of neighbouring residents in the expansion and operation of our plants. Our social commitment is also reflected in the transfer of knowledge to children and young people and in the improvement of the quality of life for people in challenging situations, e. g. through measures to combat energy poverty.	– Asymmetric inclusion of various stakeholder groups – Lack of identification with the expectations and requirements of the various stakeholder groups – Adverse effects of air pollution from power plants – Adverse effects of noise from plant construction and operations + Protection of the interests of major stakeholder groups + Protection and improvement of the quality of life through reliable energy supplies + Protection of the quality of life through supplies of high-quality drinking water + Support for children and young people in challenging life situations + Improvement in customers' consumption behaviour + Instruction for elementary school children on the scientific and practical basics of electricity	→ EVN Customer Advisory Board to protect the interests of the different stakeholder groups in a balanced way → Advisory Committee for Environmental and Social Responsibility → Regular stakeholder survey → Proactive stakeholder involvement → Project-related stakeholder communications → EVN materiality matrix as an instrument to reconcile corporate and stakeholder interests → Combatting energy poverty → Support for customers in improving consumption efficiency → Responsibility for art and culture through the evn art collection → EVN Social Fund → EVN School Service → Free school workshops by kabelplus to strengthen young people's digital competence	

△ GRI indicator: GRI 102-11


EVN
Efficient


WIR
fürs Klima

Act efficiently, design the future

Honest, ethical, goal-oriented – this is the way we must and want to act. We always want to be a fair contract partner, also for our many suppliers and business partners.

Human rights, ethics and integrity

At EVN, we place particular importance on ethical and legally compliant behaviour by all our employees, business partners and suppliers. To guarantee full compliance with this commitment, we have implemented a series of compliance guidelines and measures that apply throughout the EVN Group. The starting point is the EVN Code of Conduct with its ten subject areas. It is based on the EVN values and regulates, among others, the aspects of our business activities in the areas of human rights, governance, corporate ethics, the prevention of corruption, data protection, confidentiality and competitive behaviour, occupational safety and accident prevention as well as climate and environmental protection. Full compliance and the strict observance of the EVN Code of Conduct represent Group-wide binding guidelines for our behaviour. The Code of Conduct is supplemented by additional guidelines for specific target groups such as employees or suppliers and for specific issues such as the prevention of corruption or competition regulations.

The rules in our Code of Conduct are based on a diverse group of principles and policies that were adapted to meet our company's characteristics and requirements. They range from national laws and international regulations, such as the OECD and UN Global Compact guidelines and agreements, to the policy statements and principles issued by the International Labour Organisation (ILO) as well as internal organisational directives and corporate principles that go beyond legal requirements. Reliability, transparency, trust and quality in our interaction with internal and external partners are the central guidelines. The EVN Code of Conduct was issued in German, English and the languages of our foreign subsidiaries. It is also available to the general public on our website. Interested business partners can obtain detailed information on our compliance management at any time.

For EVN's integrity clause for suppliers, see page 35
Also see www.evn.at/Code-of-conduct

Organisation of compliance management

EVN has had a separate compliance management system (CMS) since 2012. It defines a standardised framework for the entire Group, which supports the honest and legally compliant behaviour of our employees in their everyday business activities. The CMS is built on three main elements:

- → Prevention through the creation of awareness and training
- → Identification of compliance risk areas and violations of the Code of Conduct
- → Reaction through information and improvement as well as the introduction of any necessary measures

Corporate compliance management (CCM), a staff department that reports directly to the Executive Board, is charged with the operation and continuous improvement of the CMS. In addition to the chief compliance officer and CCM staff, national compliance officers were installed in Bulgaria, North Macedonia and at WTE. Seven staff members in total are responsible for implementing compliance measures throughout the EVN Group in line with regional requirements.

In the ten years since its formation, EVN's CMS has been continuously improved and expanded to integrate new aspects. The improvements to the compliance-related structures, processes and organisational rules that were implemented with the responsible managers ensure that our CMS is capable of meeting international requirements. Based on the current high level – which was reached, not least, with extensive training and communication measures – the organisation will now be simplified. The role of the decentralised compliance officers in EVN's Austrian companies will be restructured in 2022/23. Their responsibilities will be transferred to the CCM staff, who will continue to receive support from the heads of the respective organisational units.

The chief compliance officer reports to the full Executive Board and the Supervisory Board's Audit Committee several times each year.

Prevention of corruption

We are decisively opposed to all types of corruption and define this term very broadly. For EVN, it covers illegal payments (e. g. bribes, kickback payments, fictitious services, false classification/account assignment) as well as all forms of gratuities (e. g. gifts, invitations, subjective benefits, immaterial advantages like awards and patronage). Our employees and their close family members are prohibited from accepting or granting any form of such advantages – with the exception, for example, of small mementoes that reflect local or national practices.

Apart from our restrictive internal catalogue of rules and values, all EVN employees and corporate bodies must comply with the strict Austrian laws for public officials. Corruption law is intended, among others, to prevent public officials from misusing their position to create an advantage for themselves or for third parties.

A comprehensive set of preventive measures – including internal behavioural guidelines and specific training programmes – has been implemented to create a greater awareness for the prevention of corruption among our employees. Accordingly, the issue of corruption represents a special focal point of the regular compliance risk surveys conducted by CCM.

The following measures and control mechanisms – in addition to EVN's values, behavioural rules and extensive training programme – are designed to prevent the violation of legal requirements and our company-specific compliance rules:

- → Anchoring of the principles for dual control and the separation of functions to ensure agreement with all compliance rules in our business activities (especially activities involving frequent contacts with suppliers, customers and public officials in connection with procurement, tenders, approvals, expert opinions, research and subsidy issues, real estate matters, recruiting and management skills)
- → Strict automated, system-supported procedures for the approval, invoicing and documentation of expenses incurred in connection with business trips, invitations etc.
- → Provisions in employment contracts to prevent conflicts of interest under labour law (e. g. requirement to report and obtain approval for secondary employment activities from the human resources department)
- → Integrity review of business partners
- → Strict criteria, rules and procedures in connection with the commissioning, execution and invoicing of consulting, brokerage and lobbying services
- → Group guidelines on sponsoring (requirements, rules, procedures)

△ GRI indicators: GRI 102-16, GRI 205-1, GRI 205-2

Compliance risk analysis

Within the framework of the CMS, a compliance risk analysis was carried out in agreement with the subject areas in the EVN Code of Conduct. The comprehensive compliance risk analysis described below – in addition to the further development of preventive measures and controls to prevent compliance violations – has improved awareness and strengthened compliance knowledge at all hierarchy levels.

We identified the business areas and processes which have a high or very high risk potential in a two-stage analysis and assessment process together with managers and representatives of the corporate units. Both external and internal criteria were used (e. g. precedence cases of compliance violations in specific branches or countries, respectively the design of business processes and control measures at EVN). The next step involved ranking the results of this specific risk assessment on a four-point scale. We then entered the business transactions with a high or very high probability of risk occurrence in a risk-control matrix and implemented specific process controls. Similar to the internal control and risk management system for our accounting process, these controls are reviewed annually by an auditor.

Data on compliance risks, which also include the protection of human rights and the prevention of corruption, are systematically collected each year for the entire corporation from different viewpoints. An important occasion is the annual risk inventory because compliance violations represent a risk factor from the perspective of EVN's risk management. Our internal audit department also reviews compliance with all rules and regulations during its audit work. The results of these reviews are communicated to management, the Executive Board and the Audit Committee of the Supervisory Board.

△ GRI indicators: GRI 102-17, GRI 205-1

Whistle-blowing procedure

Our employees have access to a confidential and anonymous whistle-blowing procedure, which permits the reporting of (presumed) compliance violations via the EVN Intranet or specific e-mail addresses. In Austria, Bulgaria, North Macedonia and Croatia and also at WTE, designated e-mail addresses are available in the main languages of the EVN Group to report concerns over unethical or illegal behaviour. Employees can also contact CCM via telephone at any time. Special compliance e-mail addresses allow business partners to also use the whistle-blowing procedure.

Training and communication measures provide employees with regular information on these low threshold communication channels where possible applications and the underlying principles of the whistle-blowing procedure are explained. A Group directive defines this information, as well as the process for dealing with reported concerns and protecting the whistle-blower against reprisals.

Compliance violations represent a breach of employees' responsibilities and may lead to consequences under criminal law, whereby decisions are the responsibility of the designated institutions. Confirmed suspicions result in prosecution under labour and/or civil law, depending on the severity of the case and the scope of the damage. Therefore, employees who unintentionally come into conflicts of interest or loyalty during their work should contact EVN's compliance officer directly and without delay.

There were no reports of alleged discrimination, but we did receive five reports of suspected corruption in 2021/22. The related investigations were still in progress at the end of the reporting year. One case of reported corruption from a previous financial year was confirmed. It did not result in a lawsuit, but the employment relationship was terminated. Appropriate steps were then taken to prevent similar cases in the future.

In connection with criminal investigations against the former management of the partly state-owned, Croatian natural gas company INA, allegations of reputed attempted collusion were raised in October 2022 against an employee of EVN Croatia who maintains a regular business relationship with INA. We are cooperating closely with the authorities and are interested in the rapid clarification of the allegations. EVN Croatia is not the subject of these claims.

No contracts with business partners were terminated in 2021/22.

△ GRI indicators: GRI 205-3, GRI 406-1

Review of business partners

Our business partners are also required to comply with strict ethical standards. We give high priority to the issues of human rights, working conditions and labour laws, environmental and climate protection and business ethics. Throughout the entire EVN Group, we attempt to avoid business relations with companies that have been proven to be directly or indirectly involved in or accused of offences against human rights or violations of corruption, antitrust or commercial law. The review process for potential business partners, which also includes the screening of sanction lists, follows a risk-based approach that is focused on industry and country risks. For Austria and at WTE, we also use the compliance database and software of a specialised external service provider. Risk-minimising measures are implemented if the screening reveals any sensitive issues.

△ GRI indicator: GRI 102-17

Compliance training

EVN's CMS is based on a carefully developed and continuously improved training and communication concept to ensure that all employees familiarise themselves regularly with compliance issues. Training on the subject areas in the EVN Code of Conduct is repeated each year and is focused, above all, on the following aspects:

- → Human rights
- → Corporate ethics
- → Prevention of corruption
- → Competitive behaviour

The multi-level compliance training programme on the EVN Code of Conduct was redesigned in agreement with management and launched in 2021/22 It requires mandatory completion by all new employees (incl. external employees):

- → Compliance Basics Webinar (two months after the start of employment)
- → Compliance E-Learning (six months after the Compliance Basics Webinar)
- → Compliance Update Webinar (24 months after the Compliance E-Learning)
- → Refresher courses and special training

These training programmes are also mandatory for all managers, and we offer separate complementary formats as needed.

The modules in this intensive learning path have a high degree of interaction and practical orientation. The webinars and e-learning modules combine self-study units with knowledge checks and the opportunity for collaborative work on virtual case studies. The Compliance Update Webinar and refresher courses include case studies that are tailored to the employee's individual area of responsibility. That makes it possible to train for the specific challenges involved

in the correct application of the EVN Code of Conduct, for example in connection with the prevention of corruption. We offer special coaching for persons in areas exposed to increased risk, e. g. employees in highly competitive business fields or the international project business and employees with direct contacts to public authorities. The members of the Supervisory Board have also received additional comprehensive training from external experts.

In addition to this extensive training programme, CCM also relies on alternative communication channels (e. g. the Intranet or EVN's employee newsletter) and on know-how transfer by managers who are closely integrated in the strengthening and further development of our ethical principles as well as our compliance principles and rules. The content developed with these managers in multi-hour workshops is then transferred to their staffs.

Human rights and minimum social protection

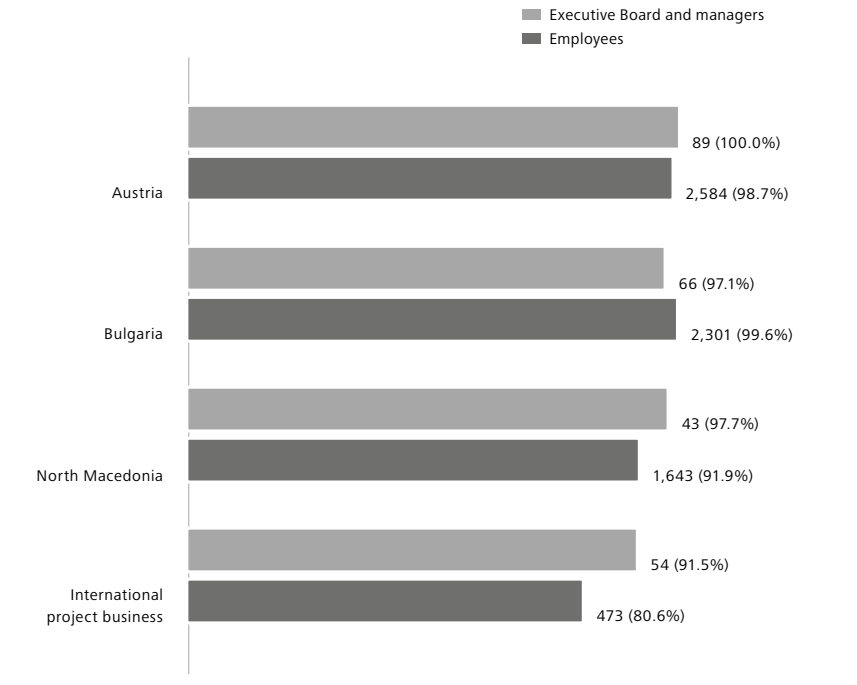
A central subject area in our Code of Conduct has always been the unlimited and unequivocal commitment to the respect, observance and protection of human rights and ethical principles in the interaction with our employees at all our locations and in all our business relations. The rejection of child labour and forced labour is an integral part of this subject area as are the prohibition of discrimination based on gender, age, ethnic origin, skin colour, sexual orientation, religion, ideology or any impairment, the protection of co-determination rights, occupational safety measures and human rights issues along the supply chain (especially on international projects).

The framework for the observance of human rights and minimum social protection is created by internal policies which, in turn, are based on the relevant laws and international directives – above all on the ten principles of the UN Global Compact and the guidelines issued by the OECD, the United Nations and the International Labour Organisation. As an international corporation, we are also active in countries with a different history and understanding of human rights issues. Although the respective governments are primarily responsible for protecting human rights, we consider it our responsibility to ensure the observance of human rights and – within our possibilities – to encourage compliance in this area outside our direct scope of operation.

We reviewed and further developed our internal processes and guidelines on human rights and minimum social protection in 2021/22, also with a view towards first-time reporting in accordance with the EU Taxonomy Regulation.

Participation in mandatory compliance training[1)]
(as of 30.09.2022)

Number



1) Includes non-consolidated subsidiaries

FAIR TAX POLICY

Based on EVN's high ethical standards – which have been formalised, especially in the EVN Code of Conduct – we have defined a binding tax strategy for the EVN Group. We see it as our obligation towards the economy, environment and society to make a fair contribution to tax revenues in all countries where we are active. This belief is reflected in compliance with all relevant national and international tax laws and legal requirements and is illustrated, above all, by the following principles for the tax strategy of the EVN Group:

- → High compliance standards with regard to taxes, especially the legally compliant, timely and complete fulfilment of all reporting, clarification, submission and payment requirements
- → Risks under financial criminal law, especially the risks related to tax evasion or reduction, must be excluded at all times
- → Fair, constructive, cooperative and transparent dialogue with the fiscal authorities
- → Proactive tax controls based on the evaluation of tax-relevant risks and tax risks through the identification, analysis and assessment of these risks (documentation via risk-control matrix)
- → The avoidance of aggressive tax planning, in particular no use of artificial structures whose main purpose is tax reduction

In this way, we can ensure full compliance with all management approaches and organisational rules. These activities also ensure that the responsible organisational units in the EVN Group (in particular human resources, occupational safety, procurement and purchasing as well as the staff departments for corporate compliance management) deal with human rights and minimum social protection issues as interdisciplinary subjects.

This has facilitated a deeper understanding of human rights in the involved organisational units. The Executive Board and management were regularly informed of progress and newly implemented measures. In November 2022, an EVN Human Rights Policy was prepared and approved by the Executive Board and a human rights officer was appointed.

Risks related to non-compliance with human rights are assessed throughout the Group within the annual risk inventory.

Additional principles to protect the human rights of our employees (especially non-discrimination, co-determination rights and occupational safety) are described on page 81ff

For information on EVN's human rights policy, see www.evn.at/human-rights-policy

Procurement

Energy procurement

We cover the electricity supplies for our Austrian customers – via EnergieAllianz – through medium-term supply contracts and through purchases over the wholesale market. These supplies are purchased directly over the electricity exchange, through bilateral transactions with various trading partners or over-the-counter (OTC) platforms – and include the production from our own power plants. We also purchase green energy, which is allocated in accordance with the Green Electricity Act based on our share of electricity sales in the respective regulatory area. In addition, we take over the surplus electricity produced by our customers' own generation equipment (especially photovoltaic equipment).

For information on electricity labelling, see page 70f

Our electricity supply subsidiaries in Bulgaria and North Macedonia are required by law to purchase the electricity for sale to customers in the regulated market segments from the state-owned producers, i. e. NEK and ELEM respectively. The remainder of the electricity required for customers in previously liberalised segments is purchased over wholesale markets.

Long-term supply contracts cover a large part of our natural gas purchases. The remaining volumes are purchased on wholesale markets over national and international OTC trading centres and exchanges, for example in Austria (CEGH) or Germany (NCG). Most of the natural gas imported to Europe comes from Russia and Norway.

Procurement of products and services

EVN's business activities as a whole and, above all, the investment focal points on network infrastructure, renewable generation and drinking water supplies require intensive cooperation with construction firms, plant, pipeline and cable line construction companies as well as suppliers of electrotechnical equipment and components, pipes, transmission and cable lines, meters, hardware, software and work clothing. WTE serves as a general contractor and commissions subcontractors, in particular construction firms and suppliers of machinery, electrotechnical equipment and components, to perform additional services.

The procurement volume at our main locations in Austria, Bulgaria and North Macedonia totalled EUR 762.4m in 2021/22 (previous year: EUR 925.4m). In Austria, EVN maintained direct supplier relationships with 3,430 suppliers and contractors during this financial year.

GRI indicator: GRI 102-9

Organisation of procurement activities

Responsibilities for the procurement of products and services in the EVN Group are based on the relevant activity. All EVN purchase orders with a volume of EUR 10,000 or more are handled over a web-based procurement portal. The entire procurement process – from EU-wide announcement to the tender, submission of offers and contract award – is processed online. The broad-based rollout of e-procurement over this new platform has not only increased transparency but also paved the way for the introduction of strategic procurement.

GRI indicator: GRI 204-1

Procurement activity	Responsible organisational unit
Products and services	Procurement and purchasing
Primary energy and primary energy carriers	Energy procurement and supply
International project business (environmental services business)	Environment

Secure and sustainable supplies. Strategic supplier management at EVN

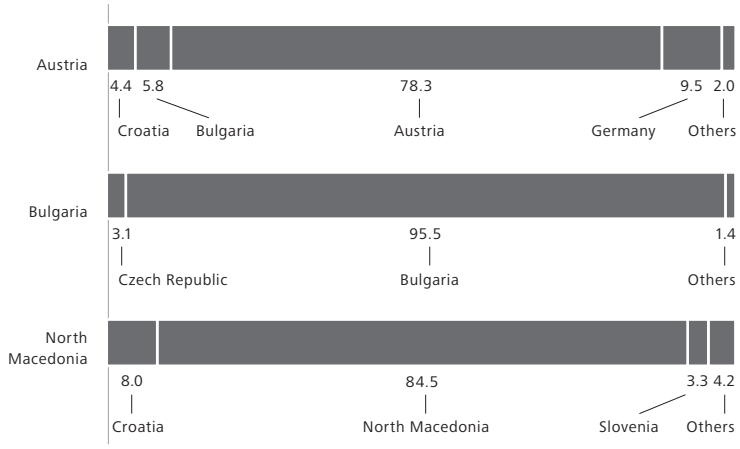
"We are creating a systematic, standardised and sustainable procedure for the analysis and evaluation of current and potential suppliers. Its objective is to improve our performance with regard to economy, quality, sustainability and supply security along the entire procurement chain." This statement marks the beginning of the extensive project on strategic supplier management that was started by EVN in October 2021.

Supply security and sustainability

The primary objective of the new procurement strategy is to ensure the exact analysis and management of all procurement flows to improve performance – from an economic as well as a sustainability viewpoint. EVN wants to meet the high demands placed by ESG not only in its own business activities but also on its suppliers in their role as partners. Issues like human rights, labour practices, protection for the environment and resources as well as business ethics represent the

Countries of origin of suppliers at main operating locations

%, basis: order volume



primary focal points. This principle is specifically anchored in the description of "Sustainable increase in corporate value" as an area of activity in our materiality matrix.

At the same time, we must safeguard supplies of goods and services in sufficient quality and volumes. They are the strategic requirements for EVN's operations and the continuous expansion of our equipment and networks as well as key factors for meeting our service mission. Supply security and sustainability are among the most important motives behind our new strategic supplier management.

Numerous changes in our operating environment led to our decision to analyse and, where necessary, refocus our procurement management. These factors include the economic distortions and international supply chain interruptions caused by the Covid-19 pandemic, which were recently intensified by the war in Ukraine, as well as increasingly new – and further expected – regulations from supranational and national lawmakers, additional reporting requirements like the EU Taxonomy Regulation, and the growing demands of sustainability-oriented investors.

Ongoing development

This strategy represents the continuation of a development that began a long time ago. In addition to conventional purchasing criteria – price, quality, volume, market environment and legal requirements – sustainability aspects have always been part of our procurement processes. This was, and is, stated in more concrete terms in the EVN Integrity Clause, which represents a fixed part of every procurement contract. Numerous – generally larger – suppliers were also audited in the past, for example through on-site visits.

Also see www.evn.at/integrity-clause

Detailed supplier audits based on ESG criteria

All suppliers – existing as well as potential – are evaluated in advance and, after that, regularly with a tool created by a well-known international rating provider based on defined ESG criteria.

This procedure is supplemented by the self-declarations required from every EVN supplier as part of the on-boarding in the procurement portal, in connection with every tender, and as part of the ongoing contractual relationship.

Full compliance

It is an obvious fact that the standards and criteria defined in the tender are explicitly included in all awarded contracts. A clear procedure was also defined to deal with any contract violations – from the requirement to remedy defects up to cancellation of the contract if necessary. EVN wants to ensure the fulfilment of all contracts in the mutual interest of all involved parties and develop long-standing cooperation. In its relationships with suppliers, EVN relies on sustainable, responsible partnerships.

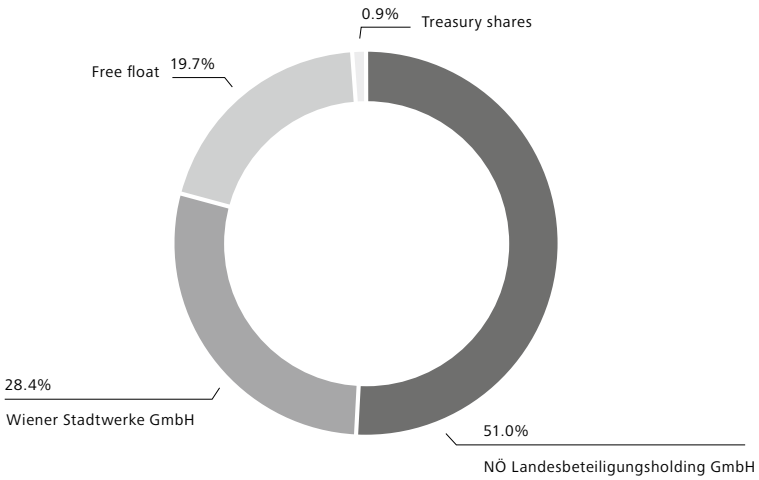
Sustainably attractive for our investors

EVN's business activities always reflect the economic interests of our investors. Not least for this reason, we concentrate on regulated and stable business areas. They form the basis not only for plannable cash flows, but also for continuity in our dividend policy. This clear strategic orientation is also crucial for the ratings which establish the conditions for our positioning on the debt market.

Our strategic decisions are intended to balance value-oriented investments and an attractive return for our shareholders. In addition to economic aspects, ecological and social issues are firmly anchored in our core strategies. We are therefore increasingly positioning the EVN share as an alternative for sustainability-oriented investors. This orientation is underscored by our efforts to achieve good evaluations from sustainability rating agencies, with whom we also maintain a proactive dialogue. Our website includes content on environmental, social and governance issues which is edited for specific target groups to provide transparent information for sustainability analysts.

- Information for ESG investors can be found under www.evn.at/ESG-Infos
- For EVN's ESG ratings, see www.evn.at/ESG-Ratings

Shareholder structure[1)]



1) As at 30 September 2022

Our focus on a sustainable increase in EVN's value is also communicated by the core points of our investment story:

→ Integrated business model
→ High share of regulated and stable activities
→ Active role in the transformation of the energy system
→ A clear sustainability and climate strategy
→ Stable home market in Lower Austria
→ Solid capital structure
→ Attractive and reliable dividends

We attach immense importance to achieving and maintaining a position as a reliable partner on the capital market and meeting the expectations of our equity and debt investors. Our capital market operations are based on a commitment to providing timely, transparent, understandable and substantial information. We work to strengthen the confidence of the capital market in EVN through active, regular and target-group oriented communications with all capital market participants.

Also see www.investor.evn.at

Dividend policy

The Executive Board will make a recommendation to the 94th Annual General Meeting which calls for the distribution of a dividend of EUR 0.52 per share for the 2021/22 financial year. EVN's future dividend policy is directed to holding the annual dividend at least constant, and we are also committed to appropriate participation for our shareholders in future earnings growth.

External ratings

Independent evaluations by the Moody's and Scope rating agencies represent an important part of EVN's financing strategy. Our goal is to maintain ratings in the solid A range. Both agencies confirmed the following ratings in April 2022 and May 2022:

→ Moody's: A1, outlook stable
→ Scope Ratings: A+, outlook stable

Market environment and performance

Numerous crises – triggered by the Covid-19 pandemic, the war in Ukraine and the steep rise in inflation – had a negative impact on the international stock markets during the reporting period from October 2021 to September 2022. The German benchmark index DAX fell by 20.6% during this period and Vienna's benchmark index ATX lost 26.4%, while the US benchmark index Dow Jones declined by 15.1%.

The DJ Euro Stoxx Utilities, the relevant industry index for EVN, reported a more moderate decrease of 10.9%. The EVN share was unable to disengage from this negative environment and closed the financial year with a decline of 25.7%.

EVN share		2021/22	2020/21	2019/20
Share price at 30 September	EUR	17.04	22.95	14.28
Highest price	EUR	27.70	24.75	18.36
Lowest price	EUR	16.92	13.38	11.22
Price performance	%	–25.8	60.7	–11.5
Total shareholder return	%	–23.5	64.2	–8.4
Performance ATX	%	–26.4	73.5	–30.0
Performance Dow Jones Euro Stoxx Utilities	%	–10.9	1.4	–0.8
Value of shares traded[1]	EURm	490.0	350.6	190.1
Average daily turnover[1]	Shares	84,288	72,753	50,045
Market capitalisation at 30 September	EURm	3,065	4,128	2,569
Weighting ATX prime	%	1.93	1.96	2.06
Earnings per share[2]	EUR	1.18	1.83	1.12
Dividend per share	EUR	0.52[3]	0.52	0.49
Price/earnings per share		14.5	12.6	12.8
Dividend yield	%	3.1	2.3	3.4

1) Vienna Stock Exchange, single counting
2) Shares outstanding at 30 September
3) Proposal to the Annual General Meeting

Value creation for our stakeholders

EVN's economic success is significantly influenced by our stakeholders who, at the same time, share in our financial results. Our most important stakeholder groups – shareholders, society as a whole, the public sector, employees, suppliers and debt investors – also receive a direct financial benefit from our activities.

On the revenue side, in particular the income generated by our business operations and investments contributes to the creation of value. This value is distributed primarily to our investors and lenders (dividends, interest), to the public sector (taxes, duties) and to society as a whole (donations, sponsoring, social programmes) as well as to our employees (wages, salaries, social security contributions) and suppliers (primary energy carriers, materials and purchased services). The table below shows the economic value generated by EVN as well as the composition of the distributed economic value. The difference between revenues and the amounts distributed represents economic value retained which is available, among others, for the further development of our company through important future-oriented investments.

△ GRI indicator: GRI 201-1

Direct economic value generated

EURm	2021/22	2020/21	2019/20
Direct economic value generated	3,904.3	2,478.0	1,986.7
thereof economic value distributed	3,684.6	2,252.0	1,878.7
thereof economic value retained	219.7	226.0	107.9
Economic value distributed	3,684.6	2,252.0	1,878.7
thereof energy suppliers	2,278.2	1,064.7	888.3
thereof other suppliers	804.8	595.0	404.6
thereof employees	372.2	361.3	349.3
thereof providers of capital (equity and debt)	158.1	173.0	164.9
thereof public sector	69.3	56.2	69.3
thereof society	2.0	1.8	2.4

EU Taxonomy Regulation

In order to implement the requirements of Regulation (EU) 2020/852 of the European Parliament and the Council as of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("EU Taxonomy Regulation") on non-financial reporting, the EVN Group launched a Group-wide project in 2020/21. It included legal, business and technical experts from the relevant Group companies together with corporate representatives from legal and public affairs, the general secretariat and investment management and controlling as well as the staff department for innovation, sustainability and environmental protection. Other experts from human resources, occupational safety, procurement and purchasing, risk management and corporate compliance management were also included to develop the requirements and the reporting for (social) minimum safeguards in accordance with Art. 18 of the EU Taxonomy Regulation. The project was segmented in various work packages and steps to develop a uniform system for the collection and (technical) screening of EVN's economic activities. The Executive Board, management and the managing directors of relevant Group companies were regularly informed of progress on the project and integrated in the process.

Identification and assessment of economic activity

The first step involved the identification of the economic activities carried out by the EVN Group. This work was based on Delegated Regulation (EU) 2021/2139 of the Commission as of 4 June 2021 concerning the environmental objectives "climate change mitigation" and "climate change adaptation" of the economic activities to reflect climate change adaption and supplemented by Regulation (EU) Nr. 1893/2006 of the European Parliament and the Council as of 20 December 2006 on the installation of a statistical system for the economic sectors defined by NACE Revision 2. It also covered the amendment of Regulation (EEC) No. 3037/90 of the Council and several other EU regulations for specific areas of the economic activities listed in the statistics.

This project led to the identification of the following economic activities of the EVN Group for the 2021/22 financial year:

Taxonomy-eligible economic activities

	Description	NACE code
4.1.	Electricity generation using solar photovoltaic technology	D.35.11
4.3.	Electricity generation from wind power	D.35.11
4.5.	Electricity generation from hydropower	D.35.11
4.9.	Transmission and distribution of electricity	D.35.13
4.11.	Storage of thermal energy	Not assigned to any specific NACE code
4.14.	Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21
4.15.	District heating/cooling distribution	D.35.30
4.16.	Installation and operation of electric heat pumps	D.35.30
4.20.	Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30
4.24.	Production of heat/cool from bioenergy	D.35.30
4.25.	Production of heat/cool using waste heat	D.35.30
5.1.	Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99
5.3.	Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99
7.6.	Installation, maintenance and repair of renewable energy technologies	F.42

Delegated Regulation (EU) 2022/1214 of the Commission from 9 March 2022 to amend Delegated Regulation (EU) 2021/2139 with regard to economic activities in certain energy sectors only requires application as of 1 January 2023 and was therefore not included.

The NACE codes in this report reflect the codes in the technical screening criteria listed in Annex 1 of Delegated Regulation (EU) 2021/2139 of the Commission from 4 June 2021.

The EU Taxonomy currently does not include any criteria for the economic activities of kabelplus (telecommunications).

The other four environmental objectives of the EU Taxonomy Regulation (the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems) will be addressed for the first time beginning with the 2022/23 financial year.

Voluntary reporting on taxonomy alignment

EVN is required to report for the first time in accordance with Article 8 of the EU Taxonomy for the 2021/22 financial year. The reporting requirements of the EU Taxonomy Regulation will be implemented successively, and EVN is therefore only required to disclose the (non-)taxonomy-eligible share of revenue, capital expenditure and operating expenditure and provide selected qualitative disclosures on the environmental objectives "climate change mitigation" and "climate change adaptation" for the 2021/22 financial year.

In order to give our stakeholders, and above all our investors, analysts and lenders, a comprehensive overview, we decided voluntarily – and one year earlier than legally required – to report the respective share of taxonomy-aligned economic activities for revenue, capital expenditure and operating expenditure in our 2021/22 Full Report.

Therefore, in a second step, the identified taxonomy-eligible economic activities – classified according to the environmental objectives "climate change mitigation" and "climate change adaptation" – were technically evaluated to determine whether they represent taxonomy-aligned or ecologically sustainable economic activities. This analysis covered the economic activities that meet the requirements of Art. 3 of the EU Taxonomy Regulation.

The economic activities classified as taxonomy-aligned are assigned to the environmental objective climate change mitigation in line with the technical evaluation. This prevents double counting when the performance indicators are assigned.

For this purpose, the technical and commercial experts in the respective Group companies analysed the previously identified taxonomy-eligible economic activities based on Delegated Regulation (EU) 2021/2139 of the Commission from 4 June 2021 on the environmental objectives for climate change mitigation and climate change adaptation and in accordance with technical screening criteria. The findings were subsequently documented in a transparent and comprehensible manner.

Minimum safeguards under Art. 18 EU Taxonomy Regulation

Compliance with the required minimum (social) safeguards required by Art. 18 of the EU Taxonomy Regulation and by the Final Report on Minimum Safeguards issued by the Platform on Sustainable Finance (October 2022) was analysed based on the subject areas of human rights, worker rights and occupational safety, the prevention of corruption, fair competition and tax policy. Established, relevant management approaches and organisational guidelines (e. g. directives, instructions) represented the benchmark for measuring compliance. The implementation of specific processes and measures in procurement will ensure that the principles and rules relevant for this area also apply to EVN's business partners and suppliers.

For information on the management approaches and organisational rules for

- human rights, see page 32f
- employee rights, see page 81ff
- occupational safety, see page 85ff
- corruption prevention and fair competition, see page 28ff
- tax policy, see page 33
- procurement, see page 34f

Key performance indicators on taxonomy-aligned economic activities

EVN defined the reportable performance indicators listed in Annex I of the Delegated Regulation (EU) 2021/2178 from 6 July 2021 as follows:

Key performance indicator related to turnover (turnover KPI)

This indicator shows the per cent of revenue generated by taxonomy-aligned economic activities.

The denominator represents the total net revenue generated by the EVN Group during the reporting year based on the definition in IFRS 15 (see note **25. Revenue** in the notes to the consolidated financial statements for 2021/22).

The numerator represents the part of total net revenue generated by the EVN Group from taxonomy-aligned economic activities in the reporting year.

A large part of the non-taxonomy-eligible revenue (EUR 2,309.7m) is attributable to electricity trading and is therefore allocated to other economic activities in accordance with the EU Taxonomy Regulation.

In 2021/22, the share of EVN's taxonomy-aligned net revenue equalled 27.2%.

Key performance indicator related to capital expenditure (CapEx KPI)

This indicator shows the per cent of capital expenditure in taxonomy-aligned economic activities.

The denominator represents the additions to intangible assets and property, plant and equipment recorded by the EVN Group during the reporting period in accordance with IAS 38 (additions to intangible assets), IAS 16 (additions to property, plant and equipment) and IFRS 16 (additions to rights of use) (see the line item "additions" under the tables in note **35. Intangible assets** and note **36. Property, plant and equipment** in the consolidated financial statements for 2021/22). The EVN Group made no additions to investment property during the 2021/22 financial year (IAS 40).

The numerator represents the capital expenditure recorded by the EVN Group for taxonomy-aligned economic activities in the reporting year.

In 2021/22, the share of EVN's taxonomy-aligned capital expenditure equalled 84.7%.

Key performance indicator related to operating expenditure (OpEx KPI)

This indicator shows the per cent of operating expenditure for taxonomy-aligned economic activities.

In contrast to revenue and capital expenditure, the denominator cannot be allocated to corresponding positions in the annual financial statements because the Delegated Regulation (EU) 2021/2178 from 6 June 2021 only permits the inclusion of certain expenses for reporting in the sense of the EU Taxonomy Regulation.

The denominator covers direct, non-capitalised costs for research and development, building renovation, short-term leasing, maintenance and repairs as well as all other direct costs connected with the daily maintenance of property, plant and equipment by the company or by third parties.

The numerator represents the expenses incurred by the EVN Group for taxonomy-aligned economic activities in the reporting year.

In 2021/22, the share of EVN's taxonomy aligned operating expenditure equalled 75.2%.

Turnover		**2021/22**
Turnover (= denominator of KPI)	EURm	4,062.2
thereof taxonomy-aligned (= numerator of KPI)	EURm	1,105.8
Turnover KPI	%	27.2

CapEx		**2021/22**
Additions to intangible assets, fixed assets and rights of use (= denominator of KPI)	EURm	572.1
thereof taxonomy-aligned (= numerator of KPI)	EURm	484.4
CapEx KPI	%	84.7

OpEx		**2021/22**
OpEx (= denominator of KPI)	EURm	59.9
thereof taxonomy-aligned (= numerator of KPI)	EURm	45.1
OpEx KPI	%	75.2

Reporting on EU Taxonomy Regulation as of 30 September 2022 – Detail turnover

Economic activities	Code(s)	Absolute turnover	Proportion of turnover
A. TAXONOMY-ELIGIBLE ACTIVITIES		EURm	%
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	4.8	0.1
4.3. Electricity generation from wind power	D.35.11	144.6	3.6
4.5. Electricity generation from hydropower	D.35.11	46.5	1.1
4.9. Transmission and distribution of electricity	D.35.13	564.6	13.9
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	104.1	2.6
4.15. District heating/cooling distribution	D.35.30	156.8	3.9
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	6.5	0.2
4.24. Production of heat/cool from bioenergy	D.35.30	4.5	0.1
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	46.6	1.1
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	26.7	0.7
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.1	0.0
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,105.8**	**27.2**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	10.6	0.3
4.5. Electricity generation from hydropower	D.35.11	92.2	2.3
4.9. Transmission and distribution of electricity	D.35.13	23.5	0.6
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	3.6	0.1
4.15. District heating/cooling distribution	D.35.30	10.4	0.3
4.16. Installation and operation of electric heat pumps	D.35.30	0.6	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.0	0.0
4.24. Production of heat/cool from bioenergy	D.35.30	0.7	0.0
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	9.7	0.2
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	495.4	12.2
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**646.7**	**15.9**
TOTAL (A.1 + A.2)		**1,752.5**	**43.1**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities (B)		**2,309.7**	**56.9**
Total (A + B)		**4,062.2**	**100.0**

Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Minimum safe-guards	Taxonomy-aligned proportion of turnover 2021/22	Category (enabling activity)	Category (trans-itional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.6		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	13.9	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	2.6	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.9		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.2		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.7		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0	E	

Reporting on EU Taxonomy Regulation as of 30 September 2022 – Detail CapEx

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx
A. TAXONOMY-ELIGIBLE ACTIVITIES		EURm	%
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	6.2	1.1
4.3. Electricity generation from wind power	D.35.11	36.4	6.4
4.5. Electricity generation from hydropower	D.35.11	1.8	0.3
4.9. Transmission and distribution of electricity	D.35.13	345.3	60.4
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	32.0	5.6
4.15. District heating/cooling distribution	D.35.30	21.9	3.8
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	20.4	3.6
4.24. Production of heat/cool from bioenergy	D.35.30	1.5	0.3
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	18.8	3.3
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		484.4	84.7
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	2.6	0.5
4.5. Electricity generation from hydropower	D.35.11	2.9	0.5
4.9. Transmission and distribution of electricity	D.35.13	17.0	3.0
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	13.0	2.3
4.15. District heating/cooling distribution	D.35.30	0.7	0.1
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.3	0.0
4.24. Production of heat/cool from bioenergy	D.35.30	0.2	0.0
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	0.0	0.0
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		36.6	6.4
TOTAL (A.1 + A.2)		521.0	91.1
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities (B)		51.1	8.9
Total (A + B)		572.1	100.0

Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Minimum safe-guards	Taxonomy-aligned proportion of CapEx 2021/22	Category (enabling activity)	Category (trans-itional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	6.4		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.3		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	60.4	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	5.6	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.8		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.6		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.3		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.3		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0	E	

Reporting on EU Taxonomy Regulation as of 30 September 2022 – Detail OpEx

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx
A. TAXONOMY-ELIGIBLE ACTIVITIES		EURm	%
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	7.6	12.7
4.5. Electricity generation from hydropower	D.35.11	0.6	1.0
4.9. Transmission and distribution of electricity	D.35.13	14.4	24.1
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	9.7	16.3
4.15. District heating/cooling distribution	D.35.30	1.8	3.0
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.5	0.8
4.24. Production of heat/cool from bioenergy	D.35.30	0.7	1.2
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	9.6	16.1
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**45.1**	**75.2**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
4.1. Electricity generation using solar photovoltaic technology	D.35.11	0.0	0.0
4.3. Electricity generation from wind power	D.35.11	0.0	0.0
4.5. Electricity generation from hydropower	D.35.11	0.4	0.6
4.9. Transmission and distribution of electricity	D.35.13	0.0	0.0
4.14. Transmission and distribution networks for renewable and low-carbon gases	D.35.22 and F.42.21	0.3	0.6
4.15. District heating/cooling distribution	D.35.30	0.2	0.3
4.16. Installation and operation of electric heat pumps	D.35.30	0.0	0.0
4.20. Cogeneration of heat/cool and power from bioenergy	D.35.11 and D.35.30	0.2	0.3
4.24. Production of heat/cool from bioenergy	D.35.30	0.1	0.2
4.25. Production of heat/cool using waste heat	D.35.30	0.0	0.0
5.1. Construction, extension and operation of water collection, treatment and supply systems	E.36.00 and F.42.99	0.0	0.0
5.3. Construction, extension and operation of waste water collection and treatment	E.37.00 and F.42.99	0.0	0.0
7.6. Installation, maintenance and repair of renewable energy technologies	F.42	0.0	0.0
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1.2**	**2.0**
TOTAL (A.1 + A.2)		**46.3**	**77.2**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities (B)		**13.7**	**22.8**
Total (A + B)		**59.9**	**100.0**

Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems	Minimum safe-guards	Taxonomy-aligned proportion of OpEx 2021/22	Category (enabling activity)	Category (trans-itional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	12.7		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	24.1	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	16.3	E	
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	3.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.8		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	1.2		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	16.1		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0		
100.0	0.0	n. a.	n. a.	n. a.	n. a.	n. a.	Y	Y	Y	Y	Y	Y	0.0	E	


EVN
Energetic


NÖ Netz
EVN

Strong networks for the energy system of tomorrow

Modern lives and economies are hardly imaginable without a reliable supply infrastructure. But as we move towards the transformation of our energy system, high-performance networks will be required to create the foundation for the development of renewable energy sources. At EVN, we are fully committed to meeting the related challenges.

Protection of supply security – also in challenging times

Our central promise to customers is, and will always remain, to provide reliable supplies around the clock. These basic supplies must be available without limitation in every area where our energy and environmental services are offered. EVN customers must be able to rely on having sufficient energy – whether it be electricity, natural gas and heat or high-quality drinking water – in the required quantities and top quality at their disposal whenever it is needed. Despite the current challenges created by climate change, the transformation of the energy system,


NÖ
Netz
EVN

OVER 800,000 SMART METERS INSTALLED

In September 2022, we reached a key milestone in our smart meter roll-out: More than 800,000 of these meters have already been installed, which means 95% of all equipment in the Netz Niederösterreich supply area is now equipped with an intelligent electricity measuring device. Up to 1,900 smart meters have been fitted and connected to central IT systems every day since September 2020. More than half have already been activated for market communications. These customers can obtain information on their daily or monthly consumption, electricity costs and billing options and can also use the customer interface on the "My EVN" web portal. With these results, EVN successfully reached the 40% target set by Austrian law ("Intelligente Messgeräte-Einführungsverordnung") earlier than required at the end of 2022. More than 50,000 customers currently use the related functions in our web portal, and the number is increasing daily. Shared generation equipment and renewable energy communities have also been integrated in the system. This step marks the completion – on schedule – of the smart meter introduction in the Netz Niederösterreich supply area at the end of 2021/22 after a two-year period.

the war in Ukraine and its impact, for example through rising energy prices, we want to remain a reliable partner for our customers because electricity, natural gas, heat and water are among the most important drivers for our economy and society.

The European Green Deal with its goal to attain EU-wide climate neutrality by 2050 will require the rapid transformation of the European energy system towards fully CO_2-neutral generation. For energy companies, this creates new opportunities as well as substantial challenges: A conversion as fundamental as this, which reaches deep into a large-scale infrastructure, not only includes generation but also involves the transport and distribution of energy, the way in which necessary reserve capacity is ensured, and the management and optimisation of the entire system.

We have implemented a broad range of measures in all our business areas to meet our promise to protect supply security. Our activities include large-scale investments in our network infrastructure as well as the expansion of our renewable generation capacity and, in cooperation with other companies, universities and research institutes, the development of innovative concepts and technological approaches to realise the energy transformation.

Energy generation		**2021/22**	2020/21	2019/20
Coverage ratio	%	**16.1**	19.8	19.1
Share of renewable energy in the total energy generation mix	%	**66.8**	57.1	59.5

Electricity

The passage of the Austrian Renewable Energy Expansion Act in July 2021 formalised the country's intention to convert to 100% renewable energy sources by 2030. For an energy provider, this system change will bring numerous technical requirements. Electricity generation will become much more decentralised and involve a larger number of independent plants managed by different operators. Electricity from renewable sources is, by nature, volatile. At the same time, customers' behaviour is changing: On the one hand, the use of e-mobility, smart home technologies and heat pumps is leading to an increase in the demand for electricity; on the other hand, a growing number of customers with photovoltaic equipment generate their own electricity or join together in energy communities, and these trends require solutions for complex issues like pricing, network access and supply security.

Bringing all these factors together and, at the same time, ensuring reliable supplies of electricity without substantial interruptions is one of our major challenges. We therefore plan to make massive investments, above all in the Group-wide expansion of our wind power and photovoltaic capacity, in the coming years. Flexible backup services for power plants, electricity storage and reserve capacity are other key issues for our daily activities and areas in which we invest to make an active contribution to the energy transformation without compromising supply security or quality.

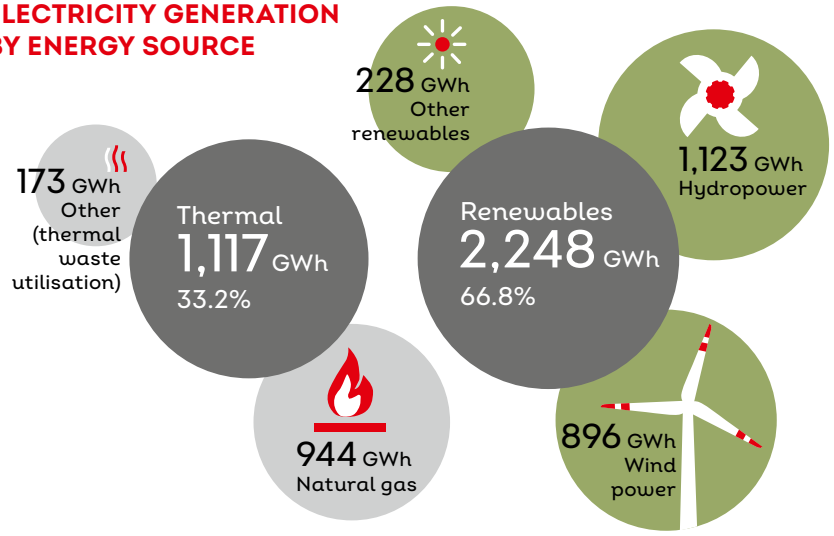
Natural gas

Our long-term contracts for natural gas storage facilities ensure uninterrupted supplies, especially during periods with temperature-related higher consumption or possible shortages at the European level (e. g. due to political crises in transit or origin countries). This strategy has proven to be very successful, especially in the challenging environment that has characterised the energy market in recent months and helps us to remain a reliable partner for our customers.

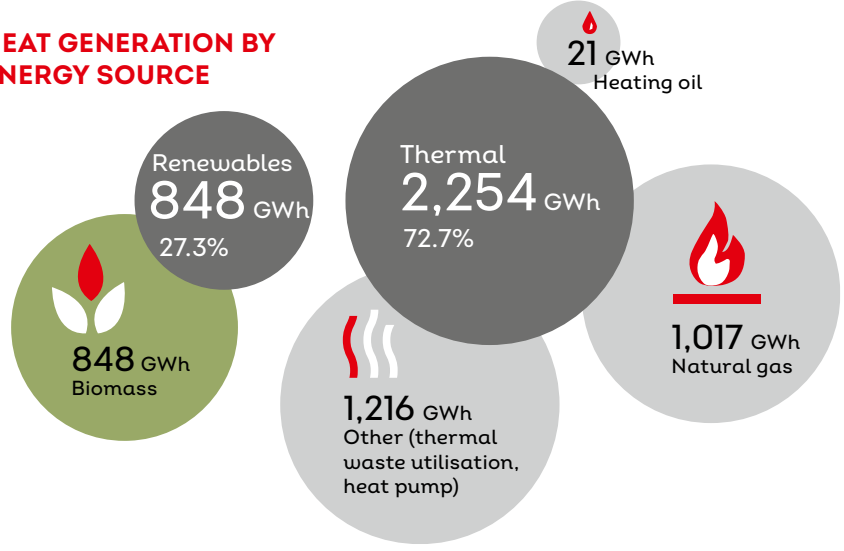
Also see page 54f

Our investment in RAG – with its strategic focus, above all, on the natural gas storage business – has high strategic importance in this context. In the development of hydrogen technologies and green natural gas, RAG is also seen as a pioneer in the branch due to successful pilot projects that make an important contribution to a future, environmentally friendly energy system.

ELECTRICITY GENERATION BY ENERGY SOURCE



HEAT GENERATION BY ENERGY SOURCE



The energy crisis: Questions and answers

Three EVN energy sector experts answer questions on supply security with natural gas and the current situation on the energy markets.

What steps do you take to guarantee energy supplies for your customers?

Klaus Stricker: We always take a proactive approach to securing our energy requirements. And that applies to electricity as well as the natural gas we need to supply our end customers and to generate electricity in our own plants. Proactive means that we secure certain volumes in advance with bilateral procurement contracts and hedge prices at intervals of roughly 12 to 18 months on a rolling basis. That gives us planning security and is the reason we can offer our customers fixed prices for specific time periods.

Paul Kaluza is the head of the energy trading department.

How do you make sure you always have natural gas physically available?

Paul Kaluza: EVN holds an investment of 50.03% in RAG. With roughly 6.3 bn m³ of storage capacity, it is the largest gas storage company in Austria and the fourth largest in Europe. However, EVN is not only a RAG shareholder but also a customer because we use part of its storage capacity to physically store natural gas based on long-term contracts. We have always stockpiled sufficient volumes with RAG and other storage facility operators in Austria during the autumn months to cover our customer requirements in the winter half-year and to operate our district heating plants and supply the Theiss power plant with the natural gas needed for network stability. Here, we are talking about roughly 4 TWh.

Have these measures changed as a result of the war in Ukraine?

Paul Kaluza: No, this year – as of October 2022 – we also had roughly 4 TWh in storage. In other words, nearly 70% of our annual requirements were "in stock" at the beginning of the winter half-year. These storage volumes are sufficient to cover our customers' requirements during the coming winter. However, we must continue to expect supply shortages in an extreme situation as the result of government-approved energy control measures.

Where does EVN purchase its natural gas?

Jörg Sollfelner: We purchase our natural gas from Austrian suppliers and have no supply contracts with Russian producers. However, a significant part of the natural gas used in Austria originates in Russia – this situation is a result of the gas pipeline infrastructure in Europe. In reaction to the war in Ukraine and the related uncertainty over natural gas deliveries from Russia, we proactively purchased natural gas for the coming winter from non-Russian sources. It is now in our storage facilities at RAG.

How could the shortage of Russian natural gas deliveries to the European Union create such massive distortions, especially for electricity prices?

Paul Kaluza: All this started in summer 2021. There are two main reasons: first, the rising demand for energy that followed the Covid-19 pandemic and, second, the deliberate increase by the European Union in the price of the CO_2 emission certificates required for thermal electricity generation. The massive distortions on the markets beginning in the spring were then a result of the war in Ukraine and limited Russian gas deliveries to Europe. Gas prices rose sharply which led, in turn, to an increase in the price of electricity from natural gas power plants. One other aspect here is important to understand this complex issue: The shutdown of coal-fired and nuclear power plants in Germany over the last ten years and the inspection-related standstill of numerous nuclear power plants in France has created a problem where there is not enough plannable generation capacity in the European electricity system, at least over the short term. That also had a negative impact on the supply and, in turn, on prices.

Electricity can be produced at comparatively favourable prices in Austria due to hydropower and wind power. Why can't the Austrian customers benefit more from this situation?

Klaus Stricker: Over 20 years ago, the European Union developed a wide range of laws, directives and rules that were designed, among others, to ensure supply security while providing optimal protection for competition in the interests of consumers. One basic principle in a liberalised electricity market is "unbundling", meaning the legal, organisational and accounting separation of networks, generation and supply. It is intended to ensure that electricity production always flows into the entire market where prices are set on the commodity exchanges – and, like in every other market, determined by supply and demand. The uniform market price is reached when the available supply can cover demand. Since the plannable capacity of conventional power plants must frequently be used to satisfy demand, this capacity ultimately determines the market price. The previously mentioned increase in the natural gas price also triggered a sharp rise in the market price for electricity. That price then applies to theoretically less expensive production forms like wind power and hydropower.

Klaus Stricker is the head of the energy sector planning department.

In what way do the wholesale prices determined on the electricity exchanges influence the energy prices paid by your customers?

Jörg Sollfelner: Since we must purchase at these prices on the market, the wholesale prices also determine the prices we charge our customers. Our customers can, however, choose between various tariff models: delivery contracts with a floating tariff, where the consumer price is automatically adjusted each month to reflect the trend in wholesale prices, and delivery contracts with a fixed consumer price – the so-called flexible tariff. When a customer selects this tariff, the price remains stable for one year. In the current market environment with its unpredictable fluctuations, we are advising our customers to conclude flexible contracts with a one-year fixed consumer price.

How would you evaluate the further development of the prices for electricity and natural gas?

Klaus Stricker: We must be particularly careful with forecasts, especially in the current situation. Our updated planning assumes that this phase of high uncertainty and stronger price volatility will continue. However, the extremely high prices for natural gas and electricity recorded in August 2022 have declined slightly in recent weeks. And this autumn, the futures markets pointed towards a declining price level in 2023 and 2024.

Jörg Sollfelner is the managing director of EVN KG, which is responsible for the energy supply business.

What can we do to make sure energy remains affordable?

Jörg Sollfelner: The European economies will still be dependent on natural gas supplies over the coming years. But the increased expansion of renewable generation and the intensified focus on energy storage will make us gradually more autonomous. Energy prices will then – hopefully – also be lower and more plannable.

Networks and network infrastructure

Our networks create the basis for supplies to our customers. The smooth functioning of this extensive, but sensitive infrastructure requires a wide range of measures which generally remain unnoticed by consumers. In particular, the integration of electricity from renewable sources, which is delivered from a growing number of decentralised plants, and the related changing and volatile energy flows place additional high demands on our networks. Protecting the performance of these networks in the same high quality requires the massive expansion, continuous modernisation and digitalisation of this infrastructure – high-voltage power lines, transformer stations and medium-voltage capacity as well as substations, local networks and smart meters. The energy transformation has also turned the network infrastructure into a data hub and made intelligent networks the backbone of the electricity system of the future.

An important role is also played by customers who generate their own electricity or are part of an energy community because our networks must also be able to meet these users' requirements when there is no local energy production. We are therefore strengthening our networks, above all at the low- and medium-voltage levels and relying on digitalisation and sensor technology. The energy system transformation and the continuous changes in consumer behaviour are also leading to a significant increase in the complexity of network planning, management and operations. Here too, ongoing high investments and new solutions are needed to maintain the high quality levels.

For smart solutions for a sustainable energy future, also see page 73ff

In addition to the threatening climate change, another important reason for the rapid conversion to renewable energy sources materialised at the beginning of 2022: Russia's invasion of Ukraine was followed by an unparalleled energy crisis that once again made Europe's dependence on fossil energy carriers very clear. A successful transition to an independent energy future will not only require the development of renewable sources but also a high-performance network infrastructure.

EVN took a proactive approach many years ago with the start of an extensive investment campaign for the expansion of its networks. In the coming financial year alone, roughly EUR 300m are scheduled for new construction and replacement. Most of these funds, namely approximately EUR 250m, will flow into the field of electricity and the related IT infrastructure. Netz Niederösterreich has invested an average of EUR 250m in the expansion and strengthening of its networks in recent years – and the demand for investments will remain high over the near term.

Record investments in the electricity network

"The investments planned for our networks in the coming year will reach a level never before seen in the history of our company", explains Werner Hengst, managing director of Netz Niederösterreich. This company is responsible for the construction, operation and maintenance of EVN's electricity and natural gas infrastructure in its home market. This all-time investment high has its reasons: Lower Austria's electricity mix has the largest share of energy from wind power and photovoltaics than any other province in the country. This is made possible by the large wind parks and photovoltaic plants that are located, above all, in the sparsely populated north-eastern areas of the province. And transporting the generated electricity to distant population centres requires high-performance long-distance power lines and feeders, transformer stations and substations.

Cooperation on large-scale projects

Netz Niederösterreich cooperates with the Austrian Power Grid AG (APG) on the construction of these facilities. As the operator of the Austrian transmission network, APG erects the 380 kV power lines that transport the electricity over great distances, while EVN, as the regional network operator, is responsible for the medium- and low-voltage power lines that bring the electricity into residential areas and individual households. Werner Hengst: "APG builds the electricity motorways, and we take care of the federal and local roads. It's obvious that close coordination is required here to make sure we have full coverage for the network. Most recently, we completed the Weinviertel regional power line project very successfully together with APG." This power line project was realised by APG from 2019 to 2022 with support from Netz Niederösterreich and connects the wind power and photovoltaic equipment in the eastern area of the Weinviertel region with the consumer areas in Austria. As part of this project, Netz Niederösterreich installed during the first project phase two 110 kV power lines over 35 km in total as well as a number of transformer stations, substations and feeder lines.

In addition to power lines, the company is also currently responsible for the construction, maintenance and operation of 92 transformer stations. 40 such stations will be newly constructed or modernised by 2030. And that is also an important building block for supply security in the energy future.

Digitalisation – the key to decentralised generation

A further focus of investments by Netz Niederösterreich is digitalisation – above all due to the massive increase in decentralised electricity generation. Werner Hengst: "In the first six months of 2022 alone, we received 27,000 applications to connect photovoltaic equipment with a combined output of 1,200 MW to our networks. That represents nearly double our present connection volume." Specifically, 58,000 photovoltaic plants with a maximum output of 684 MW currently feed electricity into EVN's distribution network. The integration of this and other new equipment in the Netz Niederösterreich infrastructure requires the same highly complex measurement and control technology that is used for energy communities – and is also an area where EVN is the Austrian leader.

Integration of renewable gas

Netz Niederösterreich is not only responsible for the electricity network but also for the entire gas supply infrastructure. The EUR 30m investment package planned for this area in 2022/23 is focused on the maintenance of the existing network as well as the integration of renewable gas. These projects will require the installation of green gas pipelines to the producers as well as additional compressors for Netz Niederösterreich. At the same time, the importance of caloric value measurement is increasing. "Natural gas and renewable gases often have very different caloric values. Hydrogen, for example, only has a one-third the caloric value of natural gas. Consequently, the precise measurement of caloric value is a key requirement for the commercial use of biogas. And that is the only way to make sure the end user is charged for the energy he or she actually receives", explains Werner Hengst. Numerous devices will be required for the precise collection of data on energy flows by the beginning of 2024.

In conclusion: a clear focus on renewable energy

The investments in the Netz Niederösterreich infrastructure have one common goal: to pave the way for energy supplies from CO_2-neutral sources. Netz Niederösterreich has been working on the operational implementation of this strategy for many years – and these concentrated efforts will make a valuable contribution to the design of an independent and green energy future.

District heating

According to the Renewable Energy Expansion Act, district heating will make a significant contribution to meeting climate goals in Austria through expansion and decarbonisation. The use of renewable energy in the heating field has played an important role at EVN for many years. As the largest natural heat supplier in Austria, we currently operate roughly 70 biomass heating plants in Lower Austria. Three large cross-regional district heating transport pipelines – including the longest such line in Austria from the energy utilisation centre in Dürnrohr to St. Pölten (32 km) – as well as four natural cooling plants complete our extensive natural heating infrastructure. In the municipal district heating business, nearly 80% of our customers receive 100% CO_2-neutral natural heat from renewable energy sources. The wood chips used in our plants are sourced from areas within a maximum of 70 km from the respective heating plant. In this way, we support the regional agriculture and forestry sector and contribute to local added value.

Drinking water

Demographic trends in our supply area as well as changing climatic conditions are responsible for a continuous increase in the demand for drinking water. In addition to the ongoing operation of numerous local networks that are supplied by EVN Wasser with drinking water, connecting water-rich and water-poor areas via cross-regional transport pipelines represents a particular challenge. Currently, our wide-ranging drinking water pipeline network covers nearly 3,000 km and is fed by well fields and high-level tanks throughout Lower Austria. In order to offset a climate-related decline in precipitation or regional breakdowns, we must construct new pipelines, increase the performance of our current network and develop new well fields. We are currently constructing a 60 km cross-regional supply pipeline between Krems and Zwettl in the Waldviertel region. The first section of construction was successfully completed, and the entire project is scheduled for commissioning by 2025.

The responsible use of drinking water involves new pipeline construction as well as the upgrading of the existing infrastructure – primarily through the identification and repair of leaks and the protection or improvement of the water quality while minimising the negative impact on the environment. One good example is the construction of natural filter plants to improve quality through the physical softening of water. Magnesium, calcium and other trace substances are dissolved and removed from the water without the use of chemicals. We commissioned the fifth plant of this type in Petronell-Carnuntum during spring 2022, and three more are currently in planning.

Cable TV and telecommunication services

Sufficiently dimensioned, high-quality networks and technical infrastructure also form the basis for the reliable flow of data. The high-performance

RAPID PROGRESS ON CONSTRUCTION OF THE BIOMASS COMBINED HEAT AND POWER PLANT IN KREMS

We are investing continuously in the maintenance, modernisation and new construction of our biomass heating plants and the expansion of our district heating network. One of our largest projects at the moment is the biomass combined heat and power plant in Krems with 5 MW of electrical and at least 15 MW of thermal output at an investment volume of approximately EUR 38m. Construction is proceeding as planned, and commissioning is scheduled for the end of 2022. Starting in spring 2023, this new plant will generate green electricity for roughly 15,000 households and deliver natural heat for up to 30,000 households in the region. The entire timber requirements will be sourced from the region to supply the connected district heating network largely without the use of fossil fuels. This plant will make an important contribution to decarbonising the fifth largest city in Lower Austria and also support the regional economy: The added value through biomass, which also includes damaged timber, totals more than EUR 4m per year.

network operated by kabelplus offers digital cable television in HD, and partially also in UHD quality. The use of modern glass fibre technology, which is the focus of continuous expansion, also supports Internet usage with upload and download speeds in the Gigabit range.

Basic supplies for e-mobility

Electromobility is expanding constantly throughout Austria. We made an early and decisive contribution to advance this new mobility solution in our home market with the installation of an area-wide basic supply network of e-charging stations. We construct and operate charging stations and, in 2014, introduced an electricity fuel card that was in use by more than 11,800 customers at the end of September 2022. Joint roaming agreements allow customers with the EVN electricity fuel card to choose from nearly 8,400 loading stations throughout Austria – the largest charging network in the country – without additional costs. Our "Autoladen 2.0" app helps our customers to locate the next free charging station and can also be used to start the charging process quickly and easily. EVN's charging stations are, of course, included in the most frequently used charging station registers.

We made an important contribution to an emission-free future in the area of public transportation during 2021/22 through a cooperation with Postbus. In the southern Weinviertel region, we installed charging stations for a battery-operated e-bus system that is unique in Austria. The batteries of the e-buses can be quickly recharged via charging poles during operating hours. The delivery of 100% green electricity supports continuous CO_2 savings and, what is more, the e-buses are much quieter than their conventional counterparts.

Selected measures to support supply security

Expansion of our renewable generation capacity

We intend to make massive investments in the Group-wide expansion of our generation capacity, above all for wind power and photovoltaics, over the coming years. The construction of the wind park in Schildberg (12.6 MW) raised our total wind power network generation capacity to 407 MW, most of which is located in Lower Austria. Projects are also currently in progress at three other locations: repowering of the Japons wind park (12.6 MW) and the new construction of wind parks in Paltern-dorf-Dobermannsdorf (42 MW) and Grosskrut-Altlichtenwarth (12.4 MW).

Our plans call for the expansion of capacity to a total of 750 MW by 2030 through projects in Lower Austria and Bulgaria.

Expansion plans have also been prepared for the photovoltaic business, whereby projects in Lower Austria, North Macedonia and Bulgaria are expected to increase our photovoltaic capacity to 300 MW by 2030. We have also been working on the construction

of a freestanding photovoltaic plant with a capacity of 10 MW on a former landfill in Trumau, south of Vienna. In Grafenwörth, near the Danube River, we are constructing a floating 24.5 MW photovoltaic plant together with ECOwind. Another large-scale photovoltaic plant with a capacity of 20 MW is in the planning stage and will be located on the grounds of the former coal storage area at the decommissioned Dürnrohr power plant.

Highly efficient electricity networks

As a result of our ongoing investments to improve the network infrastructure, network losses in Lower Austria remain stable at roughly 4% – which is a very low level in international comparison. A direct comparison with our supply areas in Bulgaria and North Macedonia is hardly possible due to the different customer and network structures. The indicators in these two South-Eastern European markets are higher, and our investment programmes there concentrate on the further reduction of network losses and the continuous improvement of efficiency. We have successfully reduced our network losses in Bulgaria from approximately 20% at the time of our market entry in 2004/05 to a recent level of 6.5% and from approximately 25% in 2005/06 to 14.0% in North Macedonia.

Electricity disruptions far below the sector average

The reliability of our electricity supplies is also confirmed by externally calculated indicators. The mean supply interruption[1] – calculated according to the System Average Interruption Frequency Index (SAIFI) equalled 0.91 in the 2021 calendar year (previous year: 1.16). This SAIFI value means an EVN customer experienced one unplanned power interruption on average during 2021. The average annualised duration of unplanned power interruptions[1], as calculated according to the System Average Interruption Duration Index (SAIDI), equalled 19.81 minutes in 2021 (previous year: 25.14 minutes) and was

Average non-availability of power plants 2021/22		Planned		Unplanned	
		Hours	%[1]	Hours	%[1]
Wind power plants[2]	Austria	112.3	1.3	303.8	3.5
Small hydropower plants	Austria	99.0	1.1	605.3	6.9
Pump storage plants	Austria	158.6	1.8	236.5	2.7
Natural gas-fired power plant Theiss[3]	Austria	1,719.3	19.6	859.4	9.8

1) Reference value: 8,760 operating hours per year (standard operational capacity)
2) Average value per wind turbine
3) The values only refer to the installed capacity in the amount of 470 MW which are held under contract as reserve capacity

EVN power generation capacities	30.09.2022		30.09.2021		30.09.2020	
	MW	%	MW	%	MW	%
Renewable energy	**771**	**55.0**	**752**	**54.4**	**720**	**42.3**
thereof hydropower[1]	312	22.2	307	22.2	307	18.0
thereof wind power	407	29.0	394	28.5	367	21.5
thereof photovoltaics	14	1.0	12	0.9	7	0.4
thereof biomass	13	0.9	13	0.9	13	0.7
thereof other renewables[2]	26	1.9	26	1.9	26	1.5
Thermal energy	**630**	**45.0**	**630**	**45.6**	**985**	**57.8**
thereof natural gas[3]	583	41.6	583	42.2	583	34.2
thereof hard coal[4]	0	0.0	0	0.0	355	20.8
thereof energy hub Dürnrohr[5]	47	3.3	47	3.4	47	2.7
Total	**1,401**	**100.0**	**1,382**	**100.0**	**1,706**	**100.0**

1) Includes purchasing rights from the Danube hydropower plants in Melk, Greifenstein and Freudenau and from investments in the hydropower plants Nussdorf in Vienna and Ashta in Albania as well as in Verbund Innkraftwerke
2) Includes two sludge-fired combined heat and power plants in Moscow
3) Incl. the Theiss power plant (net output of 485 MW, 470 MW of which are held under contract as reserve capacity) as well as co-generation and combined heat and power plants in Austria and Bulgaria
4) The 49% investment in the Walsum 10 hard coal-fired power plant was sold as of 30 September 2021, and electricity purchases from this source were terminated as of the same date.
5) Includes the steam co-generation from thermal waste utilisation in Zwentendorf/Dürnrohr

again clearly below the Austrian average[2] of 24.01 minutes (previous year: 38.07 minutes). Information is not provided on the SAIDI and SAIFI at EVN's locations in Bulgaria and North Macedonia because a clear database is not available for the necessary calculations.

1) Source: Netz Niederösterreich, breakdown and disruption statistics for 2020 and 2021
2) Source: Energie-Control Austria, breakdown and disruption statistics for 2020 and 2021

High availability of our power plants

The table on the adjoining page shows the scheduled and unscheduled periods in 2021/22 when our operational thermal power plants and wind parks were not available. The data does not include the capacity at the Theiss thermal power plant that is not under contract as reserve capacity. A total of 470 MW at this location were available as reserve capacity for the Austrian transmission network operator (APG) in 2021/22, and we are also providing 470 MW of reserve capacity for APG in the coming financial year.

Cybersecurity

Digitalisation has also led to wide-ranging changes in energy supplies. The trend is currently shifting from pure energy delivery to complex energy management with intelligent networks and meters as well as the individual optimisation of consumption and individual tariff models. The professional management of these significantly more complex energy systems with their many smaller components brings greater comfort and increased efficiency, but the growing interconnectedness also increases the risk of disruptions and cyberattacks. Information and cybersecurity therefore represent a central part of every project at EVN, and we are working hard to steadily improve our cyberresilience.

We give top priority, in particular, to the security of our networks and information systems in order to meet our commitment to supply security through the uninterrupted availability of all systems. A protection requirement analysis forms the basis for the identification of technical and organisational safety measures. We view the strict separation of IT systems and commercial and technical areas as essential. In addition to the isolation of critical infrastructure, the data networks represent another focal point of our activities. Their security is becoming more and more important due to the progressive digitalisation of the electricity and natural gas networks. EVN's chief information security officer is responsible for the operation and ongoing improvement of our Group-wide information security management system and is supported by local security officers in the individual companies. Our employees also receive regular information and training on current issues via internal communication channels.

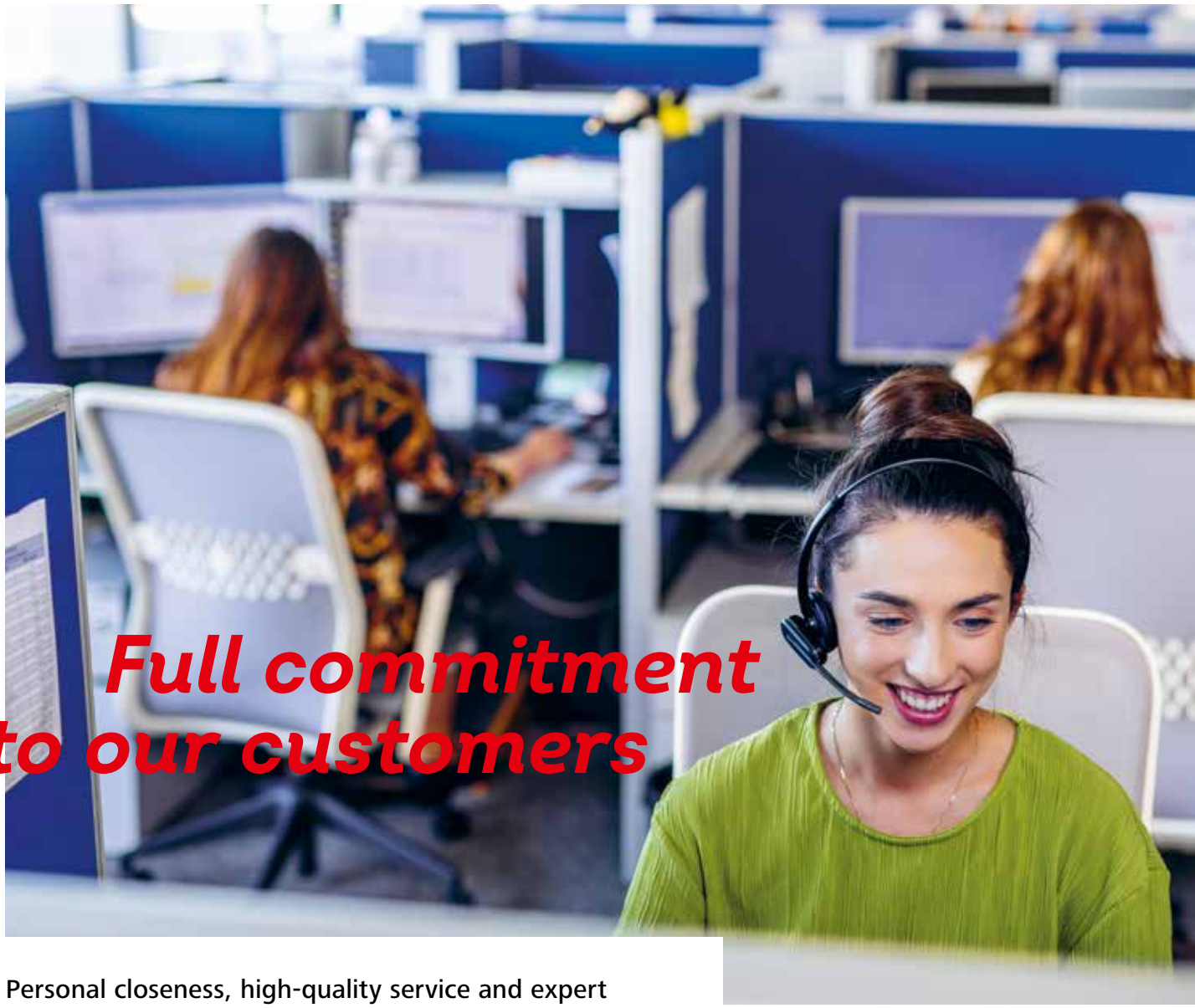
As operators of essential services, several EVN Group companies are directly affected by the scope of application of the NIS Directive (Directive (EU) 2016/1148 of the European Parliament and of the Council), the first EU-wide legal requirements related to cybersecurity. This directive requires high security standards for critical network and information systems as well as the review of compliance through regular audits. The established protection and identification measures are regularly audited and continuously improved based on the latest technological standards. The involved companies decided to implement an information security management system (ISMS) according to ISO 27001 at a very early stage. Two of these companies (Netz Niederösterreich and EVN Wärmekraftwerke) arranged for certification of their ISMS by an accredited institution. The organisational preparations for the legal NIS audit have been completed, and the related security measures are being implemented on a continuous basis. New legal requirements, respectively the expansion of these requirements (e.g. NIS2), are the subject of regular monitoring and the effects on the individual Group companies are assessed continuously.

TEC CENTRE

A new building has been under construction at EVN's headquarters since September 2021: the Tec Centre. It will serve as a modern and safe location for our IT infrastructure and certain components of the technical network. Workstations with the highest demands on security will also be installed in this building. Completion is scheduled for the end of 2022 and will be followed by three-month test operations.


Nearby


EVN
EVN



Full commitment to our customers

Personal closeness, high-quality service and expert advising that covers a wide range of contact options from physical to digital. These criteria form the basis for contacts with our customers – also in challenging times.

Maximum customer orientation

The current framework conditions on the energy markets have also created significant challenges for our customers. Despite the related enormous increase in contacts over all our communication channels, we still take sufficient time to find solutions for our customers' concerns – because our top priority is to provide people with elementary services, especially in difficult times. This begins with a continuous, fully operational and optimally dimensioned infrastructure. It is the basic requirement for the realisation of our overriding goal: to always reliably supply our customers with energy products and services, high-quality drinking water, and cable TV and telecommunication services.

These activities are accompanied by a wide variety of services, advising and dialogue. Our aim for everything we do: to stay as close as possible to our customers. For our customers in Austria, Bulgaria, North Macedonia and Croatia, we have created analogue and digital 24/7 communication channels for all types of questions and concerns:

→ Personal customer advising (e. g. 19 EVN Service Centres, info tour with the EVN bus in Lower Austria, trade fairs, on-site advising at the customer's location)

→ A service telephone with individual numbers for specific topics and concerns
→ Digital communication options (e. g. e-mail, self-service portals, video advising)

Top professionalism and maximum customer closeness define our services and advising. Extensive know-how is required here because our portfolio of products and services is just as diverse as our customers' concerns. Our communications involve basic issues – like the registration and cancellation of services, assistance with tariffs or questions on invoices – as well as special requests for energy advising or in connection with energy efficiency services and products.

For information on energy efficiency services and products, also see page 102

Continuous improvement in service quality

We define customer satisfaction, on the one hand, through products and services that meet individual needs and are transparently invoiced. On the other hand, customer satisfaction is also a result of high service quality, target group-oriented communications, and assistance for our customers on issues involving the efficient use of energy. In these key areas, our goal is to create and maintain a fair and highly professional partnership with our customers in all our markets. Service is an area where we want to distinguish ourselves from the competition through stronger commitment and, in this way, better meet our customers' needs and become even more successful.

Active complaint management is also one of our top priorities. We document and evaluate all reports from unsatisfied customers and analyse them monthly to develop specific measures for improvement. This structured quality assurance cycle makes an important contribution to improving the quality of our services. In Bulgaria and North Macedonia, for example, we substantially accelerated the processing of complaints during the past financial year through specially designed measures.

To continuously improve our performance at our customer interfaces, we organise regular events to give our customer service staffs from Austria, Bulgaria and North Macedonia an opportunity to share their experiences. These events create a platform for the discussion of specific content and the challenges faced in daily activities, which then form the basis for the development of Group-wide measures.

These quality assurance measures are reinforced by our high priority on focused modules and training programmes for the customer relations team. Similar to our other training programmes, we are increasingly relying on digital e-learning formats in this area. Our intensive training cycle for new customer relations employees has been condensed to three weeks to make these men and women fit for customer contacts as quickly as possible. It is followed by further in-depth training modules.

Digital customer feedback

The EVN Customer Advisory Board was created in 2011 as a separate advisory committee to support the regular and systematic exchange of our customers' needs and concerns with EVN's management and experts. After extensive preparations, the EVN Customer Advisory Board will be relaunched in a new digital format starting in 2022/23. Customers interested in providing feedback have been able to register online under https://mein-feedback.at/ since October 2022. Their responses will flow into a large pool of test customers who will be asked online and on-site – quickly, flexibly and easily – to express their opinions on current and future products and services.

We also plan to introduce real-time-feedback in a digital format on a real-time basis in 2022/23. Customers will be contacted via SMS or e-mail and asked to answer three short questions on their personal customer experience with EVN. We hope this feedback will help us to quickly evaluate and analyse the quality of our customer contacts.

Continued on page 68 →

Customer relations: Personal contact as a key strength

Rising energy prices, concerns over possible supply shortages caused by the war in Ukraine and the conversion to renewable energy sources – these are only some of the many reasons for the rush on EVN's (telephone) lines in recent months. EVN's front office registered 120,000 contacts in September 2022, twice the nearly 60,000 recorded only one year before. And that is, by far, not all. The length of an average call grew from roughly six to 14 minutes during this same period. EVN's customer relations team saw similar increase in incoming e-mails and their personal contacts in the company's 19 Service Centres.

These numbers underscore the unprecedented challenges for EVN's customer service in recent months. To meet customers' increased need for up-to-date information and in-depth advising, the company introduced a variety of measures: The first took place at the personnel level and involved the increased readiness of customer relations employees to work overtime. This core team was supported in specific processes by temporary staff and leasing personnel. And employees from other EVN departments were invited to help answer the growing volume of e-mails on a voluntary basis. The great response to this appeal clearly demonstrates the team spirit that characterises the EVN Group.

The personnel reinforcement was by far not the only reaction to this development, emphasised Bernd Löschnig, head of customer relations at EVN: "Our colleagues are, from time to time, faced with highly complex issues and our customers expect competent answers. That made the training and on-boarding process even more complex and led to further optimisation in recent

The major effects on customer relations since autumn 2021

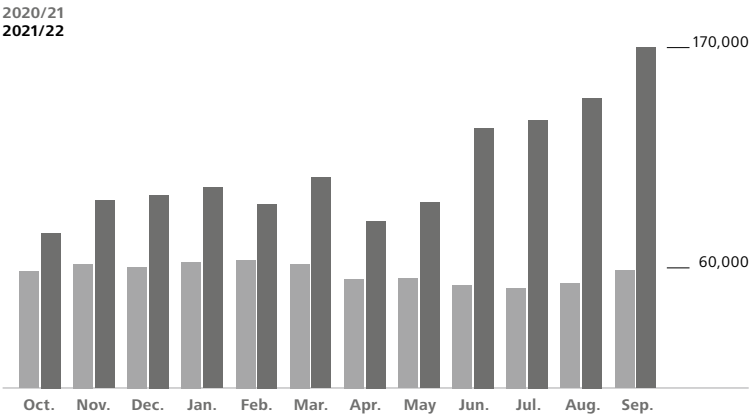
Influencing factors

- → Rising energy prices
- → Media reports over possible blackouts
- → Gas supply shortages due to the war in Ukraine
- → Market shake-out (competition)
- → Staff sick leave due to the corona pandemic
- → Compensation for energy costs
- → Price adjustments for electricity and gas
- → Rebate campaigns by EVN
- → Electricity price rebates by the province of Lower Austria

Key customer concerns

- → Invoices and instalments adjustments
- → Tariff advising
- → Changes to master data in view of the electricity price rebate
- → Change of suppliers
- → Subsidy and meter applications related to the construction of photovoltaic equipment
- → Supply security
- → Instalment plans and deferrals

Number of phone enquiries at Customer Relations



months." The training plan was streamlined and restructured to allow for faster assignment at the hotline and Service Centres. The quarterly training modules were replaced by more frequent, in part monthly sessions. "In the past, the on-boarding of a new employee took several months. Now we can selectively use these colleagues in customer advising already during their training period", explains Bernd Löschnig.

EVN is also increasingly using digital tools for electronic inquiries, which are received primarily via e-mail. Electronic mail is automatically sorted by subject and forwarded directly to specifically trained employees for processing. Many of these e-mail inquiries were also answered on Saturdays, so-called power days, during the past months – which was the only way to handle the backlog of incoming mails.

Our online service offering was also massively expanded and optimised, and many questions can, as a result, be answered quickly and intuitively through the customer section of EVN's website. The processing of the entered data is also largely automated, which frees up additional capacity for direct customer contacts.

In spite of all these measures, callers in EVN's front office were faced with a waiting time of more than 30 minutes. Bernd Löschnig: "Many of our customers are very concerned over the current situation. They are normally understanding if it takes a little longer to reach us because they are aware of the massive increase in contacts due to the current energy market distortions. We also take all the time necessary to answer questions and deal with our customers' concerns in a competent and supportive way."

The energy market distortions mentioned by Bernd Löschnig are reflected in a wide variety of issues for the customer relations team: On the one hand, they include questions over rising energy prices and the further development of the energy market, possible blackouts, changes in the tariff landscape or individual deferral and payment agreements. On the other hand, they involve extensive information by EVN's staff on government-approved support measures. Other central issues concern the construction of photovoltaic equipment and new applications for service or the resumption of service from customers who previously purchased their energy from competitors. Many of these companies can no longer fulfil their customer contracts due to the increase in wholesale prices or have terminated their business activities and left the market. Alone from October 2021 to September 2022, roughly 32,000 customers returned to EVN. Bernd Löschnig: "In uncertain times, people want stability. EVN is not only the largest energy supplier in Lower Austria. We also work to assist our customers in many cases – for example, to prevent energy poverty." The offering includes intensive customer advising and a separate EVN social fund for customers in financial distress. In addition, the comparatively attractive tariffs benefit all households. "Naturally, our size and strong market position give us a competitive advantage in the current crisis. But our responsibility is also very important to us and demonstrated by numerous offers that help our customers with energy purchases in crisis times. The most important factor right now, however, is comprehensive personal and regional contact with our customers – regardless of the channel they use for our communications. That is currently one of our greatest strengths."

Evaluation of customer satisfaction

We commission regular independent, external surveys to proactively analyse and evaluate the quality of our customer service and customer satisfaction in our three core markets. The survey data and analyses combined with long-term trends show the development of customer satisfaction and help us to analyse relevant business transactions. The results provide valuable information on opportunities for improvement and, in a next step, are evaluated by the involved departments. This information is used to define concrete approaches for improvement measures.

In Austria, we also evaluate our customers' satisfaction with various aspects of their business relations with EVN based on a customer loyalty index which was specially designed to meet our requirements. The underlying indicators support the monthly monitoring and measurement of customer loyalty, while the index allows us to swiftly identify and react to changes in customer behaviour.

Strategies to combat energy poverty

EVN's values also include a commitment to social responsibility, an obligation that has become increasingly important in today's environment. We are well aware that the massive increase in energy prices has created an enormous burden, especially for financially weak households. As a result, we have intensified our efforts and initiatives to combat energy poverty. One measure that has proven its success for many years is our cooperation with the Caritas social service organisation and the debt counselling service in Lower Austria, and we have recently intensified this mutual assistance. The projects concentrate, among others, on measures to reduce energy consumption and the realisation of cost-cutting opportunities that often lead to significant savings. We have had very good experience with programmes based on the "train the trainer" principle, which prepare social counsellors to conduct advising discussions (e. g. on subjects such as energy savings, potential subsidies for heating costs etc.), and we also accompany the counsellors in their work with people threatened by poverty.

Our regular contacts with the Lower Austrian debt counselling service and the Caritas social service organisation make it easier to coordinate targeted measures for socially disadvantaged customers. The related measures include, for example, individual agreements for payment deferrals or instalment payments as well as solutions developed together with aid organisations and social service providers. In justified individual cases, we are particularly accommodating to our customers' problems and see the termination of contracts, for example, as an absolute last resort. Our primary goal is to avoid such steps wherever possible.

We had already waived the suspension of electricity, natural gas, and district heating services for household customers from 23 December 2021 to 31 March 2022 and, at the beginning of August 2022, announced a further voluntary waiver for the suspension of services from 1 December 2022 to 31 March 2023.

As support for particular hardship cases – in this, our 100th anniversary year – we have established a social energy help fund with an endowment of EUR 3m that will be directed to helping households in need. The distributions from this fund will be handled by social institutions.

Monetary assistance

Households in Lower Austria have been able to benefit from various relief measures approved at the federal and provincial level in 2022. The entitlement for these measures is, in part, linked to social needs and, in part, not tied to special requirements. Moreover, customers affected by price adjustments in connection with the amendment of our general delivery terms could receive a bonus of up to 17% by changing to a tariff with a 12-month fixed energy price and actively reducing our operating costs (e. g. through registration on the EVN customer portal, changeover to e-mail invoices and direct debit payment etc.).

INFORMATION CAMPAIGN "ELECTRICITY SAVINGS IN SEPTEMBER"

A wide variety of communication measures bundled under the title "Electricity Savings in September" marked the start of our proactive information campaign for residents in Lower Austria. It explains the relief measures announced by Austria's federal and provincial governments and also covers EVN's direct support programmes, our new tariff offering and concrete energy saving tips and opportunities. One declared objective of this campaign – which includes mailings to our customers as well as a wide range of information media like flyers, advertisements, radio spots and online banners – is to support as many households as possible in utilising their entitlement to rebates and subsidies and, in that way, to cushion the burden created by rising energy prices. EVN employees also received extensive information on the energy price situation via the EVN Intranet and mandatory e-learning modules to help them communicate the content of our campaign to their families and friends. Our 19 Service Centres were also available to help complete the online applications. This offering was directed, above all, to people with a low Internet affinity, especially senior citizens. In addition, the EVN bus toured through 40 communities for four weeks and enjoyed a particularly positive reception with its offering of personal advising.

For information on our energy saving tips, also see evn.at/energiespartipps

Responsibility beyond the core business

In addition to meeting our customers' requirements for energy, water and cable TV and telecommunication services, our activities also give high priority to other legitimate interests. Included here, above all, are product labelling, safety, and health and data protection – and we have implemented various measures to meet these concerns.

Transparent product labelling

In accordance with legal electricity labelling requirements, we disclose all information on the electricity delivered to our customers in Austria. This information includes the geographical origin, composition by primary energy carriers and the environmental impact of its generation. We have made a voluntary, long-standing commitment to include no nuclear-generated electricity in our Austrian electricity products. The electricity we deliver originates entirely from certified Austrian sources.

An offering of tariffs based on these principles is available for every customer segment (household, commercial, industrial and municipalities) as electricity from 100% renewable sources and as a hybrid alternative. The hybrid alternative now also only includes a very low volume of thermally generated electricity: In the 2021 calendar year, 2.9% of the total volume was generated by natural gas and 2.0% by thermal waste utilisation; the remaining 95.1% came from renewable sources. Our electricity products from hybrid carriers therefore included no electricity generated from hard coal. The CO_2 emissions in the supply mix were, consequently, low at 23.36 g/kWh (previous year: 23.34 g/kWh).

Compliance with electricity labelling requirements is verified each year by an independent auditor. Our "Natur-Produkt" offering is also evaluated and certified by TÜV Austria. This certification confirms completely CO_2-free generation for all our electricity deliveries from 100% renewable sources in Austria; 37.5% of the electricity delivered by EVN KG to its end customers is completely CO_2-free.

In Bulgaria, electricity in the regulated market segments must be purchased from the state-owned energy supplier NEK. This company does not label its generation or offer any product options, and our Bulgarian sales company therefore has no influence over the composition of the delivered electricity.

The situation in North Macedonia is similar: Our sales subsidiary in this country is also required to purchase electricity for its customers in regulated markets from the state-owned electricity company ELEM and, therefore, cannot influence the composition of

the delivered electricity. The sales companies in these two countries are not required to label their electricity.

For information on energy procurement, also see page 34
Also see www.evn.at/herkunft
GRI indicator: GRI 417-1

Customer health and safety

We minimise the potential negative effects from our products on the health and safety of the public, in general, and our customers, in particular, through careful, responsible actions along our entire value chain. The protection of our customers has top priority, above all with regard to energy supplies and network operations. The numerous measures and concepts in this area include, among others:

- Information (e. g. website) on the early identification of damages to power lines and equipment as well as safety rules if there is a smell of gas
- Synergies through extensive occupational safety measures
- Replacement and/or maintenance investments to prevent technical defects and potential hazards
- Protection and prevention concepts (especially for equipment in the electrical voltage range)
- Continuous inspection of natural gas networks and location of any leaky spots
- Regular inspection of all natural gas equipment (based on the Natural Gas Safety Act)
- Ongoing control of equipment and safety measures

Emergency services 24/7

An emergency call centre is on duty around the clock, seven days a week, to handle disruptions and breakdowns. In addition to the fastest possible damage repair and restoration of supplies with our products, our employees take the necessary steps immediately on their arrival at the damage location to protect any involved persons. The emergency staff receive regular training, while duty personnel take part in annual training courses and all employees attend annual security training.

Crisis management

We have prepared comprehensive plans to deal with crises, emergencies and other contingencies and developed training programmes for major segments of our business, especially for vulnerable areas that also affect the population and the environment. Crisis situations are simulated regularly at all EVN locations. In addition, internal and external exercises and training sessions on crisis management are held in Lower Austria. Crisis management systems have also been installed at our operations in Bulgaria and North Macedonia.

For information on occupational protection and safety, see page 85ff
Also see www.evn.at/customer-safety and www.evn.at/crisis-management
GRI indicator: GRI 416-1

Data protection

The professional protection and non-disclosure of personal data and business information have always represented central behavioural norms for our company and, consequently, are included as a separate section in the EVN Code of Conduct. The high importance of this subject is also reflected in our corporate organisation: Data protection is anchored in the corporate compliance management staff department, which reports directly to the Executive Board. In addition, we have installed a local data protection officer in each of our markets.

Our data protection management system ensures that the EVN Group has implemented and met all requirements of the EU General Data Protection Regulation (GDPR) that took effect in May 2018 as well as the requirements of the Austrian Data Protection Act which was enacted in 2018. Standardised data protection processes have been implemented to allow for the timely and efficient evaluation and handling of data privacy requests and/or the deletion of information. All complaints involving the failure to protect personal data – whether they come from the Data Protection Authority or an involved person – are recorded and processed quickly to allow for the fast implementation of any necessary corrective measures.

We received no requests from the Data Protection Authority for comments and identified no incidents involving the potential loss of customer data in 2021/22.

A separate e-mail address is available for direct contact with EVN's data protection officer: datenschutz@evn.at

GRI indicator: GRI 418-1


krems EVN
VOLLEKRAFT
Strom-Tankstelle

Smart solutions for a sustainable energy future

Innovation at EVN

Our widespread innovation activities are also based on the central themes defined by the EVN materiality matrix: supply security, customer orientation and sustainability. This last topic not only includes resource conservation and climate protection but also covers economic and social aspects – for example, energy supplies that remain affordable over the long term. Especially in the current environment with market distortions that have been far-reaching in recent months, this issue has become increasingly important. It also closes the circle to customer orientation which, of course, has high priority for a service provider.

EVN traditionally concentrates on the latest technical trends in the broadest sense of the term and works to test and integrate new solutions in its own operations as early as possible. Innovation has been one of the central pillars of our company's successful growth over the last 100 years. The many innovation projects and initiatives currently in progress underscore this open approach.

Many of these activities take place in the Green Energy Lab, Austria's largest innovation laboratory to date for green energy. It links over 200 partners from research, business and the public sector who are developing customer- and demand-oriented scalable solutions. Our commitment to this innovation lab is important not only from a strategic perspective but has also produced a number of highly interesting projects for the green energy future.

See page 75 for a selection of projects

We spent a total of EUR 2.6m (of which 5.7% represented subsidies) on innovation, research and development proj-ects in 2021/22. With our Green the Flex project – which involves the bundling and marketing of flexibilities from private, commercial and industrial companies – EVN was the only Austrian company to receive a subsidy from the EU's Innovation Fund this year.

Also see page 158

Greater flexibility through demand-side management

One of the main focal points of our current projects and field tests is to make electricity consumption manageable, at least in selected areas and, in this way, prevent peak loads or shortages in generation and distribution. The reasoning behind this: When we have the flexibility to disconnect individual high-consumption plants or equipment from the network when the demand for electricity is high or postpone their operations to a time when demand is low, we can avoid peak loads on the power plants and the transport and distribution networks. This will allow us, for example, to reduce the use of the gas-fired power plants which are regularly in operation to cover peak periods and support network stability.

Any temporary shifts in the private customer segment would only involve plants and equipment with sufficient storage capacity that are not immediately needed, e. g. for heat pumps or boilers. The charging procedures for autos or lorries could also be regulated if necessary. All these options will, of course, be implemented without any influence on the comfort of customers.

The result: a reduction in natural gas consumption and fewer CO_2 emissions. Moreover, the natural gas that is not needed for power plant operations can be used for other purposes, and that helps to protect supply security in the current environment. The reduced stress on the cross-regional and regional electricity networks also supports reliable, uninterrupted supplies. Our customers also benefit by shifting their electricity consumption to times when they can take advantage of more favourable tariffs.

The involved consumers, in total, form a so-called virtual power plant that provides indirect services and, therefore, eases the burden on the entire system. The potential here is impressive: In Lower Austria alone, a suitably dimensioned virtual power plant could save roughly 60 GWh of natural gas consumption per year – and that represents an annual reduction of nearly 35,000 tonnes of CO_2 emissions.

The many different options to implement these concepts cover the bundling and targeted use of flexibilities from private households and commercial and industrial companies as well as the bi-directional charging of e-vehicles and scheduling and charging management for entire logistics fleets. E-vehicles play a particularly important role here because they not only help to reduce fuel consumption and emissions but can also serve as interim storage for renewable energy that is currently not needed and help to stabilise electricity consumption. By the way, EVN is a pioneer in this area: At our corporate headquarters and all district centres in Lower Austria, the charging schedules for our company e-vehicles are optimised in line with these goals.

Renewable energy storage

In addition to storage in the short-term range, we are also working on longer-term storage options for renewable energy – which, naturally, is not always produced when it is actually needed. One example is our SEKOHS Theiss pilot project with its large battery and thermal storage for the physical storage of electricity or heat. EVN is also involved in another project with RAG where we are investigating the large-volume seasonal storage of up to 100% pure hydrogen in underground natural gas storage facilities. If this works as planned, hydrogen can be used as a storage medium for electricity from wind and solar energy and support safe green energy supplies throughout the entire year.

cyberGRID: IT development in-house

With the acquisition of 100% of the shares in cyberGRID, a successful specialist for the integration of renewable energies and battery storage, in March 2022, EVN took an important step towards making consumption flexible. The utilisation of all options for demand-side management not only

requires technical innovation and new business models but also creative IT solutions. The integration and management of producers and consumers in line with their individual capabilities and requirements require complex IT tools that efficiently connect and network all facets of the entire system. cyberGRID technology is already successfully in operation on commercial projects in Austria and Slovenia and in numerous EU-subsidised projects, and its further development will now be managed by EVN in-house and throughout Europe.

Energiezukunft Niederösterreich: targeted subsidies for renewable energy communities

Regional and local renewable energy communities – as new players on the energy market in their catchment areas – can generate, consume and store energy (e. g. in photovoltaic or wind power plants). These communities, which are based on the share economy, have numerous advantages: A local network takes over primary responsibility for electricity distribution, cross-regional electricity transport is reduced, and the members pay lower network fees, taxes and duties. Their solidarity also makes an important contribution to regional added value and the realisation of energy and climate goals.

At EVN, we have also completed important preliminary work on several projects to realise this concept. Examples include the collection and aggregation of the necessary data and the development of platforms for the easy and efficient operation of energy communities.

We took on a pioneering role in Europe during the reporting period with the founding of Energiezukunft Niederösterreich. As a joint service company founded by EVN and the Lower Austrian Energy and Environmental Agency, it offers extensive advising and services for energy communities and supports Lower Austria's goal to become the model region for decentralised renewable energy generation. Its services include founding assistance, energy analyses and configuration or communication with public authorities, network operators and market players up to invoicing procedures. This joint venture is currently accompanying 120 projects in Lower Austria, and a further 100 have already registered for 2023.

WIDE-RANGING INNOVATION INITIATIVES

Our projects in 2021/22 (selection)

- → Green the Flex: bundling and marketing of flexibilities from private households, commercial and industrial companies
- → Industry4Redispatch: regulation and/or deactivation of industrial equipment to prevent peak loads and/or bottlenecks
- → car2flex: decentralised electricity storage through bi-directional charging of e-vehicles
- → MEGAWATT-LOGISTICS: conversion of heavy-duty utility vehicles from diesel to electricity and charging and scheduling management for logistics fleets
- → Open Data Platform: data collection and aggregation to improve knowledge of energy system connections
- → NETSE: user-oriented (further) development of platforms for the easy and efficient operation of energy communities
- → Hybrid LSC: pilot projects for local sustainable communities with different focal points (multi-family houses and developments)
- → R2EC: simulation of decentralised energy cells based on renewable energies in three sample energy regions
- → Underground Sun Storage 2030: investigation of large-volume seasonal storage of renewable energy in underground natural gas storage facilities with a hydrogen component of up to 100% in real-world scale

Versatile


00:13:5
175
Katharina
51
35
14
257

Dynamic, motivated, diverse

The working world is changing. A healthy balance between free time and work is becoming increasingly important for many people, while the labour market is witnessing growing competition for the best brains. We are addressing these changes with an attractive working environment and wide ranging offers for our employees.

The changing working world

Today's social and technical developments are revolutionising the way we work. These fundamental changes are also reflected in the needs and aspirations of our employees.

The Covid-19 pandemic has permanently influenced and accelerated the transition of our working culture towards digitalisation. The use of digital tools and the increase in mobile working are changing our daily life and the design of our workplaces, our understanding of work and, above all, our cooperation with each other. At EVN, we believe it is important to react promptly to these changes and create an optimal working environment for employees that allows them to develop and share collective success.

The EVN Working World, a project started before the pandemic, is designed to create a highly flexible working environment for our employees. The opening of additional office areas, numerous technical improvements and the introduction of innovative technologies and digital equipment have notably improved internal information and communication flows. Follow-up work on this project has already started. It should make cooperation even more active and expand our digital expertise. The framework is illustrated by our motto "More sustainable. More digital. More efficient." Concepts for flexible working time models, mobile work and the smarter use of space through desk sharing as well as their influence on existing management models are in preparation; they will be tested together and regularly adjusted based on feedback loops.

Also see www.evn.at/evn-working-world

Our training and professional development programmes in Austria, Bulgaria and North Macedonia are organised and managed by the local EVN Academies. The implementation of an IT-based learning and seminar coordination platform (ELI – EVN Learning Interface) in Austria during the past financial year is linked to our plans for an increased emphasis on virtual presence with visualised training plans and an individual training history. Training programmes will be available in different formats: anywhere at any time, in a pure digital form as web-based training, digital and synchronised at different locations as a webinar or as blended learning, i. e. as a combination of digital elements and on-site training.

In Austria, the roughly 200 events organised by the EVN Academy each year make sure the motto "We live training!" is put into practice. Efficient and modern solutions form the focal point for these activities. A trainer workshop in April 2021 set the stage for the team from the EVN Academy and 51 EVN internal trainers to exchange their views on learning in the future. They discussed, among others, the professional management of the new learning platform ELI, digitalisation opportunities and approaches to win over new trainers. Compliance Basics was launched as a webinar in January 2022 and was completed by 220 employees within the first few months. Specially selected case studies, interactive elements and active exchange, together with individual registration options formed the basis for the participants' very positive feedback.

Training and professional development in North Macedonia involved the introduction of an e-learning management system and the improvement of the trainee programme. "EVN the Next Generation", our well-established programme for the development and training of young engineers, also served as the basis for the implementation of the new trainee modules for young IT specialists. The circle of participants in the "EVN the Next Generation" training programme from 2021 included 59% women. The "Career Development Programme" now includes clear and transparent criteria as well as an objective assessment process for engineers' career development. We awarded a total of 24 scholarships to socially disadvantaged students and high potentials in 2021/22.

EVN is currently expanding its dual training programme in Bulgaria through the addition of new school partnerships. In 2021/22, our cooperation covered schools in 11 cities and involved 280 schoolchildren. All participants complete the practical part of this programme at EVN's operations in Bulgaria, and many of them join EVN on a permanent basis after their training. New concepts for hybrid working are currently in preparation and should be introduced during the coming financial year to offer all employees in Bulgaria greater flexibility and a better work-life balance.

Principles and models for our cooperation

National laws and international guidelines such as the Universal Declaration of Human Rights and the basic values described in the Code of Conduct are the fundamental principles for EVN's corporate culture in dealing with our employees. A set of binding documents defines and substantiates the principles and mission statements that govern our daily interaction. These same high standards apply in all countries where we work. Our activities in this area led to the definition of three key values – ensure, encourage and enable – for the EVN Group several years ago.

We have also integrated these values in key documents for our corporate and management culture, for example in our managerial mission statement and the feedback and orientation sessions

ensure

We ensure quality and corporate success.

We are committed to continuity and safety. Our employees are hardworking, competent, reliable and quality conscious.

Through their individual contributions, each of our employees ensures that we can implement our strategy and provide energy and environmental services to our customers in the best possible way.

This position ensures the healthy growth of the EVN Group.

encourage

We encourage people.

The way we think and act encourages people.

A good atmosphere and a positive working climate are just as important for our corporate success as for our employees' development.

We are the right company for people who love to learn and who – where necessary – also offer constructive criticism.

enable

We enable the future.

We not only talk, we also enable.

We always choose the correct and solution-oriented way.

Whatever we do, our focus is always on the environment, as it is the source of the energy we generate.

We are committed to sustainability in all areas.

FAIR LANGUAGE

At EVN, we also want our language to be fair. We have called on all our employees to use more sensible phrasing and ideally non-discriminatory, gender-neutral language. Our recommendations included the use of neutral phrasing, the "gender star" (in German-language texts) or specific reference to all genders.

which we regularly hold with our employees in Austria. These discussions allow for structured reciprocal feedback on work performance and quality plus the definition of goals for the employee as part of individual career planning. In 2021/22, 76% of our employees (368 women (69%) and 1,676 men (78%)) in Austria took advantage of these feedback sessions.

We motivate our employees not only by meeting our legal obligations as an employer, but also by providing numerous additional voluntary benefits. The following fundamental principles define our corporate culture:

- → Equal treatment and equal opportunity
- → Work-life balance
- → Human resources development and advancement
- → Occupational safety and accident prevention
- → Corporate health care
- → Corporate social partnership and internal communication
- → Additional company benefits

⚠ GRI indicators: GRI 102-16, GRI 404-3

Equal treatment and equal opportunity

The EVN Group had an average of 7,135 employees (FTE, full time equivalent) in 2021/22. The workforce totalled 7,453 as of 30 September 2022 (headcount).

Our workforce includes 172 wage employees (38 in Austria and 134 in other countries) and 7,281 salaried employees (2,647 in Austria and 454 in other countries). There is no differentiation between wage and salaried employees in Bulgaria (2,312 salaried employees) or North Macedonia (1,868 salaried employees).

As of 30 September 2022, our workforce consisted of 1,744 women (23.4%) and 5,709 men (76.6%). In order to increase the percentage of women in the EVN Group and to facilitate career planning – above all for highly qualified women – a variety of programmes and initiatives have been in operation in Austria, Bulgaria and North Macedonia for many years. Their objective is to increase the percentage of women over the medium term to a level that mirrors the current educational levels in the applicable professional groups.

The Women@EVN programme includes, among others, the opportunity to attend requirements-oriented seminars and develop internal networks. The first class of a mentoring programme with seven participants was completed during the past financial year. This programme is designed to support women in their management positions and thereby create the basis for increasing the number of female managers. EVN also consciously supports management positions on a part-time basis.

Our company's international market presence is also reflected in our workforce: It includes people from different nations, cultures and generations who come from more than 58 countries, above all from Austria, Bulgaria and North Macedonia. We are firmly committed to the hiring and advancement of regional employees because this improves our understanding of the special characteristics of the local culture and increases the economic benefits of our business activities. We therefore make sure that most of the employees and managers in our markets come from the respective region (approximately 71%). This value is lower than the previous year (approximately 90%) because it is based on a narrower definition of the term "manager". In particular, the strengthening of local management capacity represents an important aspect of our corporate strategy.

In addition to our own staff, 143 leased employees, representing 1.9% of our total workforce, also worked for the EVN Group as of 30 September 2022. We use personnel leasing for several reasons: first, as a preliminary step to a conventional employment relationship (integration leasing); second, for tasks and projects covering a limited time period; and third, to handle peak work.

In keeping with our commitment to equal treatment and opportunity, we also support the integration of people with special needs. We employed 126 persons with special needs in 2021/22, representing 1.7% of the total workforce.

In agreement with the Universal Declaration of Human Rights, the principles of the UN Global Compact and the guidelines of the International Labour Organisation, all EVN employees are treated equally regardless of gender, age, ethnic origin, skin colour, sexual orientation, religion, ideology or any impairment. We expressly reject any form of discrimination in hiring, training, career development, working conditions and compensation for employees with the same professional and personal qualifications. Our employees' compensation is based solely on the applicable collective bargaining agreement or the specific responsibilities and qualifications. At EVN, there is no difference in the compensation paid to women and men who have the same education and perform the same activities. The remuneration of leased employees is based on the salary or wage defined by collective bargaining agreements or legal regulations for our employees in comparable positions. In 2021/22, the ratio of the highest salary and average salary at EVN in Austria equalled approximately 8.0:1.

For information on diversity and the diversity concept for the Supervisory Board and Executive Board, see the corporate governance report on page 135f

For information on EVN's human rights policy, see www.evn.at/human-rights-policy

GRI indicators: GRI 102-8, GRI 202-1, GRI 202-2, GRI 401-1, GRI 405-1, GRI 412-1

Work-life balance

A further central concern is to help our employees achieve a balance between their working and family life. In May 2011, EVN became one of the first companies to sign the "charter on the new compatibility between parents and business" – an initiative of the province and economic chamber of Lower Austria – which underscores our commitment to a parent-oriented human resources policy.

Our employees in many areas have the freedom to define their working hours. This independence is based on a flexitime model without core times, which allows for the free organisation of working hours unless otherwise required for operational reasons (e. g. shift work). We also offer a range of part-time working models which play an important role, above all, in connection with childcare. Options for mobile working were implemented in September 2021 and give employees the option to work up to 1,100 hours each year at a location of their choice. That makes it possible, for example, to combine field and mobile work on the same day. In addition, we support employees with family responsibilities through facilities that include a parent-and-child office and our supervised summer holiday programme for children. WTE, which is responsible for our international project business, started a cooperation programme with a day-care centre during the reporting year and now offers on-site childcare.

Our employees in Austria, Germany, Bulgaria and North Macedonia are legally entitled to parental leave after the birth of a child. In Austria, the possible leave of absence extends up to the 36th month after the child's birth and exceeds current legal regulations. This option is, however, used less frequently in Southeast Europe. We maintain direct contact with our employees during the entire leave period and, in doing so, facilitate their return to work. Employees on parental leave are invited to special information events and can take advantage of our extensive training programme. A growing number of fathers are also taking advantage of this offering. In 2021/22, 44 women and 17 men were on parental leave in Austria. Nearly all mothers and fathers return to EVN after that time (return rate: 90.9% for women and 100.0% for men). Four female employees resigned directly after the end of their parental leave in 2021/22, compared with two in the previous year. All other employees who returned from parental leave were still employed by EVN after twelve months.

EVN is committed to training and continuing education and, therefore, also to educational leave and part-time work during this time. Appropriate requests are generally approved following a review of the operational possibilities and interests by the employer, subject to certain framework conditions.

GRI indicators: GRI 401-3, 404-2, 412-1

A FAMILY-FRIENDLY COMPANY

We were very proud to be recognised as the most family-friendly company in the category of large businesses at an awards competition held by the province of Lower Austria in 2021. The evaluation criteria included employment forms, working time models, parental leave and re-entry, training opportunities, family-friendly measures, information policies and the corporate culture. The competition is organised by NÖ Familienland GmbH in cooperation with the Economic Chamber of Lower Austria and the Niederösterreichische Nachrichten newspaper to honour companies that implement family-friendly best practice measures as important support for families.

Challenges on the labour market

The labour market has undergone a significant transformation in recent years – from an "employers' market" to a "recruitment market". The times when companies could choose from a large, well-trained pool of applicants appear to be over. The challenges connected with the search for the best brains are growing and have become more diverse – key word: labour and skills shortages, for example in the IT or cybersecurity branch. Moreover, the Covid-19 pandemic and the resulting greater need for security have reduced employees' tendency to change jobs. EVN has adapted its recruiting procedures to deal with these changing framework conditions: The channels we use to contact potential candidates have become more diversified, digital media are now an increasingly important part of this process, and flexibility has become a key factor. Our efforts to improve job satisfaction include, among others, the following measures in reaction to employees' changing needs:

- → Mobile working is now possible for most employees.
- → Flexible working times are a matter of course.
- → Part-time employees are also eligible for management positions.

In addition to this flexibility, EVN stands for the following three dimensions that are also represented in our promise as an employer (see the image on the right).

We have followed a targeted employer branding approach on the labour market since 2017. It gives us the opportunity to provide authentic insights into our company and the many different areas of responsibility – all in all, EVN has more than 100 job profiles in the energy, environment, heat, water and telecommunication branches. Our colleagues describe their jobs in short videos, and we regularly post information on their daily work routine over digital platforms. We also introduced a new image film at the beginning of 2022: "We are fit for the energy future. And are designing it together for tomorrow."

In addition to conventional recruiting platforms like job portals and career fairs, EVN also uses new – and above all digital – paths. Recruiting via social media, e. g. career posts on Facebook, Xing or LinkedIn, have come to play an important role. Our "Employees recruit employees" recommendation programme which was launched in 2017 has since led to the hiring of more than 130 men and women for different EVN departments. We also introduced the Job Ambassador Programme in 2021/22 to integrate current employees more actively in recruiting efforts.

The quality of our recruiting measures is underscored by regular awards. In the "Career's Best Recruiters" ranking, we are currently 15th among more than 500 rated companies.

Also see www.evn.at/Karriere

Human resources development and advancement

Our employees' high qualifications represent a strategic asset and an important element for protecting our company's sustainable success. Consequently, preserving and increasing our employees' high level of expertise are a central element of our human resources management. It helps us to ensure targeted and efficient human resources development in a continuously changing working world. The related training and professional development programmes in Austria, Bulgaria and North Macedonia are organised by the local EVN Academies. In Austria, the academy coordinates more than 70 different educational plans in the areas of electricity, natural gas, heat and water for apprentices and young technicians as well as recertification for experienced technicians. The training plans cover various technical and personality development subjects and content. Standardised processes and quality management accompany the design off every new course, whereby the content is also coordinated with the involved specialist department. A qualitative evaluation by participants is ensured by a feedback survey at the end of every course, and opportunities for improvement are reflected in the adjustment of the training design.

We invested EUR 288.2 per employee in continuous training and education during 2021/22 (previous year: EUR 217.6), which represents a total of EUR 2.1m (previous year: EUR 1.6 m). The slight increase reflects the return to more in-class events after the restrictions resulting from the Covid-19 pandemic. Each employee spent an average of 26.94 hours[1)] (previous year: 28.77 hours) on these programmes.

1) Calculation for the 2021/22 financial year excluding trainings for leasing employees

Our human resource activities also illustrate our high priority on the development of future specialists and managers, not least due to the steady increase in the average age of our workforce (44.3 years). The need for qualified employees is rising as many of our current employees retire, and we are working to address the situation with specifically designed training programmes and measures to support the transfer of know-how between older and younger employees. Apprentice training has also always had high priority for EVN. As of 30 September 2022, we employed 82 apprentices. In Austria, we offer a dual programme of theoretical vocational school education and practical on-the-job experience together with supplementary courses and seminars as well as support for double and multiple qualifications. We also encourage our apprentices to complete internships in other countries through our "Let's Walz" programme. Most of these young people remain as employees after completing their apprenticeships.

We also offer specially designed programmes for the development of future managers. Examples include the summer university "EVN SUN" which is held each year in cooperation with the Danube University Krems and an in-service training programme for managers.

There are no legal regulations in South East Europe for dual training, but we are working to establish a similar EVN-internal structure in these countries. We have already established cooperation programmes with several schools and training institutions in Bulgaria and North Macedonia. These EVN initiatives are not only popular locally but have also received international recognition.

The satisfaction of our employees is a fundamental concern. We measure employee approval with a quarterly, anonymous opinion barometer that was implemented as online questionnaire in selected areas several years ago. It includes, among others, questions on satisfaction, commitment, stress and personal resources as well as cooperation with the respective manager. The results of this externally accompanied survey are discussed at team meetings and allow for fast identification of the current mood in the team or department and any necessary reactions. Another important indicator is the length of service which, at an average of 16.0 years, remains constant at a high level.

Occupational safety and accident prevention

Accidents not only endanger our employees' well-being, but can also lead to material damage, supply interruptions and long downtime. Protecting the safety and health of the men and women who work for EVN and our efforts in the interest of occupational safety and the prevention of accidents are therefore a central element of our corporate culture and are firmly anchored in all our corporate units. The requirements and detailed regulations are described in various sources and documents:

- → European and country-specific legal regulations
- → The EVN Code of Conduct
- → The EVN Human Rights Policy
- → Internal principles in the form of a safety mission statement and safety strategy
- → Internal directives and guidelines for the definition of safety risks and corresponding countermeasures

A corporate occupational safety department records and analyses work accidents involving our own employees and leased personnel and arranges for the introduction of any necessary countermeasures. The recording of identified risks and incidents as well as the monitoring of implemented measures are based on the requirements of ISO 45001. Frequent contacts between the safety officers in the individual business units and safety experts ensure that these risks and preventive measures are integrated in all safety


NÖ
Netz
EVN

and health protection documents. The first contact for safety-related concerns is the responsible safety officer who has the necessary technical expertise for the specific work process as well as occupational safety know-how. Moreover, all EVN employees and leased personnel are represented by safety officers in working committees that monitor and discuss the workplace safety programmes. This exchange takes place annually in accordance with legal regulations. Representatives of our works council are also involved in all workplace, health and safety issues

We are one of the safest employers in our industry in Austria, and virtually no accidents with our electricity, natural gas, heat or drinking water have occurred in recent years. Our accident analysis is based on specific events and was expanded to include the routine investigation of "near-miss" incidents and accidents by contract firms. Most of the accidents at EVN occur in connection with secondary activities like excavation and material transport or on the way to work. The most frequent work accidents involve tripping, stumbling and twisted ankles. Numerous preventive measures and initiatives have been introduced to reduce the number of tripping and falling accidents, including measuring personal mobility and encouraging employees to exercise regularly. EVN's corporate occupational safety team has prepared e-learning modules and video clips, for example on recommended work procedures and the use of tools, and also holds specialist seminars. Regular information is also provided in the employee magazine and the EVN Intranet as well as with regular updates on accident-free days to create a greater awareness among employees for this issue. Occupational safety is also a standard part of the agenda for team and department meetings thanks to the decentralised safety officers. For many years, the EVN occupational safety team has also presented an annual "Oscar for Occupational Safety" to the departments and organisational units with an accident-free year.

The comprehensive information and instructions for our employees on health and safety issues are based on a safety manual that addresses the special working conditions in the energy sector. We have also issued manuals for specific areas such as hydropower plants and wind power or photovoltaic equipment. Each of these documents is routinely updated and is a required part of the initial instructions for new employees (on initial hiring or transfer to another work area). Detailed instructions are also given to third parties working within our operational areas, which include specific information on the dangers connected with EVN's equipment. The instructions on worker protection include general information and behaviour- and activity-related directions for the employee's individual workplace or area of responsibility. The following points are also covered:

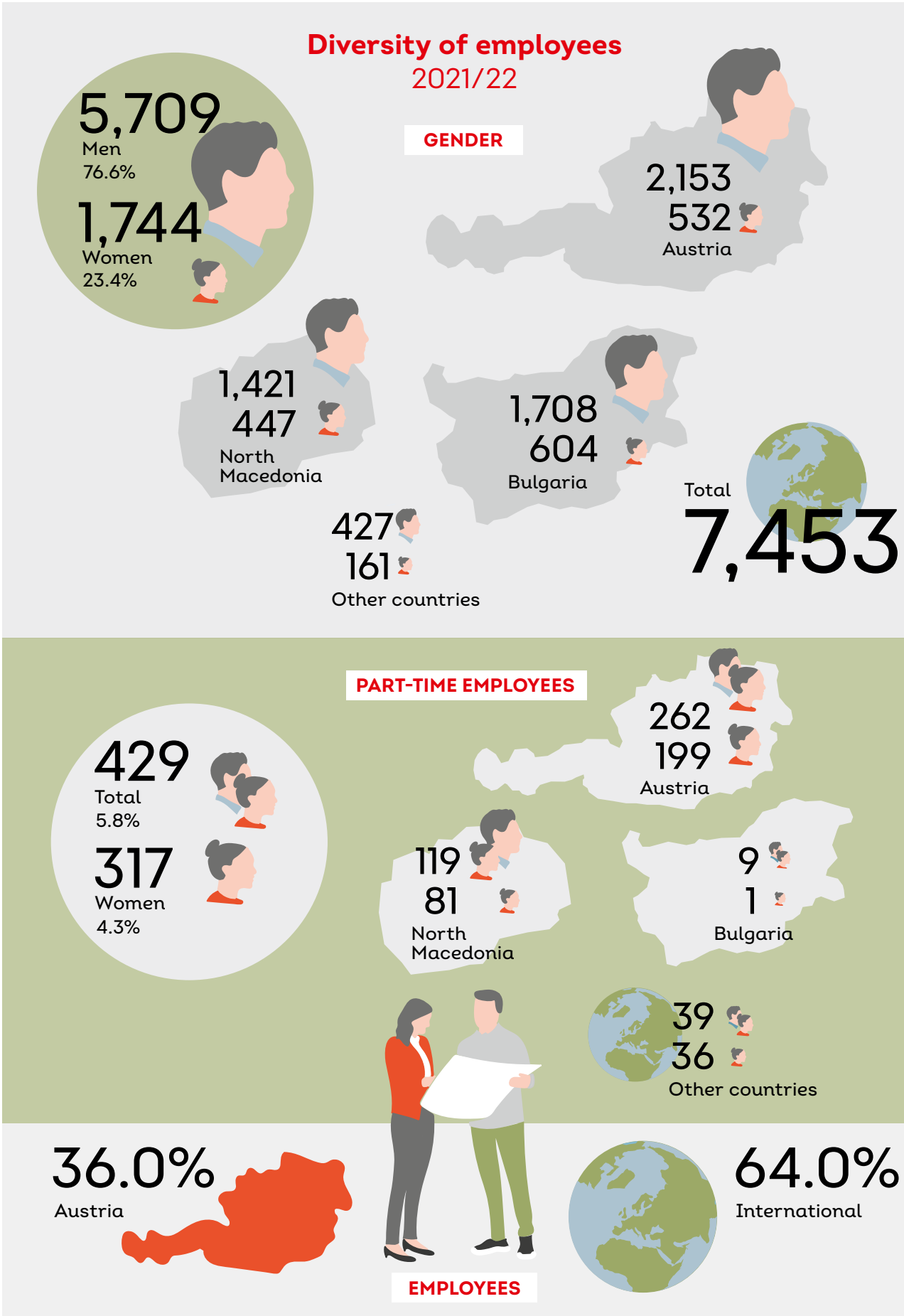
- → Names and functions of the responsible safety expert, safety officer, fire safety officer and fire protection officer
- → Safety symbols used on-site, colour coding, auxiliary equipment as well as its meaning and use
- → Fire safety regulations
- → Safety, rescue and fire protection equipment (e. g. fire extinguishers or first aid kits)
- → Any special dangers connected with the workplace and their prevention or avoidance (e. g. handling of machinery or behaviour near electrical equipment)

Examples of the regular training and targeted awareness-raising measures in the area of occupational safety include the seminars on "Work safety – electricity", "Working with voltage", "Construction of high- and low-voltage overhead lines: the safety-related aspects of power line construction" and "Safe operations with chainsaws" as well as specific instructions on the transfer of keys and access authorisations. These courses provide the involved employees with a mix of theoretical and practical training on the safety aspects of their day-to-day work.

Managers are integrated in this issue through training courses and safety

Accident and lost days statistics	**2021/22**	2020/21	2019/20
Deaths after work-related injuries[1)]	1	–	–
Ratio of deaths (%)[1)]	0.1	–	–
Occupational accidents[1)2)]	78	78	64
thereof severe accidents with lost days > 6 months[1)]	2	–	–
Ratio of severe accidents with lost days > 6 months (%)[1)]	0,2	–	–
Staff sick days[1)3)]	2,754	1,966	1,477
LTIF[1)4)]	4.1	3.3	2.8
Number of LTIF-relevant occupational accidents[1)5)]	52	41	35
Lost days/employees[6)]	12	11	10

1) Calculation basis: 7,432 employees (incl. leased employees; Group companies with <10 employees not included)
2) Excluding commuting accidents
3) Lost days (including weekends and public holidays) resulting from occupational accidents (excluding commuting accidents)
4) Lost Time Injury Frequency Index – frequency of occupational accidents per one million working hours
5) Number of work-related accidents (excluding commuting accidents) resulting in lost days, the causes of which are connected to the occupation
6) In Austria, illnesses due to Covid-19 is included in the number of sick days as of 1 August 2022.



GRI indicators: GRI 102-8, GRI 405-1

Newly hired employees 2021/22		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[1]
<30 years		**95**	**70**	**71**	**19**	**255**	**3.4**
thereof women	Number	28	17	38	5	88	1.2
thereof men	Number	67	53	33	14	167	2.2
30–50 years		**55**	**68**	**38**	**37**	**198**	**2.7**
thereof women	Number	7	24	13	8	52	0.7
thereof men	Number	48	44	25	29	146	2.0
>50 years		**9**	**3**	**4**	**10**	**26**	**0.3**
thereof women	Number	5	2	1	2	10	0.1
thereof men	Number	4	1	3	8	16	0.2
Total		**159**	**141**	**113**	**66**	**479**	**6.4**
thereof women	Number	40	43	52	15	150	2.0
thereof men	Number	119	98	61	51	329	4.4

1) In relation to total workforce as of 30 September 2022

△ GRI indicator: GRI 401-1

meetings. The routine purchase of state-of-the-art protective clothing and equipment as well as modern tools, multimeters to measure gas concentration and training for the involved employees supplement the preventive measures in the specific working environments.

Occupational safety in the project business

Health and occupational safety also have high priority for WTE, our subsidiary responsible for the international project business. The underlying principle is the EVN Group's commitment to preserve and protect human rights. WTE carries special responsibility in this respect and, in its role as a general contractor for plant construction, is required to comply with the applicable standards for the protection of the health and safety of the persons involved in its projects (including subcontractors' employees). A health and safety manager is designated for each project to monitor compliance with these standards and provide regular reports to the respective customer. The occupational safety and health management system used by WTE and WTE Betrieb has been certified under BS OHAS 18001:2007 since 2011 and was also certified under ISO 45001:2018 after the introduction of a company health management system in 2019.

Our wastewater treatment plant project in Kuwait is required to comply with extremely strict requirements for the protection of all involved employees – not least due to the prevailing climatic conditions as well as for cultural reasons. WTE must guarantee and monitor compliance with these standards – also at the subcontractor level – through the implementation of appropriate measures and rules. The health and safety manager is responsible for regular reporting on this project. Compliance with the applicable standards is also monitored by the financing banks and their consultants, and frequent unannounced controls by the responsible ministries and authorities are common practice in Kuwait.

△ GRI indicators: GRI 403-1, GRI 403-2, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-9

Corporate healthcare

We also live up to our responsibility for our employees' health by offering extensive occupational medical care that exceeds legal requirements. In Austria, two occupational health physicians are available to answer questions on maintaining and improving workplace health and assist employees within the framework of labour protection laws.

The many related measures include, among others:

- → Medical check-ups
- → Vaccinations
- → Eye and hearing tests
- → Preventive medicine
- → Psychological counselling
- → Coaching
- → Tips on healthy nutrition
- → Special offerings for employees who are exposed to particular risks

We recently developed a special video series on "Healthy and positive challenge management" which was made available to all employees. These videos provide suggestions and impulses for the positive management of stress and strains, for mastering difficult situations

and environments like the pandemic, the war in Ukraine and its impact on the energy markets, or new challenges at work. Our subsidiaries in Bulgaria and North Macedonia also implemented targeted programmes to strengthen employees' awareness and improve their health.

EVN is not active in countries which have an increased risk of contagious diseases or working conditions that could permanently endanger employees' health. However, Group guidelines are in force at all subsidiaries to deal with emergencies – for example, the "EVN Pandemic Prevention" which formed the basis for the first measures after the outbreak of Covid-19 in March 2020. The 2021/22 financial year was also still influenced by the Covid-19 pandemic. The Covid-19 crisis staff met regularly during this time and issued safety instructions that covered distancing, location changes and an expansion of the home office offering as well as personal protection equipment and preparations for quarantines. Most of these safety measures were cancelled in May 2022, but the behavioural and hygiene rules remain in effect.

MASTERING CHALLENGING SITUATIONS

The Covid-19 pandemic, crises, wars and the related effects on our society have made these extraordinary times for all of us. Our employees have also been affected, in particular by energy price developments and our customers' insecurity. Many of us are in daily contact with customers and, as a result, experience stressful situations. We are also frequently approached with energy-related questions in our private life. This has created a challenging and tense situation for many of the people who work for EVN. In response to this situation, we have expanded our offering to include a telephone hotline with psychological support by experienced health and occupational psychologists. No personal data is recorded or processed, the individual advising is end-to-end encrypted and conforms with the Austrian Sustainability and Diversity Improvement Act.

In addition to company-sponsored measures, the EVN culture and sports club offers all employees a wide range of activities that have a special focus on health protection.

GRI indicators: GRI 403-2, GRI 403-3, GRI 403-6

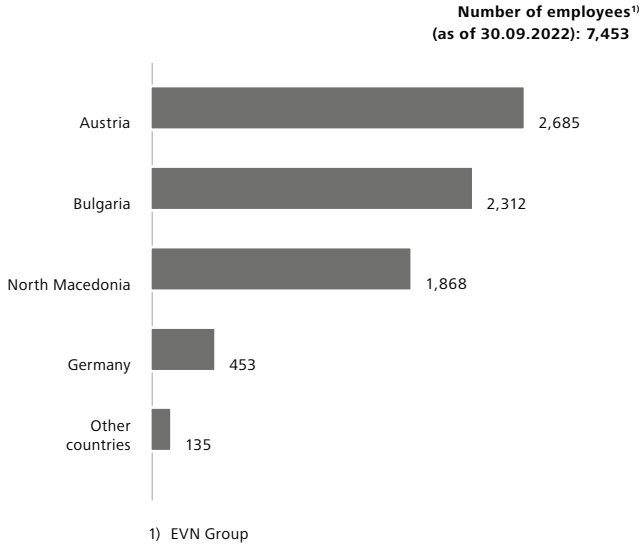
Employee fluctuation – persons leaving 2021/22[1]		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[2]
<30 years		**14**	**18**	**31**	**6**	**69**	**0.9**
thereof women	Number	9	2	12	1	24	0.3
thereof men	Number	5	16	19	5	45	0.6
30–50 years		**32**	**53**	**50**	**24**	**159**	**2.1**
thereof women	Number	8	17	22	3	50	0.7
thereof men	Number	24	36	28	21	109	1.5
>50 years		**8**	**9**	**7**	**12**	**36**	**0.5**
thereof women	Number	3	5	2	3	13	0.2
thereof men	Number	5	4	5	9	23	0.3
Total	Number	**54**	**80**	**88**	**42**	**264**	**3.5**
thereof women	Number	20	24	36	7	87	1.2
thereof men	Number	34	56	52	35	177	2.4

1) This table does not include transfers within the Group, retirements, trainees.
2) In relation to total workforce as of 30 September 2022

GRI indicator: GRI 401-1

Employees per operating location 2021/22

Number

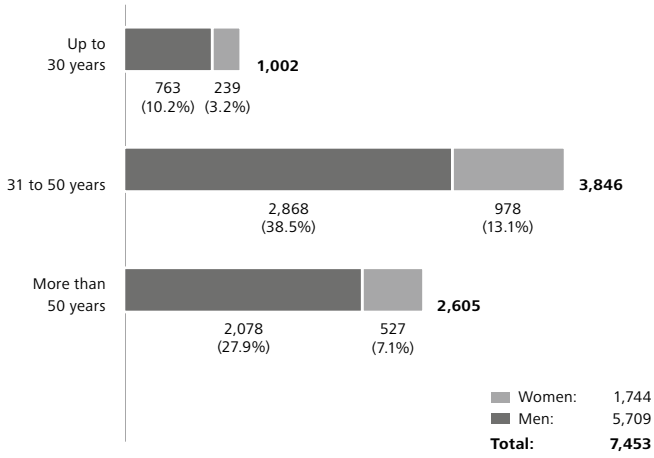


1) EVN Group

GRI indicator:
GRI 102-8

Age structure of employees 2021/22

%, total: number



GRI indicator:
GRI 405-1

Corporate social partnership and internal communication

Over 90% of all employees in our Group (especially in Austria, Bulgaria and North Macedonia) are represented by works councils or unions, and their remuneration is protected by collective bargaining agreements, tariffs or legal minimum wage regulations. The employee representatives in Austria, Bulgaria and North Macedonia are regularly involved in collective negotiations. The remuneration scheme for over 90% of EVN's employees is based on the collective bargaining agreements that apply to the main business locations, i. e. Austria, Bulgaria and North Macedonia. Most of our employees in Austria, for example, are covered by the collective agreement for salaried employees in electricity companies, which was revised by the participating social partners in 2019/20 and adapted for the future.

Transparency is an integral part of our major business decisions, in line with our managerial mission statement, all applicable legal regulations and the Universal Declaration of Human Rights. The employee representatives – in addition to EVN AG, other companies in our Group also have these types of designated representatives – are informed of important business decisions on a regular and timely basis or are involved in the decision processes. This approach applies to strategic decisions as well as changes and adjustments involving employees. We provide our employees and employee representatives with information at regularly scheduled meetings and, in the event of operational changes, always comply with the legally required notification periods. One of our central concerns in the past, when confronted with social or economic challenges, was to develop and carry out necessary restructuring measures in a socially acceptable manner and in agreement with the trade unions and/or works council. We intend to follow this procedure in the future, whereby there were no such cases in 2021/22. Productive cooperation forms the basis for socially acceptable solutions for the involved employees through their internal reassignment or additional training and transfer to other EVN units as far as possible.

Employee-related issues are also handled in workplace, health and safety committees that include, among others, representatives of the works councils or unions. In addition, members of the works council serve on the Supervisory Board and the Advisory Committee for Environmental and Social Responsibility. Apprentices have a voice in the works council through elected youth representatives. The South East European subsidiaries are members of a European works council, which holds regular meetings and serves as a platform for communication and exchange for EVN employees in Austria, Bulgaria and North Macedonia. The issues addressed by the European works council range from occupational safety and employee benefits to transnational initiatives in culture and sport.

The activities of the works council on behalf of employees focused on the following issues in 2021/22:

- → Measures to protect employees against Covid-19 and additional company-organised vaccination campaigns
- → Further development of models for mobile working in line with the protection of employees' interests in flexibility and the company's interest in desk sharing
- → Safeguarding data protection (storage of employees' data) in connection with the introduction of an electronic driver's logbook
- → Conversion of the EVN fleet to electric vehicles (e. g. tax aspects of private charging for field service employees)
- → Support for temporary initiatives involving voluntary interdepartmental assistance for the customer relations team to handle the massive increase in customer inquiries

"hello", our magazine for EVN employees, provides regular and extensive information on corporate developments. The EVN Intranet also contains a broad overview of current events in the company, information on energy supplies and reports by the employee representatives as well as information on seminars and other training events. In order to support the preferred internal filling of job vacancies, job advertisements are also posted first on our Intranet.

△ GRI indicators: GRI 102-41, GRI 402-1, GRI 413-1

Additional corporate benefits

Many of the EVN Group companies also offer their employees numerous voluntary benefits independent of their age, gender or the scope of employment:

Supplementary health insurance

We offer supplementary health insurance at favourable conditions as a voluntary benefit for our employees in Austria and Bulgaria. Framework agreements with selected insurance providers in the individual countries ensure optimal medical care for all participants.

△ GRI indicator: GRI 403-6

Pension benefits

All EVN employees are covered by statutory pension insurance. As a supplement, our Austrian employees with permanent contracts are entitled to participate in a private, fund-based pension programme after a one-year waiting period. In this way, we help our employees to accumulate additional retirement benefits. The pension fund is not held by the EVN Group but is a defined contribution scheme, in which the amount of the future pension is derived from the employer and employee contributions up to the retirement date. EVN's contribution in 2021/22 equalled at least 2% of each eligible employee's monthly gross remuneration. Contributions by employees are voluntary, whereby roughly 40% of the workforce in Austria took advantage of this offer in 2021/22. Our responsibility as an employer is also illustrated by the introduction of a voluntary pension insurance for all our full-time and part-time employees in Bulgaria.

△ GRI indicator: GRI 201-3

Support for employee commitment to social causes

Many of our employees not only work for the company, but also make valuable contributions to society through their volunteer work in organisations like the Red Cross or the local fire brigade. In autumn 2021, for example, EVN employees helped to fight a major forest fire in Hirschwang an der Rax. In total, 446 employees are currently active volunteers in these types of aid organisations. We support this commitment as an employer by excusing employees from work for up to 50% of the invested time in the event of an operation.

Employee benefits

We spent a total of EUR 18.8m on employee benefits (pension contributions, other employee benefits) in 2021/22 (previous year: EUR 14.5m), which represents 5.1% (previous year: 4.0%) of our personnel expenses.

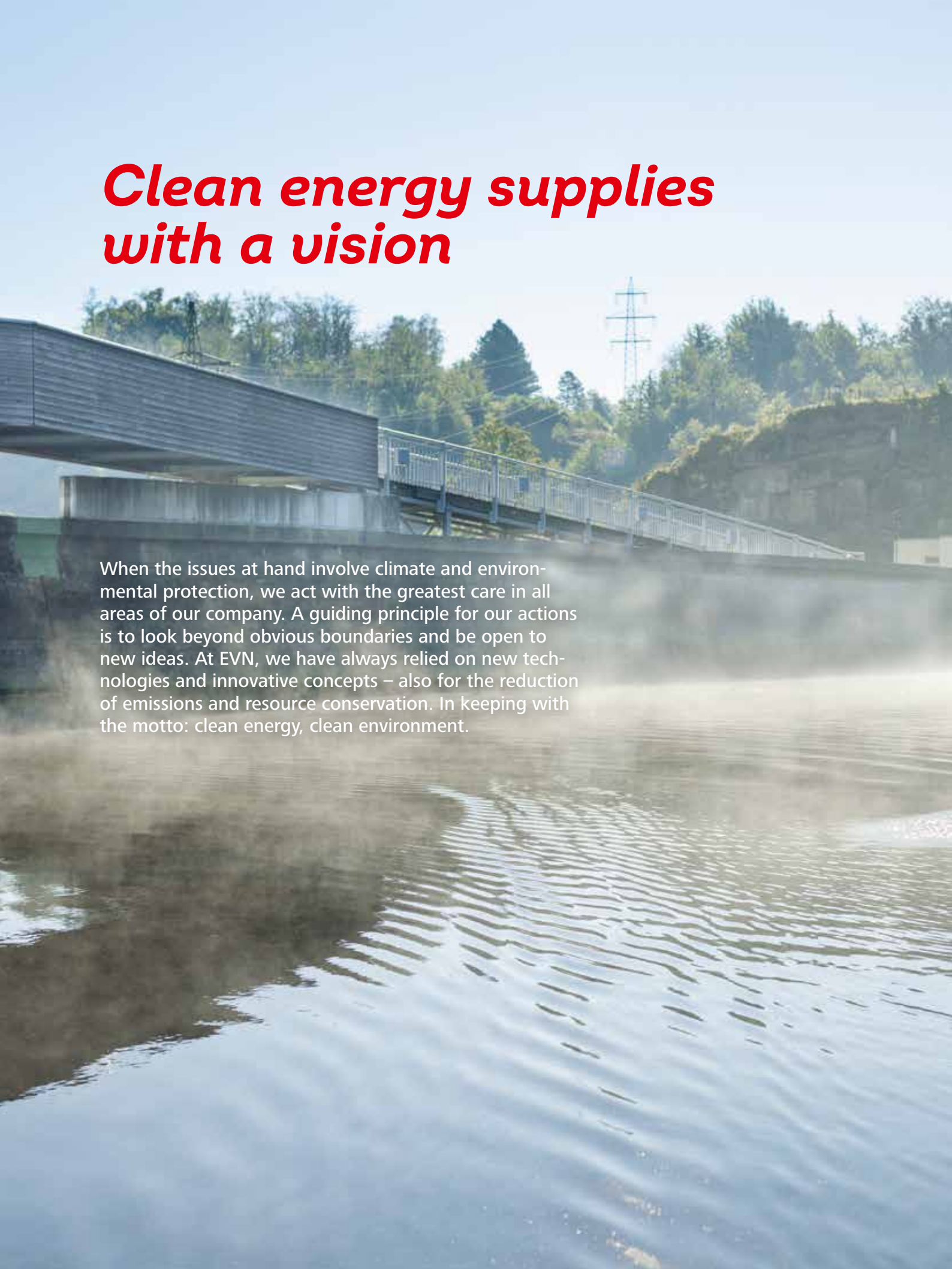
△ GRI indicator: GRI 401-2

SMART EVN

The "Smart EVN" lecture series for our employees has been in operation since 2011. Within this framework, the EVN Executive Board regularly invites employees to attend discussions on current issues that influence our company. Experts from different EVN departments serve as the lecturers and share their experience and know-how with their interested colleagues. Most of the earlier sessions covered individual projects or areas of our business, but the focus has shifted in recent months to the current situation on the energy market, various support measures and their implementation, and the issue of energy savings. This gave our employees valuable help in both their private and external communications. The "Smart EVN" series also includes lectures on our sustainability activities, e. g. the EVN Climate Initiative. Our employees can, of course, also follow the lectures digitally.


Visionary

Clean energy supplies with a vision



When the issues at hand involve climate and environmental protection, we act with the greatest care in all areas of our company. A guiding principle for our actions is to look beyond obvious boundaries and be open to new ideas. At EVN, we have always relied on new technologies and innovative concepts – also for the reduction of emissions and resource conservation. In keeping with the motto: clean energy, clean environment.

Climate and environmental protection – an integral part of EVN

The minimisation of our natural resource consumption and emissions is an integral part of our strategy for EVN's sustainable success. This is also reflected in our materiality matrix, which defines "environmental protection" and "climate protection" as priority areas of activity. Where climate and environmental protection are involved, we engage in careful and conscious actions throughout all areas of our company.

Our fundamental goals and values for the protection of the environment and climate are anchored, on the one hand, in EVN's environmental policy statement and, on the other hand, in the EVN Climate Initiative. An environmental protection guideline covers the minimisation of our environmental impact, the responsible use of resources, protection for the natural habitats of plants and animals in the areas surrounding our plants and proj-ects, and the management of waste in an environmentally friendly manner. Full compliance with all relevant environmental regulations and requirements in all our activities is a matter of course. Our climate policy statement directs attention to the gradual system transformation towards climate-neutral energy generation, focusing on wind power and photovoltaics, as well as the importance of protecting supply security.

EVN's Strategy 2030 is also significantly influenced by the political and social discussions surrounding climate protection and the related goals. This strategy demonstrates our intent to actively contribute to the reduction of greenhouse gas emissions and the containment of global warming. Efficiency improvements and innovation initiatives – not least to reduce greenhouse

gas emissions – play an important role here. Generally speaking, we want our products and services to be produced as environmentally friendly as possible.

For details on the EVN Strategy 2030, also see page 17ff

We make an important contribution to meeting Austrian and European climate goals through the increased use of renewable energy carriers, efficiency improvement measures and comprehensive advising for our customers on ways to reduce their energy consumption. A balanced mix of optimal supply security and a minimal impact on the environment are the decisive factors for our actions in this area. Our activities on behalf of climate protection include various initiatives and strategic approaches:

- → Greater use of renewable energy sources: water, wind, sun, biomass and biogas
- → Increase in the energy efficiency of EVN's production facilities and networks
- → Active participation in innovation, development and research projects
- → Information and advising for our customers on the reduction of energy consumption
- → Regional added value through the use of domestic energy carriers like biomass and biogas
- → Use of motor vehicles with alternative drives, e. g. electric cars
- → Increase in the share of renewable energies in EVN's product mix
- → Greater use of renewable energies to cover our own requirements
- → Support for the transformation of natural gas networks to biogas and hydrogen

Also see www.evn.at/Umweltleitbild
Information on our energy saving tips can be found under www.evn.at/energiespartipps

In addition to the steady increase in generation from renewable energy sources, we have made substantial progress in adapting our thermal generation portfolio for electricity production in recent years (also under the influence of the developments in CO_2 emission certificate prices) – with a resulting positive effect on our CO_2 balance:

- → In October 2018, substantial parts of the capacity in the Theiss and Korneuburg power plants were deactivated.
- → Today we use natural gas exclusively in cogeneration and combined heat and power plants in Austria and Bulgaria. In addition, the Theiss gas-fired power plant is holding 470 MW as contracted capacity in reserve for the Austrian transmission network operator.
- → In August 2019, we prematurely terminated production at the hard coal-fired power plant in Dürnrohr.
- → In September 2021, we finalised EVN's exit from coal-based generation with the sale of our 49% investment in the Walsum 10 hard coal-fired power plant and the end of electricity purchases from this source.

Environmental management and certifications

EVN has operated an environmental management system on a voluntary basis since 1995, which meets the Eco-Management and Audit Scheme (EMAS) and ISO 14001 standards. The EMAS regulations require, among others, the definition of measurable environmental goals as part of a continuous improvement process. The basic requirements for certification under EMAS include full compliance with environmental regulations and a comprehensive accompanying review. All our active thermal power plants in Lower Austria as well as 64 of our heat generation plants and four cooling plants meet these standards.

Our thermal waste utilisation plant in Zwentendorf/Dürnrohr is additionally certified under the ISO 9001 international quality norm and the Austrian specifications for specialised waste management companies. The engineering services unit (equipment construction, planning and realisation of energy aggregates) of EVN Wärmekraftwerke was successfully certified under ISO 9001 at the end of the 2021/22 financial year.

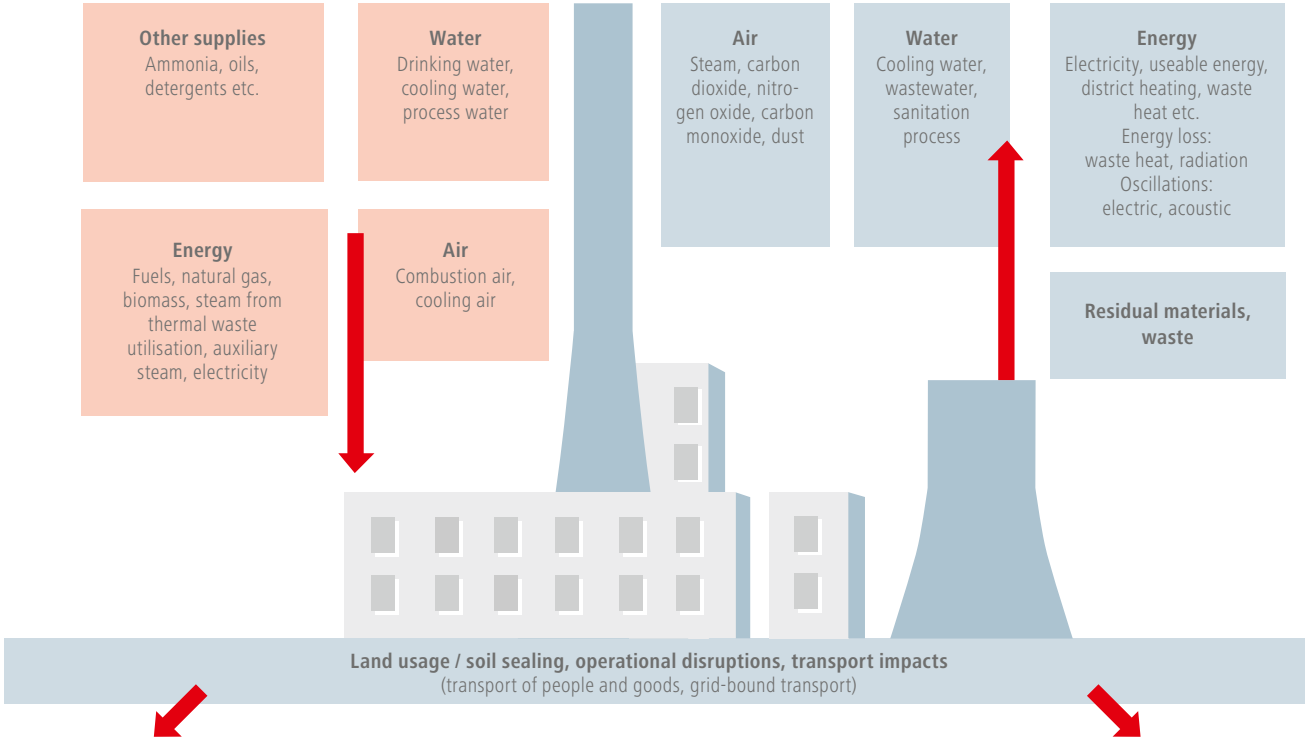
The environmental management systems in Bulgaria and North Macedonia also reflect international standards: For example, the certified, integrated quality and environmental management system in Bulgaria meets the requirements of ISO 9001:2008, ISO 14001:2004 and ISO 45001:2018. The internal management system in North Macedonia also complies with these standards. WTE has a group-wide, integrated management system under ISO 9001, 14001, 50001 and 45001 that covers certifications in the areas of quality, the environment, safety and workplace health as well as energy.

The EVN Sustainability Advisory Board counsels the Executive Board on important issues involving sustainable management in the areas of environmental and climate protection, adaptations to address climate change, the circular economy, biodiversity, sustainable water management, digitalisation, equal treatment and equal opportunity, occupational safety, and social and human rights issues. The 28 board members met twice in 2021/22, whereby discussions focused on the following subjects:

- → UN sustainability goals and their attainability
- → EVN Climate Initiative and sustainability
- → Opportunities and challenges of renewable gases
- → Gas as a lasting and affordable solution to master the energy transition

For information on the impact of business activities on society, the environment and the economy, also see page 21ff
Also see www.evn.at/Nachhaltigkeitsbeirat
GRI indicators: GRI 102-11, GRI 102-31

Input-output analysis of our generation plants



Climate and environmental impact of our thermal plants for energy generation

The direct and indirect environmental impact of our power plants is evaluated annually as part of an ABC analysis which covers the following aspects: air, water, wastewater, waste, soil, land usage, resource and energy consumption, noise, vibrations, radioactivity and biodiversity. The analysis examines the environmental impact of the plants under normal operations and during disruptions and assesses their environmental relevance as well as opportunities for improvement.

Direct impact

The most important direct environmental impact of our plants arises from the emission of CO_2 as well as the air pollutants NO_x, dust and CO. We use state-of-the-art burners and efficient flue gas cleaning equipment to minimise the environmental impact of air pollutants from our power plants.

In our plants, we use water as a heat transfer medium and for cooling purposes. The cooling water drawn from the Danube is returned to the river in accordance with all applicable environmental regulations. We measure the water temperature as the key parameter and comply with the relevant limits.

Other environmentally relevant processes include the treatment of raw water and boiler water. The water for the boilers is drawn from ground water in wells. Wastewater from sanitary facilities is discharged through the public sewage network into a treatment plant, and ammonia-containing wastewater from condensate cleaning is disposed in line with the applicable requirements. The wastewater from water treatment and water that does not contain ammonia is returned to the water cycle after neutralisation. The regular measurement of pH values and annual external analyses ensure, without exception, that all required limits are met.

We have implemented effective technical measures to prevent and reduce the noise resulting from mechanical processes. These measures include, for example, the use of low-noise machinery and aggregates and the insulation of machines.

The impact of our power plants on the environment is assessed through extensive monitoring of the surrounding areas. EVN operates permanent air quality measurement stations for this purpose and carries out hydrological evidence protection measures, i. e. groundwater testing, in the areas surrounding its power plants.

Continued on page 102 →

EVN Climate Initiative

The EVN Climate Initiative was developed in 2020/21 in line with the Strategy 2030. It is based on the following three elements and underscores our commitment to climate protection with concrete measures, goals and projects:

Science Based Targets Initiative

EVN joined the Science Based Targets Initiative (SBTi) in summer 2021. Together with the participating companies, the SBTi defines scientific goals to reduce greenhouse gas emissions in accordance with the Paris Climate Agreement. In agreement with our integrated business model and the differences between our individual business areas, we set five reduction targets. The first two goals follow the sector-based approach defined by the SBTi for electricity producers:

- Intensity 1: Reduction of specific CO_2 emissions from electricity-generating plants by 66%
- Intensity 2: Reduction of specific CO_2 emissions from electricity-generating plants and from electricity sales to end customers by 65.1%
- Absolute 1: Reduction of absolute CO_2 emissions from heat generation and thermal waste utilisation and from network losses and own consumption by 37.5%
- Absolute 2: Reduction of absolute CO_2 emissions from sales of natural gas to end customers by 37.5%
- Absolute 3: Reduction of absolute CO_2 emissions from the natural gas network sales volumes (in keeping with regulatory and legal framework conditions) by 37.5%

The reduction goals agreed with and verified by the SBTi will make an important contribution to realising the climate goal established in Paris, which calls for limiting global warming to substantially below 2 °C. The basis for EVN's reduction is formed by the respective values from the 2018/19 financial year, and the defined goals must be met by the 2033/34 financial year. The main drivers to meet these goals include, among others, the expansion of our renewable generation capacity for wind power and photovoltaics, the continuous reduction of network losses in South East Europe, the substitution of biogas for natural gas in heat production, and a further increase in the share of renewable energies in EVN's product mix for end customers.

Climate neutrality in selected subsidiaries

A further contribution by EVN to climate protection includes the goal to make selected subsidiaries CO_2-neutral in the future. EVN Wasser has taken on the pioneering role in this initiative and, in November 2021, became the first EVN subsidiary to reach full CO_2-neutrality. Several measures were successfully implemented to reach this goal, e. g. the construction of on-site photovoltaic equipment and the conversion of electricity and natural gas purchases in the operating facilities to environmentally friendly products. The company's CO_2-neutrality was officially confirmed through certification by TÜV Süd in December 2021. As part of this certification, EVN Wasser committed to a continuous increase in its energy efficiency over the next four years and the reduction of its CO_2 footprint in accordance with PAS2060:2014. TÜV Süd will audit this certification annually to document the progress; the last audit took place in November 2022. EVN Wasser has set a goal to gradually reduce its emissions to a point where CO_2-neutrality can also be achieved without compensation projects.

In November 2022, kabelplus became the second EVN company to achieve CO_2-neutrality. This status was awarded retroactively for the 2020/21 financial year as well as for 2021/22.

Contribution by research and development to climate protection

Research and development activities to sustainably reduce CO_2 emissions are a further building block of our efforts to play an active role in meeting the Paris climate goals. These activities also support the strategic advancement of our business model. Our overall goal is to advance climate protection and the gradual system conversion towards climate-neutral energy generation while, at the same time, protecting supply security.

For information on research and development projects, see page 73ff

Our campaign "EVN for the Climate"

The Strategy 2030 and the EVN Climate Initiative illustrate EVN's clear commitment to make an active contribution to the reduction of greenhouse gas emissions and, as a result, to the containment of global warming. To make sure our internal and external stakeholders really identify with this issue, we launched the campaign "EVN for the Climate – the EVN Climate Initiative". We want everyone at EVN to acknowledge this responsibility – also emotionally – so we can reach our ambitious goals!

We were extremely pleased to learn that our campaign would be endorsed by Christa Kummer, a hydrologist, climatologist and popular, recognised expert who has moderated

» Climate change is a very serious threat! And we need to share the **responsibility for its prevention** with the **business sector.** EVN plays a **vital role** here with its decarbonisation strategy. «

Christa Kummer

prime time weather and scientific broadcasts for the ORF since 1995. She finds very clear words for the current situation: "Temperatures are rising sharply, and the increase since 2000 has been dramatic. Extreme weather events are becoming more frequent and more intensive – the facts are clear." At the same time, she wants to inspire people with her commitment to climate protection, demonstrate that each of us can make a substantial contribution to change, and convince us that we should always see the positive aspects inherent in these developments.

"I enthusiastically welcome the efforts of an energy supply company like EVN to acknowledge its responsibility and commit to the Paris Agreement's climate protection goals." With these words, Christa Kummer explains her cooperation with EVN. She believes people and, consequently, also companies are not only the cause of many problems but also part of the solution.

Indirect impact

The indirect environmental impact of our thermal energy generation plants arises mainly from the delivery of the primary energy carriers used by EVN. In order to avoid unnecessary waste and conserve resources, we include ecological factors already in the procurement processes for the required operating products.

Also see www.evn.at/environmental-policy-statement

Responsible use of energy and resources

At EVN, we are well aware of our special responsibility for climate and environmental protection. We therefore apply our extensive know-how on resource conservation, environmental protection and energy efficiency in our internal operations – and actively share this expertise with our customers. Our responsibility is also reflected in the use of materials which, in our company, consist mainly of primary energy carriers such as fossil fuels, waste and biomass. We also use various supplies as secondary components in our energy generation and wastewater treatment plants. Only a limited amount of recycling material is used with these components for technical reasons.

EVN's energy intensity[1] totalled 14.0 MWh of primary energy for each gigawatt hour of electricity sold in 2021/22 (previous year: 21.1 MWh). The use of new technologies and continuous optimisation measures, also in connection with additional voluntary targets (e. g. optimisation of the automatic start-up and shut-down processes and firing controls at our thermal waste utilisation plant in Zwentendorf/Dürnrohr) that are linked to our EMAS certifications, help us to realise further efficiency improvements.

1) Energy intensity indicates EVN's own consumption of electricity, natural gas, heat and heating oil as a percentage of the total energy sales volume.

GRI indicator: GRI 302-3

Measures to improve energy efficiency

Many different measures help us to continuously improve our own energy efficiency and, at the same time, reduce the emissions from our production and energy procurement activities and the use of energy by our customers. Following is a selection of the measures implemented in 2021/22:

- → Installation of photovoltaic equipment on our buildings and plants
- → Replacement of older heating equipment with new, more efficient heating systems
- → Replacement of inefficient street lighting with new, energy saving LED lighting as part of our lighting service
- → Energy advising
- → Support for our customers in purchasing energy-efficient products (e. g. white goods) through the redemption of bonus points
- → Energy saving tips for our customers

For our energy saving tips, also see www.evn.at/energiespartipps
GRI indicator: GRI 302-5

EVN's direct and indirect own energy consumption by primary energy sources		2021/22	2020/21	2019/20
Non-renewable energy carriers	MWh	1,730	5,845	5,347
thereof natural gas	MWh	1,496	5,699	4,947
thereof heating oil[1]	MWh	233	146	400
Renewable energy carriers[2]	MWh	4,887	–	–
Electricity, heating and cooling energy	MWh	264,693	376,321	351,346
Total	MWh	271,310	382,166	356,694

1) Heating oil is used in Bulgaria only.
2) Biogas

Material and other supplies – used in energy generation, wastewater treatment, thermal waste incineration		2021/22	2020/21	2019/20
Renewable energy carriers				
Biomass	terajoule[1]	**4,287**	4,372	4,357
Non-renewable energy carriers				
Fossil fuels[2][4]	terajoule[1]	**10,720**	17,693	15,199
Non-renewable materials				
Limestone[3][4]	t	**5,502**	12,554	14,377
Lime hydrate	t	**671**	611	419
Ammonia	t	**0**	337	243
Ammonia water	t	**1,551**	1,652	1,856
Demineralised water	m³	**174,106**	174,799	156,147
Lubricating oils	t	**4**	14	4
Hydrochloric acid[3]	t	**364**	364	388
Sodium hydroxide[3]	t	**180**	179	187
Dosing media	t	**6**	6	9
Rock salt	t	**122**	128	106
Precipitants	t	**857**	938	1,113
Flocculating agents[5]	t	**401**	318	353
Urea	t	**0.3**	1	1
Other energy carriers				
Waste[6]	terajoule[1]	**5,437**	5,748	5,501

1) Information provided in terajoules because of the different fuel qualities
2) Natural gas, heating oil, hard coal (until 2020/21)
3) Change in the previous year's figures due to the addition of amounts from the EVN thermal power plants
4) Reduction due to the divestment in the stake of the Walsum 10 hard coal-fired power plant as of 30 September 2021
5) Correction of previous year's figures
6) For incineration by the thermal waste utilisation plant in Dürnrohr/Zwentendorf

△ GRI indicator: GRI 301-1

Measures to reduce energy consumption

The reduction of our own energy consumption represents a focal point of our activities. In recent years, these actions concentrated on the installation of photovoltaic equipment on the buildings of various EVN companies:

- → EVN Wärme district heating plants
- → Operating facilities at various district offices in Lower Austria
- → Buildings and equipment operated by WTE and by EVN in North Macedonia and Croatia
- → Facilities, well fields and natural filter plants operated by EVN Wasser

These projects helped us to realise annual savings of roughly 2,450 MWh and nearly 1,300 t CO_2 in 2021/22.

Electricity consumption in our offices is reduced, wherever possible, with targeted measures. One example is the extensive use of intelligent lighting systems. Our internal communications also encourage our employees to save electricity, for example by consequently switching off their PCs.

We reduce our indirect energy consumption by using electric cars wherever possible, especially for short trips. Business travel is also being reduced through the increased use of video conferences and webinars. The progressive digitalisation and the accompanying increase in mobile working by our employees have also helped to reduce our CO_2 emissions.

Energy consumption outside the organisation (Scope 3) totalled 22,231 GWh in 2021/22 (adjusted previous year's value: 22,092 GWh).

△ GRI indicators: GRI 302-1, GRI 302-2, GRI 302-4

Our influence on the climate and our protective measures

Emissions

As an energy company and environmental services provider, we see it as our responsibility to make a substantial contribution to the fight against climate change. This contribution involves, above all, the minimisation of the emissions caused by our activities. Our focus is on the transformation of the energy system towards climate-neutral generation – and, above all, on the expansion of our wind power and photovoltaic capacity. EVN finalised its exit from coal-based generation in 2020/21. In summer 2021, we joined the Science Based Targets initiative (SBTi) and set five reduction goals which will make an important contribution to reaching the climate goals agreed in Paris to limit global warming to well below 2°C.

❑ Also see our core strategies on page 18f
❑ For the EVN Climate Initiative, see page 100f

Direct and indirect greenhouse gas emissions

The calculation of our direct and indirect greenhouse gas emissions and their allocation to individual categories (scopes) are based on the standards defined by the Greenhouse Gas Protocol (GHG Protocol) issued by the World Resource Institute (WRI).

EVN's direct emissions (Scope 1) include the emissions from the following sources:

- → EVN's use of fossil primary energy carriers to generate electricity and heat
- → Use of fossil primary energy carriers to heat company buildings
- → Use of fossil primary energy carriers for transport (fuel for the EVN motor vehicle fleet)
- → Operation and maintenance of EVN's natural gas networks
- → Fossil component of energy carriers from the operation of our thermal waste utilisation plant in Zwentendorf/Dürnrohr

We calculate direct greenhouse gas emissions (Scope 1) according to the factors defined by the EU Emission Trading Guideline for the individual countries. This procedure involves the calculation of CO_2 emissions based on the standard calorific value and standard emission factors from the national greenhouse gas inventory. If standard values are not available, the calculations are based on fuel analyses. Other biogenic CO_2 emissions are calculated separately in the same way but are not included in the Scope 1 emissions in accordance with the GHG Protocol.

Indirect emissions (Scope 2) include the emissions from the following sources:

- → Network losses in EVN's electricity network
- → Use of purchased fossil secondary energy carriers (for the electricity, heat and cooling used by EVN)

Our Scope 2 emissions are reported under a location-based and a market-based approach in accordance with the method prescribed by the GHG Protocol. The location-based approach relies on the country-specific CO_2 factors defined by ecoinvent. In contrast, the emissions for the market-based approach are calculated with the CO_2 factors that reflect the respective country-specific market mix: the electricity providers supply mix for Austria, the AIB factor for Bulgaria, Germany and Cyprus, and ecoinvent for North Macedonia. Factors supplied by ecoinvent are used to calculate the network losses.

Scope 3 emissions include further indirect emissions from the following sources:

- → Electricity sales to end customers
- → Natural gas sales to end customers
- → Share of CO_2 emissions in the supply chain (upstream) which result from the primary energy carriers used by EVN
- → Travel by EVN employees

We use the CO_2 factors from the ecoinvent database to calculate the upstream Scope 3 emissions. Our calculations of the Scope 3 emissions from electricity sales to customers are based on available data from the EVN KG supplier mix, the European Residual Mixes of the Association of Issuing Bodies or the ecoinvent factor.

The absolute volume of direct greenhouse gas emissions (Scope 1) equalled 1,123,508 t CO_2 in 2021/22 and was 40.1% lower than the previous year (1,875,446 t).

Scope 1 – Direct GHG emissions		2021/22	2020/21	2019/20
Austria	t CO_2e	964,492	852,233	793,299
Germany	t CO_2e	1	874,125	611,621
Bulgaria	t CO_2e	156,940	146,945	157,900
North Macedonia	t CO_2e	2,006	2,076	2,068
Other countries	t CO_2e	69	67	684
Total	t CO_2e	**1,123,508**	**1,875,446**	**1,565,571**
	t CO_2e/GWh	**248.04**	**357.22**	**301.87**

Scope 2 (location-based) – Indirect GHG emissions		2021/22	2020/21	2019/20
Austria	t CO_2e	164,163	176,086	159,345
Germany	t CO_2e	1,513	8,600	10,117
Bulgaria	t CO_2e	346,510	419,916	400,299
North Macedonia	t CO_2e	793,521	926,392	860,789
Other countries	t CO_2e	13,008	13,392	34,390
Total	t CO_2e	**1,318,715**	**1,544,386**	**1,464,940**
	t CO_2e/GWh	**83.6**	**101.4**	**97.6**

Scope 2 (market-based) – Indirect GHG emissions		2021/22	2020/21	2019/20
Austria	t CO_2e	118,571	126,094	116,608
Germany	t CO_2e	1,810	9,343	10,992
Bulgaria	t CO_2e	345,736	417,924	398,472
North Macedonia	t CO_2e	793,521	926,392	860,789
Other countries	t CO_2e	9,086	9,089	29,544
Total	t CO_2e	**1,268,725**	**1,488,842**	**1,416,404**
	t CO_2e/GWh	**80.5**	**97.8**	**94.4**

Other indirect GHG emissions (Scope 3)[1]		2021/22	2020/21	2019/20
Total	t CO_2e	**8,371,656**	**8,462,631**	**8,442,620**
	t CO_2e/GWh	**376.9**	**383.4**	**386.5**

1) Adjustment of prior year data

Intensity of GHG emissions[1)2)]		2021/22	2020/21	2019/20
Total CO_2 emissions	t CO_2e/GWh	**484.6**	**535.8**	**523.0**

1) Specific CO_2 emissions based on the total of Scope 1–3 based on 15,766 GWh of electricity, 3,984 GWh of natural gas and 2,462 GWh of heat for 2021/22
2) Adjustment of prior year data

△ GRI indicators: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5

"Wind power will play a central role in the energy future."

EVN Naturkraft is the largest producer of wind power in Lower Austria. This EVN subsidiary operates 25 wind parks in Austria and Bulgaria, whose 167 wind turbines generate up to 407 megawatts of clean electricity. That represents the consumption of roughly 236,000 households as well as savings of more than 460,000 tonnes of CO_2 each year. Helwig Überacker, managing director of EVN Naturkraft, is convinced that wind energy will play an even more important role in our energy future, as he explains in the following discussion. But if Austria intends to meet its ambitious schedule to achieve climate neutrality by 2040, wind power must expand at a much faster pace.

In February 2022, construction began on a new wind park in the neighbouring communities of Palterndorf-Dobermannsdorf and Neusiedl an der Zaya. Nearly ten years passed between the start of the project and groundbreaking. How did this happen?

Helwig Überacker: The construction of a wind power plant is a challenging assignment, not only from a technical and logistic standpoint. The approval procedures are also very complex because there are many, in part extremely diverse interests to accommodate before realisation can begin. And that can take a long time.

Exactly that is what happened with this project: A zoning process in 2014 defined the regions in Lower Austria where wind power plants could be built. Of the total land area, roughly 1.5% is potentially suitable for wind power. Our plans called for the construction of the wind park in one of these zones.

This basic agreement was, however, only the first step in a very long process. The actual approval procedures included the handling of numerous objections during the following years, all in keeping with legally defined deadlines. Before the project was submitted for the environmental impact study, we researched the behaviour and flight routes of protected birds of prey together with scientists and experts. These extensive studies resulted in specially created compensation areas that allowed us to divert the birds' flight routes with an attractive food supply. For each wind turbine, we create eight hectares of compensation area which are specially managed to meet the birds' needs. These and other similar measures represent the basis of our efforts, together with NGOs and other interest groups, to find solutions that will balance the expansion of renewable energy and species protection.

In this sense, the construction of a wind park always involves balancing the development of clean energy sources with species protection and biodiversity. And, of course, it naturally means intensive interaction with the needs and concerns of neighbouring residents and citizens' initiatives. It also leads to a phase of at least four and frequently up to ten years or more from the idea to the construction of a wind turbine. In comparison: Around the turn of the century, this timeframe covered roughly one and a half years.

However, the long duration of these proceedings for the new wind park in Palterndorf-Dobermannsdorf and Neusiedl an der Zaya also had a positive side effect: We were able to cut the number of wind turbines by half without reducing the volume of the generated electricity. This was made possible by equipment with a peak performance of up to 6 MW, which EVN is installing for the first time in this wind park. Starting in summer 2023, the wind park will supply up to 36,000 households with clean electricity from wind power.

That's an enormous increase in performance. How will it happen?

Technical developments in the area of wind energy have made immense progress in recent years. The latest generation of wind turbines are higher, have a larger rotor diameters, and

substantially stronger and more efficient generators. And that massively increases the generation capacity of the individual wind turbines. Simply expressed, the formula is: The higher a wind turbine and the larger the rotor's range, the greater the electricity generation – because more and more constant wind can be harvested.

Does that mean we will be able to supply entire cities with clean electricity from individual wind turbines in the future?

No, unfortunately not. Because there are natural limits here, for example with assembly and logistics: For the construction of large wind power plants, we need 200 metre cranes with a load capacity of up to 1,000 tonnes. They lift the rotor blades, which have a length of roughly 80 metres, to install them at a hub height of 170 metres. These rotor blades must, however, also be transported to the construction site, and you can easily imagine the complexity of moving objects of this size.

Will the lower number of wind turbines also lead to a reduction in maintenance costs?

Of course. A larger wind turbine means higher maintenance costs for each aggregate but lower operating costs in total due to the smaller number of installed turbines. However, we will need to see a massive expansion of wind power in the coming years in order to meet the Austrian government's goal to achieve climate neutrality by 2040. That means we must make better and faster progress in the expansion of wind power. Only in this way, can we move on to create a renewable energy future.

The operating life of a wind turbine currently equals roughly 20 years. The turbines are then generally dismantled and replaced. Isn't there a way to extend the life of this equipment?

The certification of a wind turbine for a period of 20 to 25 years is realistic because technology is continuously improving, and wind turbines are becoming more efficient and faster. That's why it makes sense to replace an older wind turbine with a new, more efficient model at the same location and, in that way, more effectively use the available wind potential. With our current repowering projects, we can roughly double or triple the annual energy production from a 20-year old wind park.

And what steps are you taking to ensure an efficient closed economic cycle for this entire process?

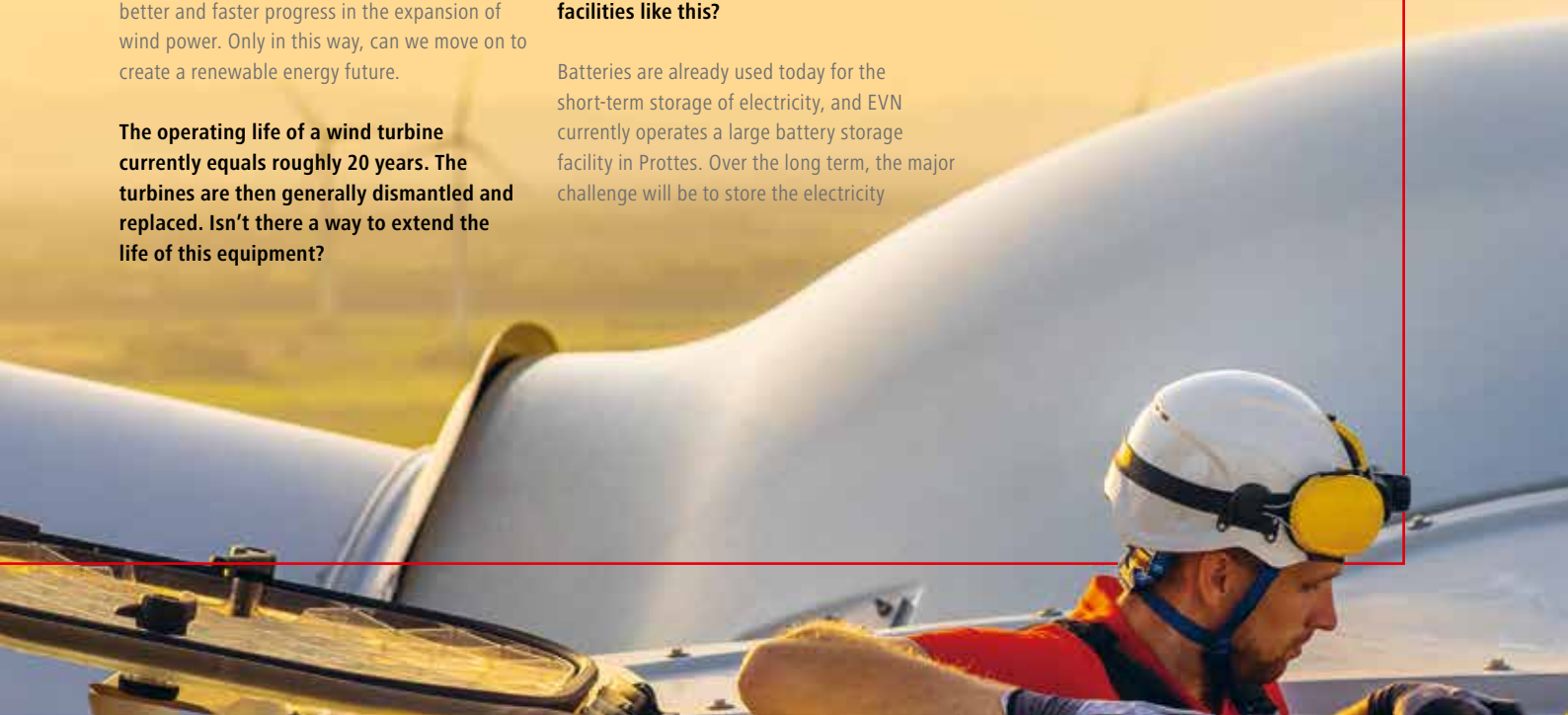
Here, we are actually very far along and are following several different approaches: Usable equipment is sold and used to generate electricity at other locations. Similar components can also often be used as replacement parts. Raw materials like steel or copper are recycled, and foundations are crushed into smaller pieces for use in road construction. Only the rotor blades, which are usually made of carbon or glass fibre, must be thermally utilised at the present time. But we are also working on promising solutions here, for example the use of wind power plant rotor blades as load-bearing components for cycle bridges.

The storage of the electricity generated by wind power and solar power is still a major problem. In Prottes, EVN has been operating a large battery storage facility since 2017 – are you planning any other facilities like this?

Batteries are already used today for the short-term storage of electricity, and EVN currently operates a large battery storage facility in Prottes. Over the long term, the major challenge will be to store the electricity generated during the summer for use in the winter months. We are monitoring the market closely but waiting for technically and economically practicable developments. From the current point of view, power-to-gas technology has the most promising perspectives. It involves the conversion of green electricity into renewable gases like hydrogen or biomethane, which can be stored in gas facilities. As EVN Naturkraft, however, we want to concentrate on combining the energy sources wind power and photovoltaics over the medium term. These two generations complement each other ideally since wind flows often run counter to the sunny weather.

The expansion of wind power was recently one of EVN's priority investment areas. Could you briefly explain your growth plans for the next years?

As previously mentioned, we are currently the largest wind power producer in Lower Austria – but we want to further expand this position. Specifically, our growth plans call for an increase from the present level of 407 MW to a total output of 750 MW by 2030. This figure also includes our wind parks in Bulgaria. In addition, we want to add 300 MW of photovoltaics. As you can see, there is a great deal of work waiting for us over the next few years. And that makes us very happy!



Material utilisation – network construction in Lower Austria[1]		2021/22	2020/21	2019/20
Additional power lines	km	374	310	334
Additional/less natural gas pipelines	km	–15	–6	–30
Additional heating lines	km	20	11	10

1) Includes overhead lines as well as underground cables and pipelines

Measures to reduce greenhouse gas-relevant emissions

With our investment and innovation activities, we want to make an important contribution to environmental and climate protection. We see considerable potential in the expansion of CO_2-free generation capacity, especially wind power and photovoltaics.

Assuming conditions are appropriate, we plan to expand our wind power capacity to 750 MW and our photovoltaic capacity to 300 MW by 2030. The installed capacity in our wind parks increased to 470 MW and our photovoltaic capacity rose to 14 MW in 2021/22. This expansion in renewable generation capacity translates into annual CO_2e savings (Scope 1) of roughly 96,000 t[1].

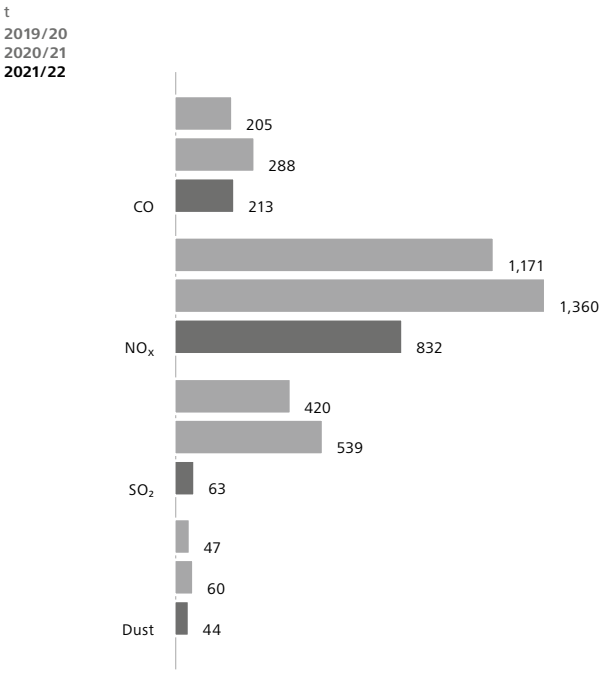
The attainment of the above expansion goals will result in annual CO_2e-savings (Scope 1) of approximately 1,000,000 t[2].

1) Calculation based on the 2021 emission factor from fossil energy generation in Austria, Bulgaria and North Macedonia
2) Calculation based on the 2021 emission factor from fossil energy generation in Austria

For information on the expansion of renewable generation, also see page 59f

GRI indicator: GRI 305-5

Further significant air emission quantities by EVN[1]



1) Generation and thermal waste utilisation plants (excl. local heating plants); Austria, Germany Bulgaria and Russia (until the end of July 2020); in North Macedonia, there are no emmisions from electricity production.

GRI indicator: GRI 305-7

CO_2 emission certificates

The CO_2 emissions of EVN's 12 thermal power plants and district heating plants are recorded under the EU Emissions Trading System.

The gas-fired power plant in Theiss was under contract during the 2021/22 financial year to provide the Austrian transmission network operator with 470 MW of reserve capacity to manage shortages. CO_2 emission certificates were, therefore, only required that year for electricity production at the gas-fired plant in Theiss to cover the volumes drawn by the Austrian transmission network operator to support network stability. We purchased all the required emission certificates on the wholesale market in accordance with the applicable regulations. This was confirmed by external auditors.

The required remaining certificates for heat production are purchased on the wholesale market through Energie-Allianz.

In line with the EU Emissions Trading System, EVN needed 463,514 CO_2 emission certificates in the 2021 calendar year, whereby 11% were allocated free of charge.[1]

1) Excluding the Walsum 10 hard coal-fired power plant

Our influence on the environment and our protective measures

Environmentally compatible waste management

EVN works to ensure that waste is reused or recycled wherever possible. This takes place through direct orders to suitable disposal or recycling firms. The internal reuse or recycling of waste is not possible due to the legally required permits. The correct utilisation and disposal of waste in accordance with the European waste hierarchy is guaranteed by the respective disposal firms.

All regularly occurring hazardous and non-hazardous waste is transferred to licensed disposal specialists based on framework contracts. These specialists dispose of the waste in an environmentally compatible manner consistent with the legal regulations applicable in

the respective countries. No hazardous or non-hazardous waste was disposed across national borders in 2021/22.

All environmentally relevant incidents are recorded in a standardised reporting system that covers the plants in Austria, Germany, Bulgaria and North Macedonia. EVN registered no environmentally relevant incidents in 2021/22.

Also see www.evn.at/waste-management
GRI indicators: GRI 306-3, GRI 306-5

Sustainable water management

At EVN, we use the resource water for normal household purposes (e. g. in sanitary facilities) or as process water (e. g. in heating networks or for lubrication). We draw the required quantities from municipal drinking water supplies or from our own ground wells. The cooling water used in our plant operations comes from surface water.

All ordinary household wastewater is cleaned in municipal treatment plants before it reaches any surface water. The wastewater flows from our power plants are continuously tested for quality and – after treatment to eliminate any relevant adverse factors – returned to the water cycle in accordance with the applicable environmental regulations. In 2021/22, the cooling water flow rate at our Lower Austrian heating plants totalled 93.9m m³ (previous year: 75.7m m³). This corresponds to 0.16% of the average annual volume of the Danube recorded at the Korneuburg gauge[1)] (measuring point number 207241), which amounted to 59,076m m³ and remains clearly below the allowed threshold of 5%.

1) Source: Austrian Hydrographical Annual 2018, Austrian Federal Ministry of Agriculture, Regions and Tourism

In cases where the type or quantity of a wastewater stream at one of our locations differs from ordinary household wastewater, we conclude contracts with sewage treatment plant operators (if sewage connections are available) based on the indirect discharge ordinance. These contracts

NEW SEWAGE SLUDGE MONO-INCINERATION PLANT IN HALLE-LOCHAU

The first sewage sludge mono-incineration plant for central Germany was officially commissioned in April 2022. sludge2energy, a 50:50 joint venture between WTE and Huber SE, was responsible for the planning, assembly and construction. WTE Betrieb is responsible for the ongoing operations of this plant, which is located in the Halle-Lochau circular economy and resource commercial park. More than EUR 25m were invested in the construction of this facility.

The sewage sludge mono-incineration plant, together with its connected steam turbine and generator-based electricity generation, is designed for the environmentally friendly and economic utilisation of over 33,000 tonnes of dehydrated sewage sludge and 2,700 tonnes of externally dried sewage sludge each year. The first step involves the drying of the sewage sludge. The subsequent incineration generates heat which can be used to supply the plant with the necessary energy for its operation as well as further sewage sludge drying, the production of hot water for the steam-driven turbine, and the generation of distance heat. This closed heat cycle meets the circular economy criteria. Through the design of processes according to the latest standards and strict regulations, this plant makes an important contribution to environmental protection.

For the operators of sewage treatment plants, the thermal utilisation of their sewage sludge and other residual materials creates opportunities for sustainable waste management. The next step is the economically and ecologically sensible recovery of the essential mineral phosphorus from the sewage sludge ash. Energy-independent drying and incineration will reduce the volume of the sewage sludge which requires disposal to roughly 10%. The remaining ash is not being stored to enable the recovery of phosphorus at a later date.

Development of waste quantities[1]		2021/22	2020/21	2019/20
Hazardous waste and residual materials	t	14,608	17,489	17,107
Non-hazardous waste and residual materials[2]	t	156,607	156,914	224,377
Export of hazardous waste				
Hazardous waste	t	0	0	0

1) Without construction residue
2) The prior year values were adjusted.

allowable amount of wastewater, the allowable amount of wastewater, the main substances it may contain and the required wastewater inspections. Direct discharges into surface water are regulated by the wastewater emission ordinance and various water-related guidelines. Our wastewater streams are also tested regularly by accredited external institutions. We comply with all requirements defined by various public authorities for cooling water discharge temperatures.

However, water is also important for our company in another context: namely drinking water supplies. EVN Wasser provides these supplies in Lower Austria, while WTE is responsible for this area in the international project business. Depending on the project, the subsidiary undertakes the planning, construction, financing and operation of plants for drinking water supplies and wastewater treatment.

In the area of wastewater disposal, the EVN Group treated 61.8m m³ of wastewater in its plants during 2021/22 with a mean purification performance of 80.7%[1] (previous year: 79.8%[2]; 66.8m m³). Wastewater treatment results in sewage sludge that can be utilised. In addition to ground-based applications (agriculture, landscaping, composting and other types of recycling), large parts of the sewage sludge are utilised thermally (co-incineration, mono-incineration). Thermal utilisation in mono-incineration plants will become increasingly important in the future due to the possibility of phosphorus recovery.

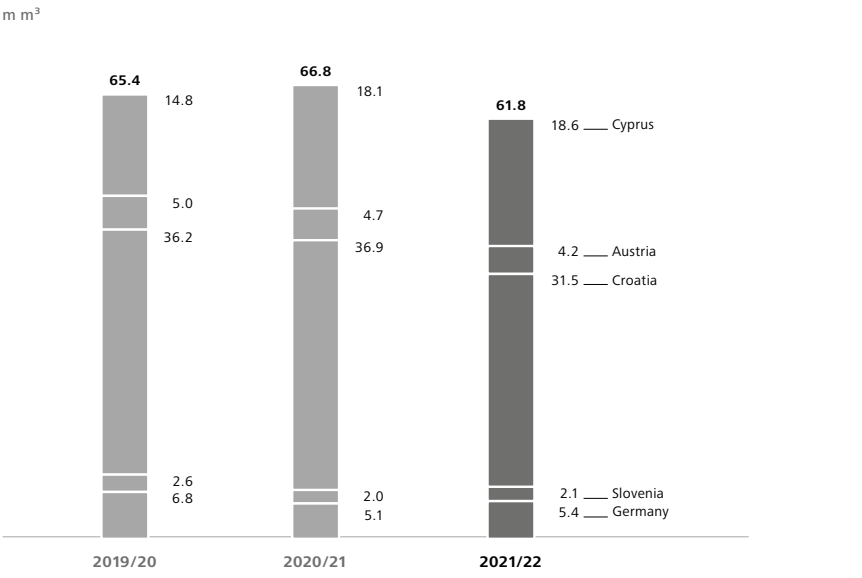
1) Average value over the parameters for chemical oxygen requirements, biological oxygen requirements, total nitrogen and total phosphorus. The per cent value represents the quantity of pollutants removed.
2) Correction of prior year value

Thermal sludge utilisation

EVN's long-standing experience in wastewater treatment and thermal waste utilisation, which ranges from planning and construction to the operation of these plants, has given us a strategic advantage in a new field of business: sewage sludge utilisation. Through the construction of efficient and ecologically compatible plants for the thermal utilisation of sewage sludge, we want to close the circle of our activities in wastewater management and, in the future, contribute to removing harmful substances like microplastics, hormones, antibiotics and other drug residues contained in sewage sludge and, at the same time, recover valuable phosphorus. In Germany, the legislator has already addressed these two utilisation aspects with the new regulation for sewage sludge and the fertiliser law. This has created a demand for projects involving sewage sludge utilisation. The first sewage sludge mono-incineration plant for central Germany – which was realised together with WTE – was commissioned in Halle-Lochau during April 2022.

WTE was working on five other projects for thermal sewage sludge utilisation in Germany, Lithuania and Bahrain during 2021/22. In mid-September 2022, construction started on a sewage sludge utilisation plant in Berlin-Wassmannsdorf. We are also planning to construct and operate a

Wastewater treated



Water[1] m m³			2021/22	2020/21	2019/20
Water withdrawn[2]	**Total**		**131.7**	**115.4**	**190.8**
	thereof by source	Surface water	94.0	78.8	155.1
		Groundwater	37.4	36.4	35.3
		Delivered water	0.3	0.3	0.3
Water released[2]	**Total**		**95.7**	**80.6**	**157.3**
	thereof by destination	Surface water	94.0	78.8	155.2
		Water released to third parties (municipal wastewater treatment)	1.7	1.8	2.2
	thereof by treatment	No treatment	94.0	78.8	155.2
		Treatment level – wastewater purification (municipalities)	0.2	0.2	0.2
		Treatment level – wastewater purification (EVN Group)	1.6	1.7	2.0
Water consumption[3]	**Total**		**36.0**	**34.8**	**33.4**

1) The treated water from our customers in the environmental services business is not included in the water balance.
2) All of the water withdrawn and released is fresh water (≤ 1.000 mg/l total dissolved solids).
3) Drinking water supplies from purified ground water by EVN Wasser

GRI indicators: GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

thermal sewage sludge utilisation plant at our Lower Austrian energy location in Dürnrohr. It is scheduled for commissioning in spring 2023 and will be operated by EVN.

Biodiversity

We are committed to minimising the impact of all our business activities on nature. Our top priority is the protection of flora and fauna and the preservation of the natural habitats of animals and plants in the areas surrounding our plants and projects. Not only the responsible realisation of construction projects, but also the responsible operation of our plants is a matter of course. That means:

- → Minimisation of resource and land use
- → Minimisation of negative effects on the landscape
- → Minimisation of energy losses in energy generation and transmission

Our infrastructure – which consists primarily of power plants and networks – has a potential impact, in particular, on habitats in the water and in the air. Hydropower plants can influence biodiversity, above all because of the limited passage through rivers, while the effects of thermal power plants are related to the temperature of the cooling water released into rivers. Wind power plants and overhead power lines can represent a danger for various types of birds or bats when they are located at the same height as their flight routes.

We minimise the impact of our construction projects on biodiversity with ecological planning and construction monitoring. In addition, we implement a wide variety of measures and programmes to protect the natural habitats in our area of influence. These activities often take place in close cooperation with external experts from NGOs and local authorities. Current projects to protect biodiversity include, among others:

- → Underground cables as a substitute for overhead lines wherever technically and economically possible
- → Power poles in colour schemes and heights that fit in with the landscape
- → Cable installation through ploughing as an alternative to digging
- → Installation of fish bypasses at small-scale hydropower plants
- → Species protection measures at selected wind power projects (e. g. joint concept with BirdLife to develop compensatory measures to create alternative habitats for birds)

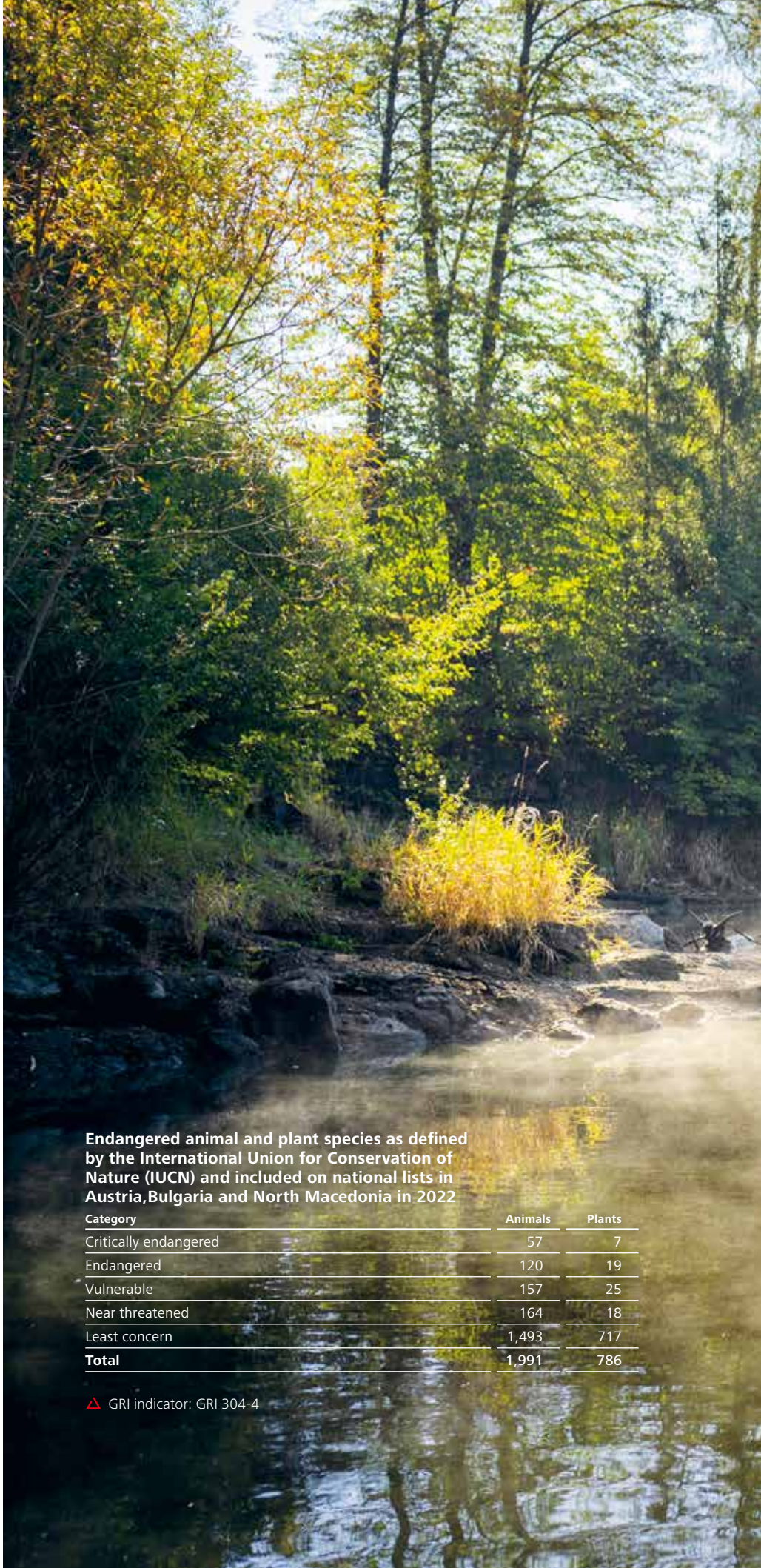
Concrete projects, often in cooperation with external experts and NGOs, are in progress in Austria, Bulgaria and North Macedonia and involve, among others, the following areas:

- → Participation in the LIFE EUROKITE project to protect the red kite in the northern region of Lower Austria
- → Participation in the LIFE project "Cross-border protection for the great bustard in Central Europe"
- → Operation of online monitoring equipment to regularly test the water quality at various levels in the Ottenstein reservoir

→ Cooperation with the Austrian Power Grid (APG) and BirdLife Austria over nesting aids on power poles for saker falcons
→ Participation in the LIFE Network Danube Plus project for construction of the longest fish bypass in Lower Austria

We are also working on numerous environmental protection projects in Bulgaria and North Macedonia, for example:

→ Construction of nest platforms to protect the endangered white stork in Bulgaria and North Macedonia
→ Participation in the "LIFE Safe Grid for Burgas" project for the implementation of general protective measures, e. g. the replacement of overhead power lines with underground cables or the insulation of these overhead lines
→ Implementation of measures from the national environmental protection action programme to protect eastern imperial eagles in Bulgaria
→ Implementation of measures from the action plan to protect saker falcons in Bulgaria
→ Project to protect snakes by using ultrasonic devices for rodent prevention in network infrastructure plants, cable shafts and transformer stations in North Macedonia
→ Joint project with local nature conservation organisations in North Macedonia to protect birds from overhead power lines



Endangered animal and plant species as defined by the International Union for Conservation of Nature (IUCN) and included on national lists in Austria, Bulgaria and North Macedonia in 2022

Category	Animals	Plants
Critically endangered	57	7
Endangered	120	19
Vulnerable	157	25
Near threatened	164	18
Least concern	1,493	717
Total	**1,991**	**786**

△ GRI indicator: GRI 304-4


EVN
Next door

Living together, accepting responsibility

We are committed to maintaining a good understanding with all our stakeholders based on an active and honest dialogue. We listen to people and speak openly with them – because we can only be successful over the long-term when the general public has a positive perception of EVN and its work.

Proactive inclusion of our stakeholders

We view the social acceptance of our work as a basic requirement for EVN's sustainable, long-term success and positive perception by the public. The overriding principle in this context is to create and maintain an appropriate and equitable balance between the diverse concerns shared with us by our stakeholder groups. This is reflected in the importance given to regular, proactive and open dialogue with our stakeholders, which is anchored as a key management principle in the EVN Code of Conduct.

A guideline for stakeholder management ensures the regular involvement of the various interest groups at the strategic level. We regularly realign our corporate strategy with the concerns of our stakeholders as part of the three-year cycle for updating our materiality matrix. Based on the respective areas of activity, we analyse the potential social, ecological and economic impact of our business actions.

❑ For details on stakeholders and the EVN materiality matrix, see page 16f
△ GRI indicator: GRI 102-43

Project communications

We maintain an open and intensive exchange with relevant NGOs and interest groups, also to develop trusting and sustainable long-term relations with organisations that are sometimes critical of EVN's projects and activities. A good discussion climate supports mutual understanding and is an important factor for the joint development of alternative solutions to projects that involve conflicting interests. Apart from greater planning quality and security, the proactive inclusion of NGOs and interest groups often leads to more intensive and professional communications with neighbouring residents and local initiatives. The experience with previous projects also plays an important role here.

At EVN, project communications are institutionalised in the "Project Communication and Climate Dialogue" team. From small-scale hydropower plants, pipelines and wind parks to biomass heating plants, we plan and realise all our construction projects with the active participation of neighbouring residents, citizens' groups, NGOs, political representatives, local initiatives and associations. From the very beginning, ecological and social aspects are included in the development of all our projects, as well as the related due diligence audits. These audits, which are conducted before the start of every project, form the basis for the Executive Board's decision processes and, for certain large-scale projects, the necessary Supervisory Board approval. This extensive dialogue is intended, in particular, to support the following goals:

- → High acceptance by all stakeholders
- → Support for the feasibility of projects
- → Positive perception of the company and its activities
- → Reduction of risks and prevention of damage to EVN's image

The following principles form the basis for our dialogue with the people who are directly affected by a project planned by EVN:

- → Early identification of the expectations and requirements of the various interest groups
- → Transparent and comprehensive project information
- → Professional, structured and proactive communications with all local stakeholders (including political decision makers)
- → Support for municipalities in their communications and mediation in conflict situations

FOCUS ON THE DEVELOPMENT OF PROJECT COMMUNICATION

Our efforts to ensure the most professional communications for our renewable generation and network projects and our activities in the area of drinking water supplies led to the identification of two trends in recent years: One trend concerns the general public's increasingly critical stance towards these projects, while the other involves the growing demands on successful project communication from the viewpoint of stakeholders.

In reaction to these developments, we organised a day-long workshop for the project managers in various EVN companies during October 2021. The numerous participants also included the members of the EVN Executive Board and the managing directors of the involved subsidiaries. This workshop was designed to serve as a platform for the exchange of experience and know-how but also marked the kick-off for measures to improve project communication skills at EVN.

One of these measures involved the installation of a "Project Communication and Climate Dialogue" team in 2021/22, which initially consists of four persons and is responsible for assisting the project managers with communications on particularly challenging projects. A special training programme was also developed and will further strengthen the project managers' communication and project-related skills starting in 2023. The goal is to firmly anchor these skills and the specific viewpoint of project communications in the working culture of the involved subsidiaries.

These measures, in total, are intended to safeguard the acceptance and satisfaction of the people affected by our projects and, in this way, support the success of the energy future and the sustainable projection of supply security.

Our project communications take place in close coordination and cooperation with the project managers and other responsible persons, whereby the continuous improvement of these employees' communication skills is also part of our efforts. Local stakeholders can, of course, contact us at any time to discuss their concerns. In addition to direct contact with the project managers via dialog@evn.at, this is also possible over the EVN service telephone or via e-mail at info@evn.at.

△ GRI indicators: GRI 102-29, GRI 413-1

Support for interest groups

We play an important role in the functioning of public life and the economy through the operation of our infrastructure and our wide-ranging services. In order to meet these commitments as best as possible and in the interest of our stakeholders, we are a member, on a voluntary or legally required basis, of numerous national and international organisations and interest groups. Examples of these memberships are Oesterreichs Energie and Eurelectric as industry associations as well as the UN Global Compact and respACT as social and ecological initiatives. All activities related to these memberships take place in agreement with the rules of conduct defined by our compliance management system. In accordance with legal regulations, EVN is also listed in the Austrian lobbying and interest group register and the transparency register of the European Union.

○ For information on active memberships, also see www.evn.at/memberships
△ GRI indicators: GRI 102-12, GRI 102-13

Social commitment

We place great value on our regional roots in all countries where we are active and are aware of the resulting high responsibility to society. This principle is also anchored in our mission statement as one of our core values. We promote and support activities and initiatives – from employees as well as third parties – in the areas of art, culture, social issues and sport – on both a material and immaterial basis. This includes high transparency and an open approach to dialogue, inside as well as outside our company.

Consequently, we have also implemented numerous social and cultural initiatives outside the scope of our operating business to address these general issues. We place particular emphasis on customer orientation and the identification of basic social, economic and demographic trends, above all in relation to the current changes in our working world. Other aspects of our social commitment involve the education of children and young people as well as improving the quality of life for people in challenging situations. Following are several examples of our activities in a social context.

Youth and school platform: One focal point of our social responsibility is to support knowledge on the careful use of energy, energy efficiency and energy savings. The EVN School Service was established for this purpose in Lower Austria, Bulgaria and North Macedonia to organise projects, lectures and competitions for children and young people. kabelplus also holds school workshops on the safe use of digital media. We spent a total of TEUR 446.7 in these three countries during 2021/22 to finance activities for the EVN School Service (above all for the purchase and preparation of learning and teaching materials as well as experiment kits).

○ Also see www.young.evn.at or www.kabelplus.at/onlinesicher
△ GRI indicators: GRI 203-1, GRI 203-2

EVN Junior Ranger Programme: On two Saturdays, 17 young people received theoretical and practical instruction from external experts on hydrobiology, flora and fauna in water meadows, river ecology and fisheries as well as nature and river conservation. The programme was held at and around the Erlaufklause Reservoir, which is located near one of our hydropower plants in Lower Austria.

Bonus points for a good cause: In the EVN Bonus World, our customers can take advantage of various offers to use the bonus points they collect with their energy purchases or the use of other EVN services. Bonus points can be used as financial compensation through the payment of the customer's bills or as a contribution to various charitable projects. Recent campaigns involved donations, among others, for families in need (in cooperation with Caritas and Diakonie), animal shelters and social markets.

EVN Social Fund: The EVN Social Fund, which has an annual endowment of roughly EUR 120,000, supports institutions in Lower Austria that work with children and adolescents. Decisions on the projects to be sponsored are taken by an expert committee that meets twice each year. The recommendations for the use of funds are made unanimously to the Executive Board based on a predefined criteria catalogue. In 2021/22, this fund supported 18 projects with a total of TEUR 133.

For the newly established energy help fund see page 69

Also see www.evn.at/social-fund

GRI indicators: GRI 203-1, GRI 203-2

evn collection: The evn collection was founded in 1995. It is a collection of international, contemporary art which is curated by well-known experts on the EVN Art Advisory Board. Our corporate collection is designed to create a platform for a critical confrontation with the visual arts and is directed not only to our employees and their families but also to art enthusiasts outside the company.

Also see www.evn-sammlung.at

EVN100 FOR LOWER AUSTRIA

EVN's 100th anniversary celebration included the relaunch of a successful campaign that initially appeared in 2014: The company's employees, who are well known for their generous social commitment, were again given the opportunity to jointly carry out community service activities in Lower Austria during 2022. Each team included at least three EVN employees, who received support from EVN in the form of a day off from work and up to EUR 1,000 for their project materials. A total of 34 projects involving 232 employees were carried out up to the end of October 2022 as part of the "EVN100 for Lower Austria" campaign. The range of activities was broad and included, among others, clean-up efforts in rivers, initiatives in support of children and youth institutions or nursing and social welfare centres as well as assistance for Ukrainian refugee families.

EVN's stakeholders and the type of inclusion (Extract)	Survey	Ongoing and regular contact	Working group, forum, Annual General Meeting (1–2 times per year or more often)	Advisory boards, expert committees (1–2 times per year or more often)	Supervisory Board
Employees	+	+	+	+	+
Customers	+	+	+	+	+
Business partners	+	+	+	+	+
Civil society	+	+	+	+	–
Media	+	+	+	–	–
Capital marktet	+	+	+	+	+

Sustainability programme

Our sustainability programme was developed in an iterative process during target discussions. Specific area focal points were identified on the basis of the EVN materiality matrix, and Group-wide sustainability targets and measures were defined in a next step. The sustainability programme is updated and expanded regularly in cooperation with all departments.

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Society and community	Protection of network stability, while guaranteeing supply security and the integration of volatile renewable generation 2		Concepts were prepared for various regions in Lower Austria to increase network capacity and integrate renewable energy. Specific projects involve the expansion of cable diameters and an increase in substations in the low- and medium-voltage range. Several projects are planned in the high-voltage range to expand or replace existing transformer stations. We completed the following high-voltage projects in 2021/22: replacement buildings for the 110-kV power lines from Deutsch Altenburg to Lassee (16 km) and from Gross Gerungs to Gmünd (22 km) as well as the reinforcement of the Gross Gerungs transformer station. Network and information security (EU NIS Directive): The report by Netz Niederösterreich will be submitted after receipt of the NIS notification (request for review) in November 2022.
	Protection of supply security and the quality of drinking water through expansion and other measures 2		We guarantee supply security, on the one hand, with the integration of our supply system and 200,000 m³ of drinking water reserves in elevated tanks and, on the other hand, through continuous expansion. Our projects include the expansion of elevated tanks and the construction of additional emergency generators. In addition, construction started on the second and third sections of the new transport pipeline from Krems to Zwettl. Completion is planned for 2025. Our projects to improve the water quality include the commissioning of the fifth natural filter plant in 2021/22, which is located in Petronell-Carnuntum. Planning has already started for the construction of further natural filter plants.

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Society and community	Protection of supply security and the quality of district heating through expansion and other measures 2		We guarantee sufficient failure reserves and the necessary peak load coverage by equipping our district heating generation equipment with redundant aggregates and using two different fuels (primarily biomass). Moreover, we are evaluating opportunities to use substitute fuels (untreated scrap wood) in place of natural biomass and expanding our round timber storage capacity by roughly 30% to manage possible supply shortages (biomass storage). The existing high quality of our certified district heating plants is ensured by regular audits (EMAS and ISO 140001).
	Improvement of stakeholders' digital and sustainability knowledge 4 8		EVN supports the stronger inclusion of sustainability issues in education. We regularly develop programmes for children and young people ranging from three to 18 years old and, as part of our EVN School Service, provide a broad portfolio of free workshops, learning resources and events throughout Lower Austria. The free-of-charge learning kits are available for download under www.young.evn.at. Our offering for school classes also includes energy savings courses and visits to power plants (hydropower plants, wind and solar parks, biomass district heating plants, thermal power plants, waste utilisation plants and storage power plants).
	Active stakeholder dialogue on sustainability 8		In the Strategy 2030 – which is illustrated by the motto "More sustainable. More digital. More efficient." – EVN confirms its commitment to make an active contribution to reducing greenhouse gas emissions and to containing climate warming. The EVN Climate initiative with the following three focal points was developed in 2020/21: concrete CO_2 emission reduction goals (coordinated with the Science Based Targets Initiative), climate neutrality for selected Group companies and a contribution to climate protection by EVN's research and development. In 2021/22 we developed the "EVN for the climate" campaign as part of the EVN Climate Initiative. It is directed to internal and external stakeholders and will accompany and strengthen our activities and measures as part of the EVN Climate Initiative. For information on the "EVN for the climate" campaign, see page 101
	Demand-side management for e-mobility and industry 2 4 6		A first-time option introduced by EVN enables the postponement of charging for e-autos within the framework of an automated trading system and the marketing of these flexibilities over the short term on the energy market. For this purpose, more than 100 charging points at locations operated by EVN and EZN (Energiezukunft Niederösterreich) were equipped with joulie optimisation assistants and aggregated into a large storage facility.

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ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Expansion of renewable generation	Expansion of renewable generation; targets defined by the Strategy 2030: increase in wind power capacity to 750 MW and photovoltaic capacity to 300 MW 2 6		The following wind power and photovoltaic projects were in progress during 2021/22: → Wind parks: Schildberg (12.6 MW, construction completed), Japons (repowering of existing equipment; 12.6 MW), Palterndorf-Dobermannsdorf (42 MW), Grosskrut-Altlichtenwarth (12.4 MW) → Photovoltaic plants: Trumau (10 MW), two plants in North Macedonia (in total, approx. 2.2 MW)
	Widespread construction of conventional and non-conventional photovoltaic capacity 2 6		The EVN solar initiative in Lower Austria is the focus of continuous expansion. We made the following progress in 2021/22 with the construction of additional photovoltaic capacity: → Solar cooperating power plants: additional 620.12 kWp; in total, 678.62 kWp as of 30 September 2022 → Solar contracting: additional 241.68 kWp; in total, 810.7 kWp as of 30 September 2022
	Revitalisation of small hydropower plants 2 6		We regularly launch projects to revitalise our small hydropower plants through dismantling or renovation. Our progress in 2021/22 covered the following: → New construction and commissioning of the Brandstatt run-of-river power station; the standard capacity was more than doubled from approx. 1.4 GWh to 3.4 GWh per year. → Modernisation of the Ochsenburg small hydropower plant in progress; commissioning planned for the beginning of 2023; the standard capacity will be increased from approx. 2.8 GWh to 3.8 GWh per year.
Innovation and new prospects for the environment	Increased focus on e-mobility through widespread charging infrastructure 2 3 6		With a focus on Lower Austria, EVN is installing additional public charging points and strengthening the charging network with roaming partners. The charging infrastructure is under construction along the major traffic axes as well as in cities and smaller communities. Our charging network covers the entire province of Lower Austria. Customers with more than 11,800 active EVN electricity charging cards can now recharge with electricity from renewable sources at nearly 8,400 charging points throughout Austria (status: 30 September 2022). Plans call for the consolidation of the charging station system through cooperation with numerous regional energy providers. Another initiative involves the gradual expansion of the EVN fleet at all locations; we are also developing home charging solutions for our employees. EVN is intensifying its cooperation with the Austrian Federal Association for Electromobility ("Bundesverband Elektromobilität Österreich").

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Energy efficiency	Energy efficiency measures for waste utilisation and heat generation 6		EVN is working to improve the energy efficiency of its waste utilisation and heat generation plants. EVN Wärme covers its internal electricity requirements from renewable energy: Photovoltaic equipment was installed at five locations in 2021/22, in addition to the 12 power plants where this equipment is already in operation. At our waste utilisation plant in Dürnrohr, we are taking numerous steps to improve energy efficiency: We only use lorries with the newest generation motors and exchanged four pneumatic compressors; these actions result in energy savings of 80 MWh per year. Further savings of roughly 46 MWh per year were achieved by upgrading the drive engines in the refuse bunker cranes. Optimisation of the automatic start-up and shut-down processes and firing controls as well as increased entry controls led to a year-on-year reduction of 1,267 MWh in natural gas consumption during 2021/22.
Society and community **Innovation and new prospects for the environment**	Strengthening of the principle "focus on customers" 3 4		Ongoing measures include, for example, articles in the EVN Intranet on "Impulses for customer orientation" and the annual customer service week in October with EVN employees from Austria, Bulgaria, North Macedonia and Croatia. The focus is on the topic "We are there to help our customers". Measures with a focus on the digitalisation of products and services in 2021/22: → Go-live for the new EVN website with a modern digital customer portal for the automated management of customer issues (tariffs changes, relocation, new connections, resumption of customer contracts) → Implementation of an online panel as a platform for digital customer feedback; go-live in October 2022 → Implementation of a real-time tool for the low-threshold evaluation of customer contacts via SMS or e-mail → Robot-supported process automation to increase the efficient handling of customer issues (e.g. conclusion/extension of contracts, tariff changes) → Transfer of the pilot project on virtual video advising to kabelplus' regular offering
Product responsibility	Focus on data protection throughout the entire customer contact management system 3	Not SDG relevant	The number of data protection requests remains low, but EVN has implemented various measures to minimise potential errors in the information process. For example: We have integrated the data used to provide information in an automated report. That eliminates the time required to search and copy data from different systems.

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ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Dealings with employees	Location-independent, autonomous work; work-life balance 5		Measures introduced in 2021/22 to further improve the mobile working model that makes location-independent working possible at EVN: → Evaluation of the model with external support and with a view towards the effectiveness of teamwork → Implementation of a pilot project on desk sharing → Roll-out of MS Teams → Survey of corporate culture → Expansion of the EVN mood barometer
	Avoidance of work accidents through protective measures (and reduction in Lost Time Injury Frequency) 5		Efforts to prevent work accidents include the purchase of state-of-the-art work and protective clothing and tools. Managers are increasingly integrated (among others through training and safety meetings) and specialist seminars on occupational safety are offered. Our preventive measures include the following: a continuous focus on awareness through regular internal communications (e. g. Intranet, employee newsletter), measures to prevent falls (e. g. protective equipment, training for involved employees) and an extensive training programme (also for external firms) on general issues that also includes the smart meter exchange. We also participate in relevant committees of Oesterreichs Energie, a branch association.
	Delegation of persons to support the organisation and guarantee safety 5		EVN maintains a central database for each company which includes, for example, planning and construction site coordinators, waste management officers, fire protection officers, occupational physicians, responsible employee representatives and/or safety ombudspersons for occupational safety etc.). We comply with all legal requirements and implement additional safety measures in areas with a greater risk potential, e. g. through more first-aiders than legally required. To ensure the availability of sufficient first-aiders at all times in organisational units with shift work, all employees in these areas receive appropriate training.
	Digital learning offering 4	Not SDG relevant	ELI, EVN's internal online learning platform for employees, was successfully implemented. We also regularly offer digital training courses (e. g. on energy issues and project management as well as compliance trainings, safety instructions and cyber security webinars).
	Raising environmental awareness of employees in North Macedonia 7		Information on environmental protection is available on Dnevnik, an internal platform for the exchange of information and cooperation between the employees of EVN Macedonia and its companies.
Diversity and equal opportunity	Programme to support and improve diversity 5		Measures in 2021/22: → Mentoring programme as preparation for women in management positions successfully completed → Implementation of a project on gender awareness with a request to all employees to consciously use fair language. EVN does not want to marginalise anyone, but speak to all people with an inclusive language; publication of instructions in the EVN Intranet and employee newsletter with recommendations for more gender-sensitive language

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Natural resources	Protection for ecosystems and biodiversity, safeguarding of species protection 7		In North Macedonia, we have implemented measures to protect biological diversity in cooperation with the environmental NGO Macedonian Ecology Society. The related measures are intended to reduce bird losses due to electric shocks and collisions and include the insulation of masts and voltage elements. Additionally stork platforms are installed on the masts in our distribution network. EVN also has ongoing actions in Bulgaria to prevent bird losses, and power poles involving incidents with birds are fortified. Newly installed stork nests are protected in line with regular observations. Netz Niederösterreich has provided financial support for the Life Plus Eurokite project to protect the red kite since 2020. GPS transmitters financed by Netz Niederösterreich were attached to young red kites and will collect data up to 2023 on the habitats of these birds. The goal is to reduce the man-made mortality of birds of prey. To ensure the protection of these species, Netz Niederösterreich will include the collected data in the selection of its cabling projects.
	Commitment to restoration of former locations 7		In 2021/22, we restored a former location that was used in the 1940s and 1950s to impregnate wood power poles. Another project is currently in progress to renovate a power plant location which was contaminated by previous owners based on its use in the first half of the 20th Century. We are also dismantling – on our own initiative – a thermal power plant that was decommissioned in 1987. Pollutants will be removed to recreate a meadow area. After this transformation is completed, we will evaluate concepts for the further use of the location to generate renewable energy.
	Circular economy as part of location management 7		Concrete foundation elements that have no further functional use as a result of replacement investments are always removed so the ground area can be restored and put to a new use. We transport the used concrete to a building materials recycling firm to enable its reuse. The component parts of our power plants, equipment and networks that are technically no longer functional are correctly separated, optimally utilised and transferred to building materials or metal recycling as far as possible.
	Motivation for customers to donate their bonus points for biodiversity or animal protection measures 7 8		As part of the EVN bonus world, EVN encourages its private electricity and natural gas customers to donate their bonus points. These donations can be used to plant trees in a selected community or to support the animal protection association in Wiener Neustadt. EVN acts as the broker for this programme, and customers make the donations. This year's "tree campaign" ran from 1 June to 30 September 2022 and 95 communities in Lower Austria took part.

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Natural resources	Safeguarding soil and ground water protection 7		In North Macedonia, the surface areas of solid ground (concrete, asphalt) are treated with a universal absorbing material as a preventive measure in the event smaller quantities of hazardous materials are leaked. New, particularly resistant and long-lived secondary tanks were also purchased in 2021. They provide ideal protection for soil and ground water. In addition, degreasing agents are used to clean surfaces that were soiled by grease, oil, crude oil products and other liquids that are harmful to the environment.
	Environmentally friendly and economical utilisation of sewage sludge 7		A sewage sludge utilisation plant in central Germany was commissioned during April 2022. sludge2energy, a 50:50 joint venture with EVN, was responsible for the planning, assembly and construction. This facility is designed to accommodate the environmentally friendly, economic utilisation of over 33,000 t of dehydrated and 2,700 t of externally dried sewage sludge each year. Plans call for the recapture of the vital component phosphorus from the sewage sludge in the future.
Contain environmental pollution and optimise waste management; reduce emissions	Continuation of environmental management systems 7		Our waste utilisation plant in Dürnrohr is certified under ISO 9001 quality management, ISO 14001 environmental management and EMAS. It is also a registered waste management facility. These certifications are updated regularly.
Contain environmental pollution; reduce emissions	Prevention of the contamination; process optimisation and reduction of emissions in thermal utilisation 7		We achieved the targeted reduction of emissions in our district heating plants by installing primary circulation in the biomass equipment in Hagenbrunn, Leopoldsdorf, Korneuburg and Tulln. Evaluations are currently in progress to determine whether there is a need or possibility to install this equipment in other plants. The firing process in Tulln and Korneuburg was also optimised by mechanical modifications in the firing room and the flue gas path. To reduce the emissions from household heating, we are continuing to construct new biomass heating plants for district heating supplies. Current projects include the construction of a biomass cogeneration plant in Krems, plans for a similar plant in St. Pölten and the expansion of tanks at the biomass plants Wiener Neustadt Civitas Nova (completed), Bruck/Leitha and Guntramsdorf (in planning). The biomass district heating plant in Langenlebarn has also started operations.
Innovation and new prospects for the environment	Innovation supports the system transformation toward renewable energy 2 3 4 6		EVN is advancing its innovation activities through numerous projects. Following is a selection of the projects pursued in 2021/22: → Projects in model regions to optimise the use and storage of renewable generation (Reallabor Waldviertel, LOW TECH inno-lab Weinviertel) → Development and roll-out of a virtual power plant with private customers' flexibilities (Green the Flex) → Projects to optimise renewable energy communities (NETSE, hybrid LSC) → Bi-directional charging of e-vehicles and greater flexibility through demand-side management (Car2Flex) → Integration and use of flexible loads in industrial operations on the energy and control reserve market (Industry4Redispatch) → Pilot project by RAG for the large-volume seasonal storage of renewable solar energy, which is converted into green electricity through electrolysis and stored in former natural gas storage facilities in pure form (Underground Sun Storage) For information on our innovation projects, also see page 73ff

ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Ethical business operations	Increasing awareness for compliance issues throughout the EVN Group 1	Not SDG relevant	To introduce our new employees to compliance issues, we offer the "Compliance Basic" webinar as mandatory initial training. The online webinar "Compliance Basic" was adapted and installed on the internal learning platform "ELI" in 2021/22. For 700 employees previously limited by Covid-19, we organised a compliance update as on-site training. A compliance roundtable was also held for managers. Additional articles and a Christmas quiz on anticorruption can also be found in our employee magazine "hello".
Responsible supplier management	Sustainable orientation of all procurement procedures at EVN 1		The implementation of the "strategic supplier management" project is currently in progress, and several work packages have been successfully transferred to line personnel: The EVN Integrity Clause was updated and expanded to include social minimum standards. In addition, all suppliers and bidders are required to accept the Integrity Clause after login or during the registration process in EVN's procurement portal. A system was created to classify and evaluate merchandise groups based on market, ESG, legal and supply security criteria as a means of ranking the related risks in a merchandise group score. The system is currently being implemented in the line organisation. Transactions by the corporate function "procurement and purchasing" include the screening of all suppliers by a well-known rating agency to identify potential risks (e.g. in the areas of sustainability, social minimum standards, compliance).
Emissions	Development of goals together with the Science Based Targets initiative (SBTi) to reduce CO_2 emissions 6		The goals were submitted to SBTi at the end of the 2020/21 financial year and accepted at the beginning of 2021/22. The base year for the five goals to reduce various Scope 1, Scope 2 and Scope 3 emissions is the 2018/19 financial year, and the target year is 2033/34. By reaching these goals, we are making an important contribution to realising the "well below 2 °C goal" set by the Paris Climate Agreement.
	Climate neutrality in selected Group companies 6		In 2021/22, EVN Wasser was the first Group company to receive certification for climate neutrality under PAS 2060. Plans call for the gradual certification of other Group companies in the future in accordance with PAS 2060.
Circular economy	Upcycle products through cooperation with other firms 7		kabelplus cooperates with Refurbed, an online marketplace for certified and carefully selected traders who market refurbished products. Used equipment is extensively overhauled, improved to meet the latest technical standards and, in the end, is impossible to differentiate from new equipment.

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ESG details	Definition of goals	SDG	Developments and progress in 2021/22
Biodiversity	Development of biological compensation areas 7		To protect biodiversity and the variety of species, EVN creates compensation areas at selected wind park projects. EVN Naturkraft also establishes alternative habitats at locations with endangered species (primarily birds). These areas are inspected annually by ornithologists based on specific indicators ("state and respond"). In addition, a report is prepared each year which defines new protective measures where required.

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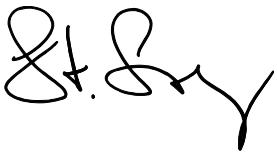
This sustainability programme is an expression of our efforts to connect the areas of activity in our materiality matrix with concrete project goals and measures. We want these areas of activity to have a significant influence on our daily activities as a company, just the same as the core strategies which place our responsible and sustainable orientation in a medium- and long-term context. The communication of our sustainability programme in concrete terms is also intended to strengthen the commitment of our employees further because we want our actions to always be in harmony with our strategy and in the best interests of our stakeholders. These goals and measures are intended to make a concrete contribution to meeting the 17 Sustainable Development Goals (SDGs) set by the United Nations.

For the EVN materiality matrix, see page 16f
For information on the SDGs and the individual targets, also see https://sustainabledevelopment.un.org/sdgs

Maria Enzersdorf, 23 November 2022

EVN AG
The Executive Board



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Independent assurance on the non-financial reporting

To the members of the Management and the Supervisory Board of EVN AG, Maria Enzersdorf

The subsequent independent assurance report in the English language is a translation provided for informational purposes only. The German text of the signed confirmation report, which refers to the German version of the non-financial reporting 2021/22, is the only legally binding version. This English translation has no legal effect. More specifically, it cannot be used for interpreting the German version of the independent assurance report.

Independent Assurance Report on the Consolidated Non-Financial Reporting according to § 267a UGB

We have performed a limited assurance engagement on the consolidated non-financial report and sustainability performance disclosures and indicators of EVN AG (hereinafter referred to as the "Company") for the financial year 2021/22 in accordance with Section 267a UGB (Austrian Commercial Code).

Responsibility of the legal representatives

The legal representatives of the Company are responsible for the proper preparation of the consolidated non-financial report in accordance with the requirements pursuant Section 267a UGB (Austrian Commercial Code), the GRI Standards 2016 Option "Core" as well as Article 8 of the Regulation (EU) 2020/852 (Taxonomy) in conjunction with Article 10(2) and (4) of the Commission Delegated Regulation (EU) 2021/2178 in conjunction with Article 9(a) and (b) of the Regulation (EU) 2020/852 (Taxonomy).

The legal representative's responsibility includes the selection and application of appropriate non-financial reporting methods (in particular the identification of material topics) and the use of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances. It also includes designing, implementing, and maintaining systems, processes and internal controls relevant to the preparation and fair presentation of the Sustainability Report that are free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion, based on our audit procedures and the evidence we have obtained, as to whether any matters have come to our attention that cause us to believe that the consolidated non-financial report of the Company as of 30 September 2022 is not, in all material respects, in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the GRI Standards 2016 (option "Core") as well as Article 8 of the Regulation (EU) 2020/852 (Taxonomy) in conjunction with Article 10(2) and (4) of the Commission Delegated Regulation (EU) 2021/2178 in conjunction with Article 9(a) and (b) of the Regulation (EU) 2020/852 (Taxonomy).

Clarification on the scope of the audit due to the integrated non-financial reporting in the full report. Our audit covers the following area of the full report:

→ Non-financial report in the full report 2021/22

We conducted our audit in accordance with Austrian generally accepted standards for other audits (KFS/PG 13) and the International Standard on Assurance Engagements (ISAE 3000 (Revised)) applicable to such audits. These standards require our compliance with ethical requirements, including independence requirements, and plan and perform the engagement, under consideration of materiality, to express our conclusion with limited assurance.

In a limited assurance engagement, the audit procedures performed are less extensive in comparison to a reasonable assurance engagement, and consequently less assurance is obtained.

The procedures selected depend on the auditor's judgement and included in particular the following activities:

- Interviewing employees responsible for the materiality analysis at Group level in order to gain an understanding of the procedure for identifying material sustainability issues and the corresponding reporting boundaries of the Company;
- Risk assessment, including a media analysis, of relevant information about the Company's sustainability performance during the reporting period;
- Assessment of the design and implementation of systems and processes for the identification, processing and monitoring of environmental, social and labour data, respect for human rights and the fight against corruption and bribery, including the consolidation of data;
- Interviews with personnel at Group level responsible for identifying, consolidating and performing internal control activities related to disclosures of concepts, risks, due diligence processes, results and performance indicators;
- Assessment of the design and implementation of systems and processes for determining, processing and monitoring the sustainability performance data and indicators included in the scope of the audit, including the consolidation of the data;
- Review of selected internal and external documents to determine whether qualitative and quantitative information is supported by sufficient evidence and presented accurately and fairly;
- Assessment of local data collection, validation and reporting processes and the reliability of reported data through a process and sample survey of the sites in North Macedonia and Bulgaria. The interviews were conducted virtually.
- Analytical assessment of the data and trends of the quantitative disclosures for the GRI Standards listed in the GRI Index, which were reported by all sites for consolidation at Group level;
- Assessment of whether the requirements according to Section 267a UGB and GRI standards 2016 (option "Core") have been adequately addressed;
- Assessment of the overall presentation of the disclosures through critical reading of the non-financial report.

The subject matter of our engagement is neither an audit of financial statements nor a review of financial statements. Likewise, neither the detection and clarification of criminal offences, such as embezzlement or other acts of breach of trust and administrative offences, nor the assessment of the effectiveness and efficiency of the management is the object of our engagement.

Furthermore, the audit of forward-looking statements, prior-year figures, statements from external documentation sources and expert opinions as well as references to further reporting by the Company are not part of our engagement. The information audited as part of the audit of the annual financial statements was checked for correctness (no substantive audit).

Summary assessment

Based on our audit procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial report for the financial year 2021/22 of the Company is not prepared, in all material respects, in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the GRI Standards 2016

(option "Core") as well as Article 8 of the Regulation (EU) 2020/852 (Taxonomy) in conjunction with Article 10(2) and (4) of the Commission Delegated Regulation (EU) 2021/2178 in conjunction with Article 9(a) and (b) of the Regulation (EU) 2020/852 (Taxonomy).

Limitation of use

We consent to the publication of our audit certificate together with the non-financial report. The report does not form the basis for any reliance by third parties on its contents. The report is not intended to be relied upon by third parties in making (financial) decisions. Claims by third parties can therefore not be derived from it. Our responsibility is solely to the Company.

Terms of engagement

With regard to our responsibility and liability towards the company and towards third parties, point 7 of the General Conditions of Contract for the Public Accounting Professions applies.

Vienna, 23 November 2022

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerhard Posautz
Auditor

Peter Bartos
Auditor