Highlights 2018/19

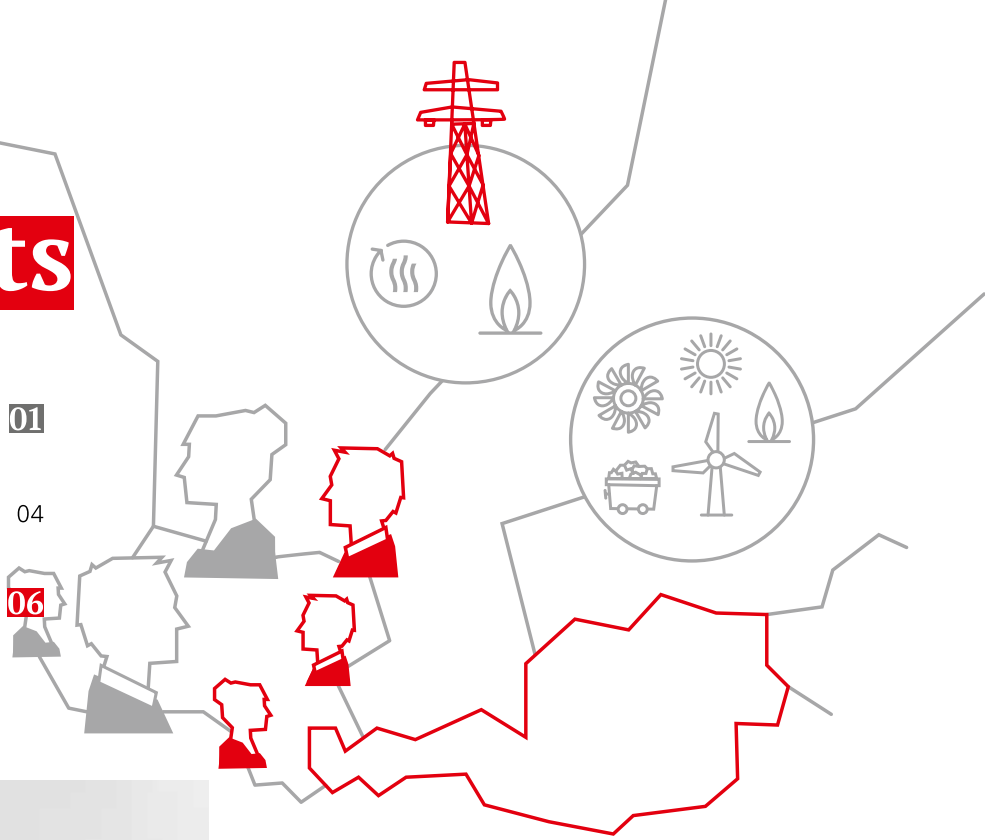
Revenue
+6.0% to EUR 2,204.0m

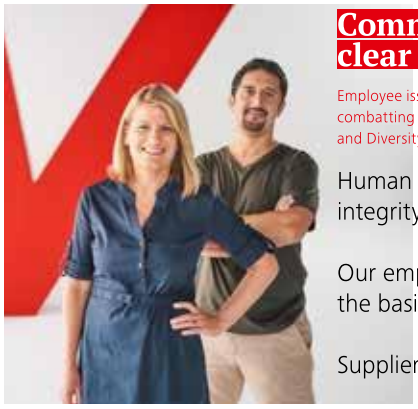
EBIT
+2.7% to EUR 403.5m

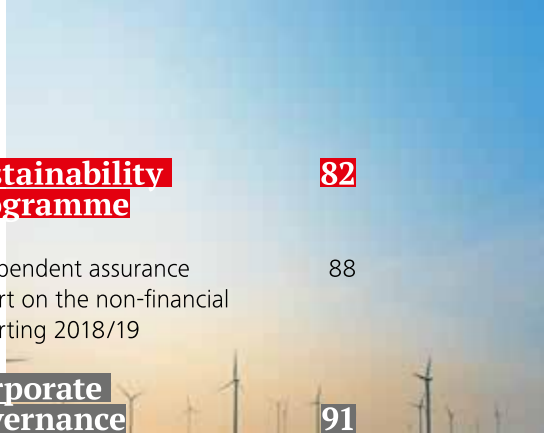
Group net result
+18.8% to EUR 302.4m

Dividend proposal
EUR 0.47 + 0.03 bonus per share

Contents







About this report

Under the title "EVN Full Report", we publish an integrated annual and sustainability report for each financial year. The equal treatment of non-financial and financial information and the corporate governance report in this publication underscore our self-image as a responsible energy and environmental services provider.

Applied standards and guidelines

This full report meets the requirements of the Global Reporting Initiative (GRI), option "core", and also presents additional performance indicators. Moreover, it includes company-specific indicators as defined by the GRI Sector Supplement for the Electric Utilities Sector. The indicators listed in the GRI content index reflect the requirements of the Global Reporting Initiative and, consequently, provide a summary of the content. The GRI content index does not cover supplementary non-financial information.

This report also meets the high standards set by the UN Global Compact and provides information on progress in this area.

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 IFRSs 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 was based on the applicable standards and sector supplements of the Global Reporting Initiative, which were applied as completely as possible.

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 2018/19 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 combatting corruption are therefore presented under the section "Non-financial report" and listed separately in the table of contents for easier orientation.

Reporting principles and structure

A central element of EVN's integrated business model is the equal treatment given to the interests and concerns of our various stakeholders. This is reflected, above all, in the EVN materiality matrix, which identifies the priority topics for the various interest groups based on a regular survey. The non-financial reporting content is selected according to its relevance for sustainability and in order to achieve a balanced and complete presentation of the most important current issues in line, as well as with the following principles:

- **Inclusion of stakeholders:** The reporting content is based on legal requirements and the information needs of our stakeholders, which were identified through a stakeholder survey in 2016/17. 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:** The reporting meets the applicable legal requirements as well as the applied GRI standards.

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

External verification

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was responsible for the audit of the consolidated financial statements and the verification of compliance with GRI standards and the Austrian Sustainability and Diversity Improvement Act for the 2018/19 financial year.

The auditors' report can be found on page 222 ff

For the independent assurance report on the non-financial report in accordance with GRI standards and the Austrian Sustainability and Diversity Improvement Act, see page 88 f

References

You can find additional information on certain topics on EVN's website, as indicated by the cross-references in this report. The full report also includes references to GRI standards and to other information within the report. The signs used in this full report are listed below:

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

Content accuracy and gender-specific wording

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.

EVN is also committed to equal treatment in references to men and women in its internal and external publications, i. e. also in this full report. Texts in which only the masculine form is used to improve readability should be understood to refer to both genders equally.

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 18 November 2019.

For information on the GRI content index, see page 230 ff

- 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

EVN – energy company and environmental services provider

EVN's activities cover the energy and the environmental service business. The headquarters of this international Group are located in Lower Austria, further core markets are Bulgaria and North Macedonia. In total, EVN is currently active in 16 countries.

Business areas

Energy business

Our integrated business model covers the entire value chain:
- → Energy generation
- → Operation of distribution networks
- → Delivery of electricity, natural gas and heat to end customers (with different focal points in our individual markets)

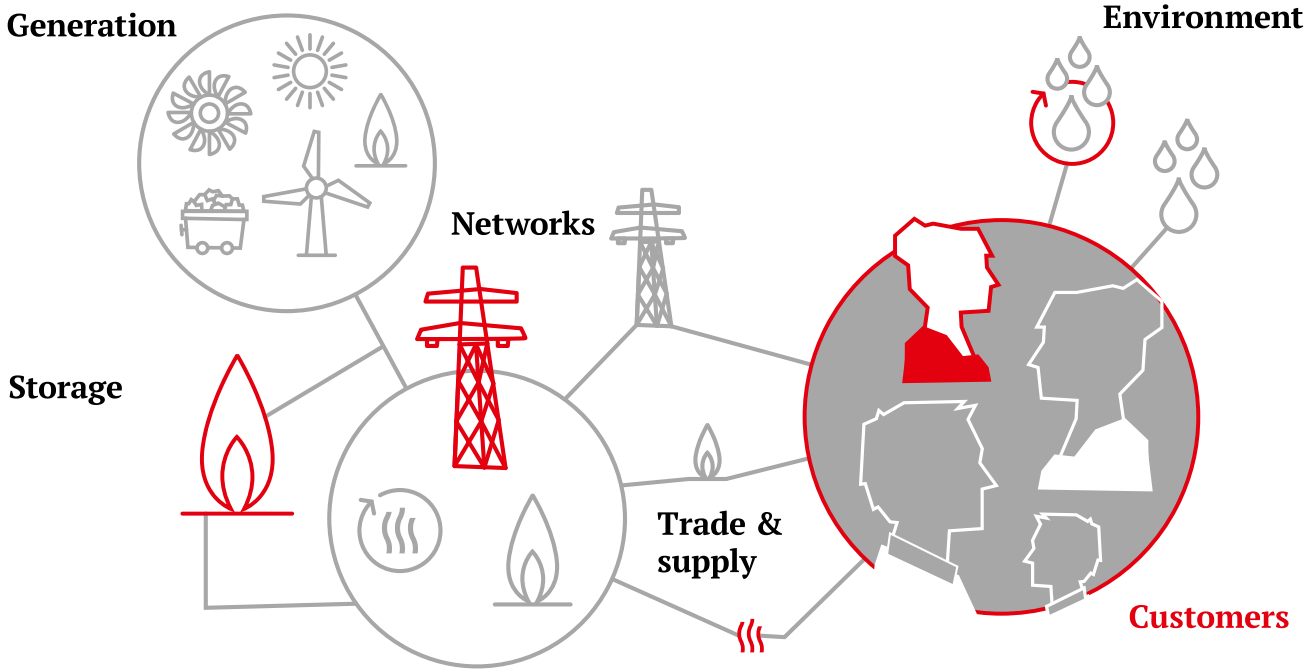
Environmental services business

- → Drinking water supplies in Lower Austria
- → International projects 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 AG (73.63%), which, in turn, holds 49.0% of Energie Burgenland AG
- → RAG Austria AG (50.03%)

Value chain



Markets[1] and business areas

Austria

- **Generation:** electricity, heat, thermal waste utitlisation
- **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

North Macedonia

- **Generation:** electricity
- **Network operations:** electricity
- **Energy supplies:** electricity

Germany

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

Croatia

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

Albania

- **Generation:** electricity

Other countries

- **International project business:** plants for drinking water supplies, wastewater treatment and thermal waste and sludge utilisation

1) Map outlines markets in the energy business

157,951 km
networks

1,704 MW
electricity generation capacity

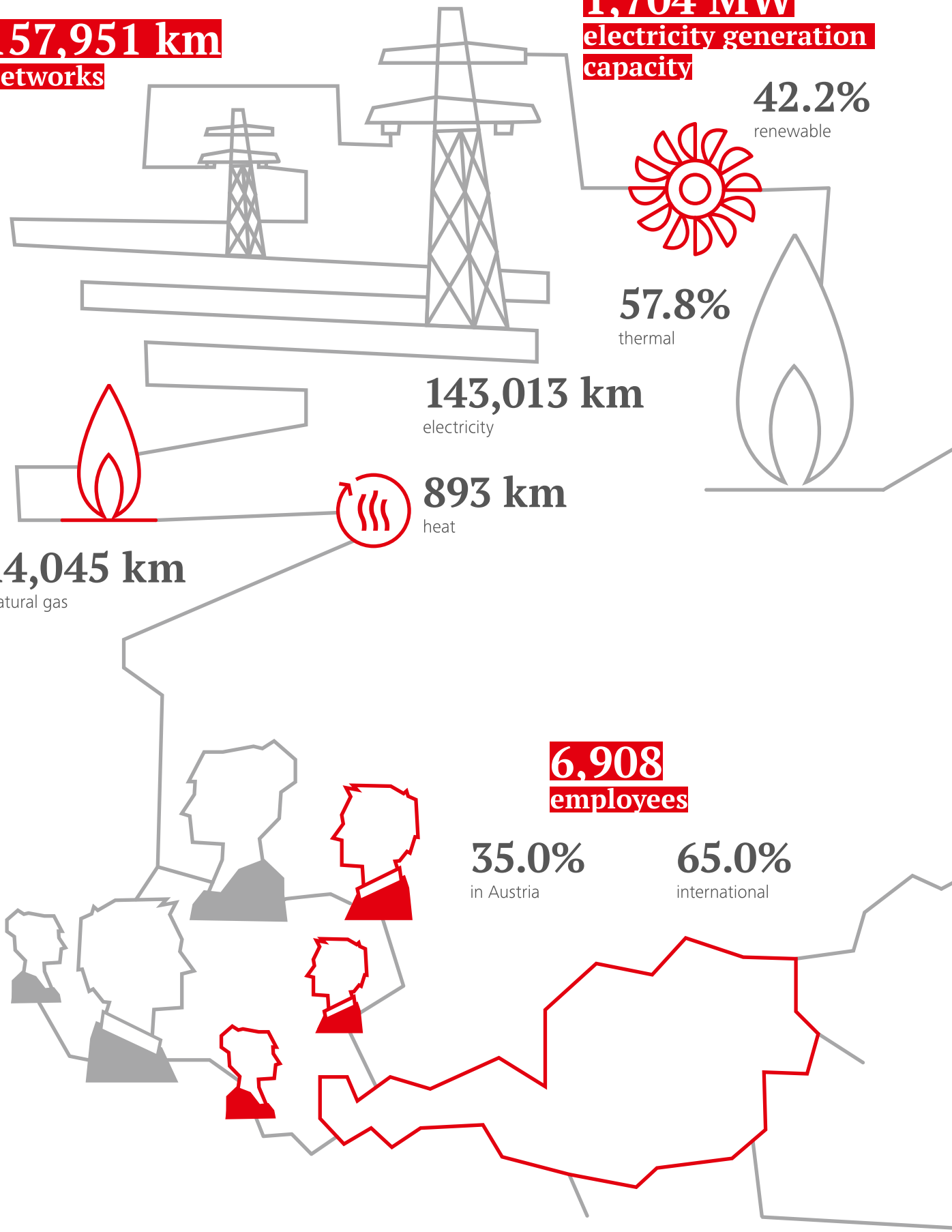
42.2%
renewable

57.8%
thermal

143,013 km
electricity

893 km
heat

14,045 km
natural gas



6,908
employees

35.0%
in Austria

65.0%
international

Key data at a glance

2.0m
Austria

1.8m
Bulgaria

0.9m
North Macedonia

4.7m
customers

3.4m
electricity

0.6m
drinking water

0.1m
heat

0.3m
natural gas

0.3m
cable TV and telecommunications

75%
EBITDA from regulated and stable activities

21%
in South East Europe

54%
in Austria

Forward-looking. Goal-oriented. Sustainable.

"As an energy and drinking water supplier for Lower Austria – this country's largest province – we are committed to a social and political consensus that will allow us to meet the United Nation's Sustainable Development Goals. We see it as an obligation as well as a challenge to make a real contribution in all our markets. The guiding principle for our actions is our materiality matrix, which reflects the interests and concerns of our stakeholders."

Stefan Szyszkowitz and Franz Mittermayer

EVN Executive Board

Our shareholders can depend on EVN for stability and continuity.

Franz Mittermayer and Stefan Szyszkowitz on changing customer expectations, climate protection and renewable energies, extensive investments and success in the international project business.

"In 2020 we will have reduced our CO_2 footprint in Lower Austria by roughly two thirds in comparison with 2005 – through the massive expansion of our renewable generation and the earlier-than-planned shutdown of hard coal-fired production in Dürnrohr."

Stefan Szyszkowitz, spokesman of the Executive Board

To begin with: What is the core message behind the slogan for this report, "Energy. Water. Life."?

Stefan Szyszkowitz: Our customers have clear expectations: high-quality supplies in the form of a broad portfolio of products and services that support and facilitate – and frequently also form the basis for – their daily living and working routines. The indispensable foundation for all this is a highly developed technical infrastructure, from generation to distribution through our networks.

Franz Mittermayer: That's not only true for energy, but also for drinking water. In order to guarantee reliable, high-quality supplies for our customers, we've been making massive investments in water supplies for many years. This investment programme will undoubtedly continue for at least another decade, with special weight on the expansion of the pipeline infrastructure. As you know, a cross-regional network – and here we are currently speaking of a total length of approximately 2,800 km – allows us to establish both a quantitative and qualitative equilibrium and, in this way, protect supplies for our customers.

What do change and challenges mean for EVN's employees?

Stefan Szyszkowitz: We are open to new forms of communication and cooperation – which is what we mean with the "new EVN Working World". Additionally, we are using the opportunities created by digitalisation to make internal processes more efficient and to help us find the answers to customers' changing requirements. In order to meet these demands, we need motivated colleagues who are receptive to change and have the necessary positive mindset. Our ideas and actions can't simply stop at the department or company door. Of course, we naturally want to keep our focus on our customers' needs. It's also interesting to see the changes on the labour markets in our core countries. One solution for these challenges is dual training, like the programmes we created together with partner schools in Bulgaria and North Macedonia. Innovative methods for human resources development are also part of our future approach in Lower Austria: here we are launching a new course of studies that will allow our employees to complete training to become a "digitalisation master".

In August 2019, EVN produced electricity in the Dürnrohr power plant for the last time with hard coal. How did you reach this decision?

Franz Mittermayer: The German-Austrian electricity price zone was terminated

"Supply security means that our electricity customers always have the desired quantity of electricity when it is needed – and here I mean the 50 Hertz frequency quality that is standard in Europe."

Franz Mittermayer, member of the Executive Board

on 1 October 2018, which means it's no longer possible to have our thermal power plants, including Dürnrohr, under contract to serve as reserve capacity for southern Germany as we had in previous years. That eliminated a major reason to keep these plants in operational readiness, particularly since the price of CO_2 emission certificates had nearly tripled by the end of May 2019 – over a period of only one and a half years. In the end, we decided not to order any more coal, and the ship with the final delivery for Dürnrohr arrived in late May 2019. Apart from business considerations, this decision will make an active contribution to climate protection: by terminating operations before the end of the plant's technical useful life in 2025, we will avoid approximately 3.6m tonnes of CO_2.

Stefan Szyszkowitz:
However, this shutdown creates a major challenge for supply security, and other power plants in Austria will need to step in. As long as the electricity produced from water, wind and the sun can't be stored in sufficient volumes to protect supply security, we will need alternative forms of reserve capacity. Here I am thinking, above all, of fast-starting gas turbines, comparable to the ones in aircraft, which can be bundled into flexibly deployable energy stations. In order to create the necessary framework conditions, we need a coordinated approach – not only in Austria, but at the European level.

And what lies in the future for Dürnrohr?

Franz Mittermayer:
Dürnrohr will be assigned new responsibilities as a key energy location. Our thermal waste utilisation plant will continue to generate process steam for industrial customers, in addition to conventional electricity and district heating. In order to meet our obligations towards these customers, for example in the event of maintenance-related downtime, we are currently installing an additional gas-fired boiler for steam production. We are also planning to construct a sewage sludge incineration plant and install a large-scale photovoltaic plant – and are currently studying the optimal capacity. It could range up to 20 MW, which would make it Lower Austria's largest photovoltaic facility – all things considered, a very nice alternative for the site of a former coal-fired power plant.

In recent months, public discourse has increasingly turned to climate protection. What answers does EVN have for climate-conscious customers?

Franz Mittermayer:
Our latest answer is joulie, a highly innovative web-based package that supports the use of photovoltaic equipment in private households. joulie – which is an EVN innovation – not only optimises generation and consumption for the equipment's operator, it also markets the surplus electricity. This future-oriented step will transform us from a pure supplier into an energy manager for our climate-conscious household customers.

Stefan Szyszkowitz:
This is only one of many offers. For many years, our customers have been able, for example, to purchase electricity from 100% renewable generation through our "Nature" product line. Here we can see a welcome trend in that large customers – companies as well as municipalities – are increasingly and directly asking for green electricity. In recent years, we have also changed our supply mix to substantially reduce the share of electric-

ity with a CO_2 footprint. And we intend to make further progress in this area over the coming years.

Keyword: investments. What were the focal points in 2018/19, and what are your plans for the future?

Stefan Szyszkowitz: Our projects are concentrated on the network infrastructure because the current schedule includes a higher investment cycle for the distribution network of the future. During the next three years, we also expect to invest additional funds for the introduction of smart meters in Lower Austria.

At the same time, we are continuing to invest in renewable generation: during the past financial year, we significantly accelerated the expansion of our wind power capacity and completed five projects. That means we have reached our medium-term expansion goal of roughly 370 MW one year earlier than originally planned. We want to expand EVN's wind power capacity to roughly 500 MW by the end of 2023, subject to appropriate framework conditions. This goal is based on a pipeline of roughly one dozen projects in Lower Austria, which have already been developed and, in part, approved by municipal authorities. However, we are also evaluating the feasibility of large-scale photovoltaic equipment in our supply areas and currently see a potential of up to 100 MW for the EVN Group as a whole. The third focal point for our investments – as previously mentioned – is drinking water supplies for Lower Austria.

Translated into figures, this means investments will be in the range of EUR 400m per year over the next four financial years. And roughly three quarters of this annual total will account for Lower Austria.

And what is the latest news from the international project business?

Franz Mittermayer: Here we are looking at an exciting new field. Our attention has recently turned to the development of concepts and solutions for the drying and thermal utilisation of sewage sludge – which is an issue with great potential for the future. With our know-how in the planning, construction and operation of these types of plants, we have exactly the right solutions in our portfolio. WTE Wassertechnik is currently working on contracts for the construction of sewage sludge incineration plants in Germany, Lithuania and Bahrain.

In conclusion: What expectations can shareholders have for EVN?

Stefan Szyszkowitz: Stability and continuity are two factors our shareholders can definitely depend on. Our strategic positioning for EVN reflects a clear focus on regulated and stable activities that safeguard the company's plannable cash flows and, in turn, its fundamental stability. This explains the concentration of our investments in these business areas and our very conservative approach to additional growth in fields with a higher risk-return profile.

Sustainability is a further important aspect that also has a significant influence on our company's capital market operations. Our strategy is closely tied to responsible and sustainable actions. We believe this makes the EVN share attractive, above all for people who are interested in sustainable financial investments.

Since our goal is to secure ratings in the solid A range, we place high priority on balancing the use of funds between investments and distributions to our shareholders – and follow a dividend policy that is focused, above all, on stability. We plan to ask the Annual General Meeting to approve an ordinary dividend of EUR 0.47 per share for the 2018/19 financial year. Our shareholders are also interested in planning their cash flows and, to make their work easier, we will work to hold this ordinary annual dividend at least constant in the future. The past financial year marks the 30th anniversary of EVN's listing on the Vienna Stock Exchange: we want our shareholders to join us in this celebration and will also ask the Annual General Meeting to approve a bonus dividend of EUR 0.03 per share.

A focused strategy

Our path to the future follows clearly defined principles: we have anchored our central, sustained goals and values in our vision, our mission and our corporate values and thereby created an orientation system for all our activities as an energy company and environmental services provider. This value structure underlies the principles and rules for our interaction with our employees, suppliers and business partners. It also forms the basis for our corporate strategy, which is strictly focused on the concerns and priorities of our stakeholders.

Our values

Our strong sense of responsibility for our daily supply and disposal activities is reflected in strict standards for our business activities 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. Our guiding principle is to achieve a fair balance between the concerns of everyone interested in our company – our stakeholders.

Economic responsibility for the long-term existence of our Group requires our top performance. Maximum expertise and reliability create satisfaction for our customers and partners and, in turn, safeguard our long-term success.

We meet our responsibility for the environment, in particular, through the greatest possible conservation of resources, the minimisation of emissions and the increased use of renewable energy carriers. A decisive role in this process is played by continuous innovation and efficiency improvements.

Our social responsibility is reflected in a number of ways. Concern over the well-being of our employees, fair compensation and the design of a positive corporate culture that is shaped by openness, loyalty and mutual respect are just as important as service to humanity and appropriate positioning in a society that is influenced by a wide variety of factors. 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 tangible and intangible basis. This includes high transparency and an open approach to dialogue, inside and outside our company.

"A clear commitment to our responsibility and the inclusion of our stakeholders is the central theme underlying our strategy."

Stefan Szyszkowitz, spokesman of the Executive Board

In addition to these basic expressions of our vision, mission and corporate values, numerous other binding documents define the framework for behaviour and actions in the EVN Group. We are a member of the UN Global Compact and, as such, are clearly committed to compliance with the global principles of ethical and economic actions.

- The EVN Code of Conduct: see page 60ff, 102f
- EVN's environmental policy statement: see page 46
- EVN's integrity clause for suppliers: see page 60, 74f
- Also see www.evn.at/corporate-policy-statement
- GRI indicator: GRI 102-16

Value system, sustainability and stakeholder management as integral parts of the corporate strategy

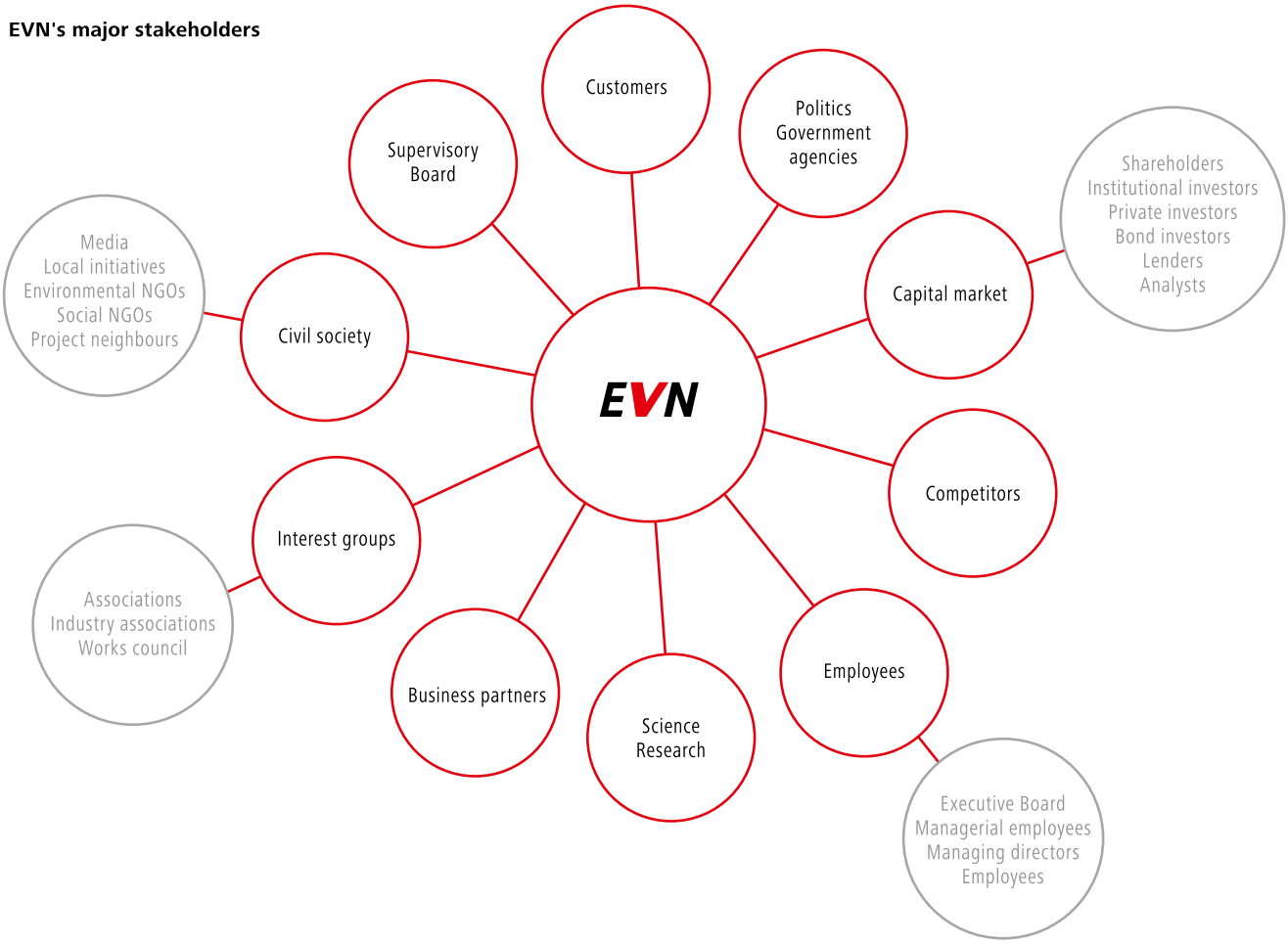
"Sustainability" – which is understood to represent a comprehensive term, above all, for ethical, social and environment-related aspects – is the fundamental principle for our actions. In combination with our value system, this concept creates a clear framework for our entrepreneurial activities, which, in turn, is the foundation for our core strategies. Taking the interests of our internal and external stakeholders into account represents a key element in this context and we stay in close contact with them in many different ways.

The core of our stakeholder management is an institutionalised dialogue with our various stakeholder groups, which are shown on the following diagram. They are regularly identified and ranked by priority in connection with the updating of our materiality matrix, whereby this process always includes an evaluation of the relevance of the individual stakeholder groups for our company.

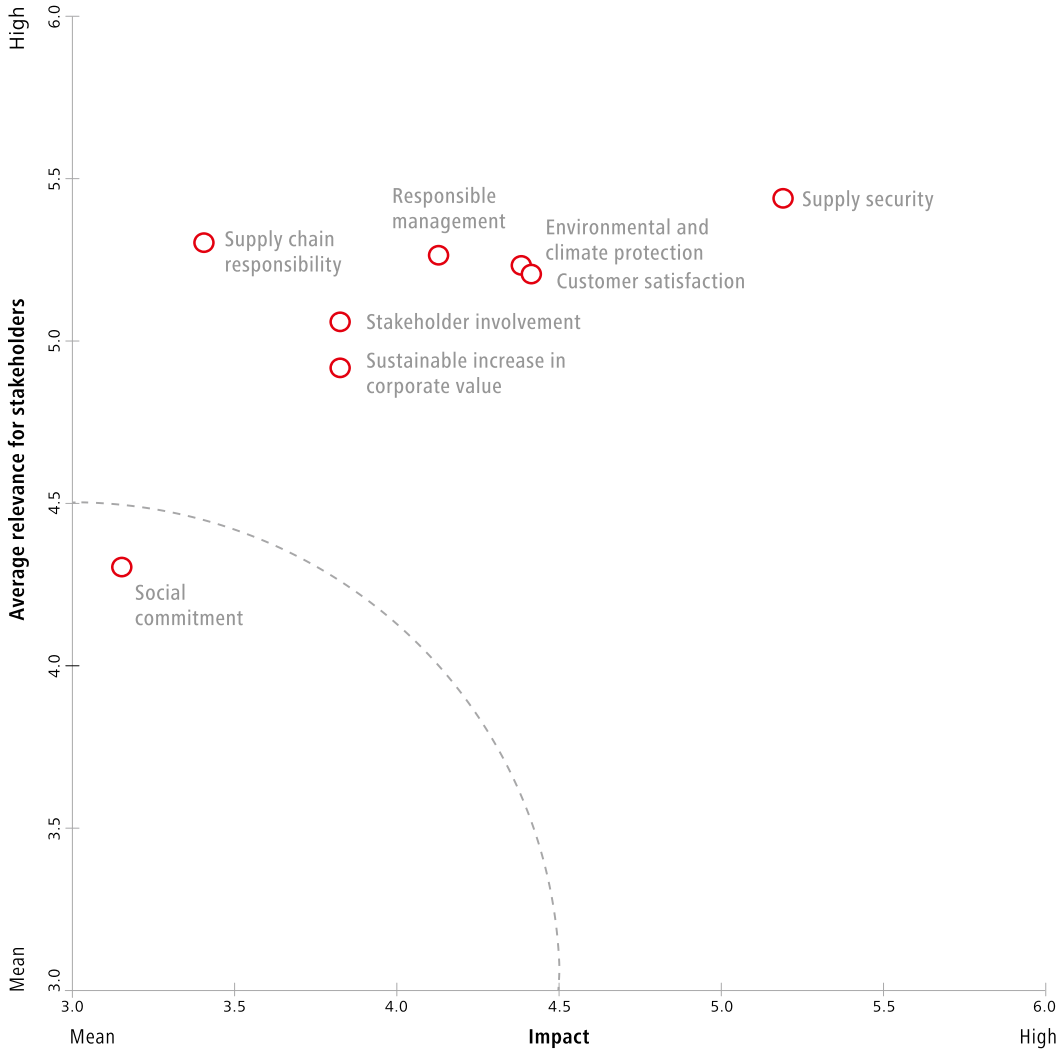
The systematic presentation of our most important sustainability issues in the form of our materiality matrix takes place every three years, with the next update planned for the 2019/20 financial year. The last survey in 2016/17 included a workshop with external and internal experts, which helped us to identify the social, ecological and economic impact of our business activities in connection with the individual areas of activity. This structured survey process allows us to focus on the issues that have the highest importance for our stakeholders as well as a high economic, ecological or social impact. Our corporate strategy thereby always reflects the latest ecological and social developments and is strongly geared to the Sustainable Development Goals (SDG) defined by the United Nations. Our reporting is also concentrated on the major issues and areas of activity.

For information on the SDG and the respective sub-targets, also see https://sustainabledevelopment.un.org/sdgs

EVN's major stakeholders



EVN materiality matrix



High target congruency with energy and climate policies

Especially as an integrated energy company, we see ourselves as a logical partner for politics and society. We want to make an active contribution to meet the climate and energy goals defined at both the European and Austrian levels in all our business areas. The alignment of our corporate strategy with these goals is therefore an important issue for us. The concepts and solutions to address climate change, which are expected from our industry, take precedence on EVN's agenda. This focus is underscored by the massive expansion of our equipment for renewable electricity generation and our investments in network infrastructure, which make an essential contribution to integrating the increasing decentralised generation in the energy system.

For information on the energy policy environment, see page 104f

GRI indicators: GRI 102-29, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47, GRI 413-1

Eight major areas of activity

The EVN materiality matrix with its eight areas of activity and their potential positive or negative impact on society, ecology and/or the economy serves as the basis for the alignment of our corporate strategy with the interests of our stakeholders.

Our core strategies

Integrated business model as a solid basis

Sector environment and trends

Programmes to combat climate change create distortions on the international energy markets

Reorientation of business models by a number of energy providers (above all in Germany)

Our strategy

Diversification along the entire value chain

Increase in the capacity from renewable generation with parallel protection of supply security

Stable and regulated activities form a solid backbone

This strategy element applies to the following area of activity:

Sustainable increase in corporate value

Expansion and improvement of our network infrastructure

Sector environment and trends

Strain on networks due to the transport of rising and volatile feed-in from renewable generation

Our strategy

Focus on supply security and quality

Continuous and future-oriented expansion of facilities in the regulated network segment

Supply security; environmental and climate protection

Further expansion of our wind power capacity in Lower Austria

Sector environment and trends

Global targets for the reduction of greenhouse gas emissions

European and Austrian climate policy with clear commitment to system conversion towards renewable generation

Our strategy

Increase in wind power capacity from the current level of 367 MW to approximately 500 MW by the end of 2023 (subject to appropriate framework conditions)

Increase in renewable generation to 50% of total electricity production

Supply security; environmental and climate protection; sustainable increase in corporate value

Use of our gas-fired power plants for network stabilisation

Sector environment and trends

Demand for the cross-regional exchange of services and management of shortages to balance out the increasing feed-in volumes from renewable generation and protect network stability

Our strategy

Framework contract to provide reserve capacity for Austrian network transmission operator

Commitment to gas-fired power plants to manage shortages and, in this way, protect supply security

Supply security; sustainable increase in corporate value

Strong base in end customer business

Sector environment and trends

Increasing competition in the end customer market

Rising demand for digitalisation and smart technologies

Our strategy

Competent partner to our customers for supply, individual advising and products and services to support energy efficiency

Customer closeness for fast solution of concerns and needs

Expansion of digital product and service offering

Customer satisfaction; responsible management

Optimisation of our activities in South East Europe

Sector environment and trends

Energy supply in South East Europe between challenging framework conditions and future potential

Our strategy

Commitment to supply security and quality, also in South East Europe

Focus on measures to reduce network losses and improve the collection rate

Efficiency improvements in the operating business

Supply security; sustainable increase in corporate value; responsible management

Increased focus on drinking water supplies in Lower Austria

Sector environment and trends

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)

Our strategy

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

Supply security; sustainable increase in corporate value

Diversification through selected projects in the international environmental services business

Sector environment and trends

Specific regional characteristics and general conditions require individual solutions for municipal water supplies and wastewater disposal as well as the utilisation of sewage sludge

Our strategy

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

Development of solutions for the thermal utilisation of sewage sludge as a new business field with high future potential

Sustainable increase in corporate value; responsible management

Efficient CSR organisation

The following diagram illustrates the CSR organisation in the EVN Group, which – in agreement with European best practice – reflects the special priority placed on the following principles:

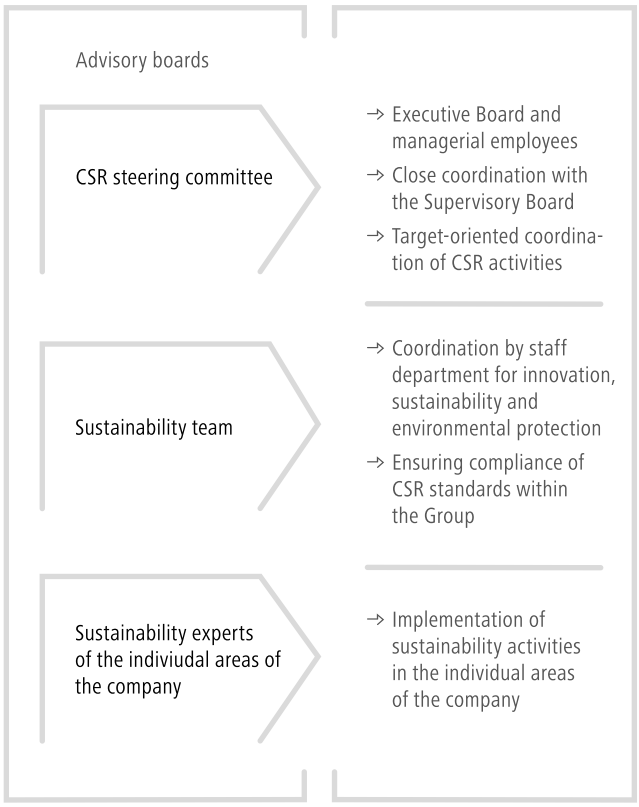
- → The full Executive Board is responsible for sustainability and all related activities, including sustainability management. Since the Executive Board – in close coordination with the Supervisory Board – is also responsible for strategy, the interface for the (further) development of these issues is anchored at the highest corporate level.
- → The CSR steering committee, which meets twice each year, comprises the members of the Executive Board as well as key managers from various areas of the company. The composition of the committee members ensures that the strategies, measures and goals defined in these meetings are rolled out and implemented in operating activities throughout the EVN Group.

Group-wide focus on energy and climate policies

Our CSR organisation ensures that energy and climate policy issues are addressed according to structured methods at all relevant levels of the EVN Group. The assignment of responsibilities for the coordination of sustainability activities and environment- and climate-related issues to the staff department for innovation, sustainability and environmental protection, which reports directly to the Executive Board, has proven to be very effective. In addition, most of our innovation and research projects involve technologies that are intended to make a positive contribution to the environment and climate.

An intradepartmental sustainability team, which is integrated in the staff department for innovation, sustainability and environmental protection, ensures full compliance with our Group's high sustainability standards. Its members are trained to stress the importance of sustainability and the ethical and social aspects of business operations, to communicate their know-how to the sustainability experts in the individual areas of our company and to support these men and women in implementing sustainability-related activities. The aspects of climate change that are relevant for our business activities also have high priority for this team.

EVN CSR organisation



EVN's advisory boards: valuable inputs from different areas

In addition to the regular exchange of information with internal experts, our Executive Board and Supervisory Board are supported by individual advisory boards in diverse areas:

- → EVN Customer Advisory Board
- → Advisory Committee for Environmental and Social Responsibility
- → Advisory Board of the EVN Social Fund
- → EVN Art Advisory Board

The EVN Customer Advisory Boards in Austria and Bulgaria help us to identify and integrate the practical views of private persons, whereby we pay close attention to the greatest possible diversity among the regularly changing members. On the other advisory boards, external experts from various disciplines contribute their valuable know-how and unique outsiders' perspectives.

- For information on the project-related stakeholder dialogue, see page 78f
- For information on the EVN Customer Advisory Board, see page 38f and www.evn.at/Customer-Advisory-Board
- For information on the Advisory Committee for Environmental and Social Responsibility, see page 46 and www.evn.at/Environmental-council
- Interview with Jörg Krampe, member of the EVN Advisory Committee for Environmental and Social Responsibility: see page 47
- For information on the EVN Social Fund, also see page 80 and www.evn.at/social-fund
- For information on the EVN Art Advisory Board, also see page 80 and www.evn-sammlung.at
- GRI indicators: GRI 102-21, GRI 102-42, GRI 102-44

Impact of our business activities on society, the environment and the economy

The following table, which is structured according to the areas of activity on the EVN materiality matrix, provides an overview of the major potential effects of our business activities. It also includes examples of instruments and measures that are designed to minimise possible negative effects. These instruments and measures are in keeping with the EVN Code of Conduct and the overriding behavioural standards regarding compliance. More detailed information can be found in the individual sections of the non-financial report.

Sustainability risks

The high priority given to sustainability in our company is reflected in the identification and management of sustainability and compliance risks through clearly structured and defined methods as part of our annual central risk management process. These activities are the responsibility of the central risk management team which, together with the decentralised risk officers in our business units, identifies risks and develops measures for their minimisation. Sustainability risks represent interdisciplinary material and, consequently, are included in all risk categories. Of special note here are the risks related to supply security, sustainable management and environmental or climate risks. Our differentiated risk management process allows us to identify and analyse risks and their effects on the 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 analyses of the risk inventory in the risk working group and the Group Risk Committee.

The risks arising from climate change represent a threat for EVN, above all with regard to the demand for our products and the development of procurement and selling prices. We therefore also incorporate the related fluctuations (e. g. volume declines as a result of warmer winter weather) in the planning process through appropriate sensitivity factors and scenario analyses. These evaluations focus on the extent to which climatic factors may increase or decrease the volumes on which our forecasts are based and could therefore have a negative effect on our earnings. Comparable issues influence the selection of the scenarios for the development of future energy and primary energy prices. Issues like climate change and its effects on our business activities are discussed within this framework at the management, Executive Board and Supervisory Board levels.

Supply security risks involve, among others, supply interruptions or danger to people or infrastructure from explosions or accidents. In order to ensure trouble-free operations and protect the technical safety of our power plants – both of which are important requirements for reliable supplies – we carry out regular inspections and maintenance work which result in planned downtime. Actual interruptions in electricity supplies are calculated and monitored in the networks according to the System Average Interruption Frequency Index (SAIFI) – which measures the mean supply interruption – and the System Average Interruption Duration Index (SAIDI) – which measures the average annualised duration of unplanned power interruptions.

Occupational safety and accident prevention are also important issues in all our business units. We guarantee the required high level of safety, above all, through

"The regular, structured identification of sustainability and compliance risks is our starting point for the development of targeted countermeasures."

Thomas Polzer, head of corporate finance and risk management

training and by raising employees' awareness. In addition to legal requirements, we have developed an extensive set of internal rules which includes 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 "responsible management" area of activity, employee-related risks also include the loss of highly qualified staff or the intended or unintended misrepresentation of transactions or positions in the annual financial statements. These risks are addressed, among others, with the creation of an attractive work environment and flexible working time models as well as 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.

- Additional details on the Group-wide risk management process, which includes the identification of sustainability risks, are provided on page 118f
- For additional information on SAIFI and SAIDI, see page 35
- For additional information on the subjects of occupational safety, accident prevention and compliance, see page 66ff and 60ff
- Details on the ecological impact of EVN's activities can be found on page 44ff
- GRI indicators: GRI 102-15, GRI 203-2

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 (SDG)
Supply security … stands for reliable supplies, also in crisis situations. The key factors in the energy area include a proactive procurement strategy, a flexible generation mix with sufficient reserve and storage capacity as well as the technical quality of the networks.	– 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	→ Certified environmental management systems → Goal: expand wind power to 500 MW over the medium term → Top priority for supply security and quality → EVN-internal crisis and emergency plans (e. g. flooding, hydropower plants) → Extensive monitoring activities (e. g. water quality) → Low network losses and electricity supply interruptions	→ SDG 6 Clean water and sanitation → SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 12 Responsible consumption and production
Customer satisfaction … 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 use of energy.	– Data protection incidents + 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	→ SDG 7 Affordable and clean energy → SDG 10 Reduced inequalities → SDG 12 Responsible consumption and production → SDG 13 Climate action

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 (SDG)
Environmental and climate protection … stands for the system conversion towards climate-neutral generation with energy storage for balancing purposes. Until this status is achieved, the thermal power plants take on a bridge function to protect supply security. Efficiency improvements and innovation initiatives make an important contribution in all areas – because our products and services should generally be as environmentally friendly as possible.	– 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 standards for supply quality + Efficient and environmentally friendly energy supplies for society and the economy + Macroeconomic contribution through innovation initiatives + Contribution to meeting international and national climate targets + Reduction of greenhouse gas-relevant emissions	→ Advisory Committee for Environmental and Social Responsibility → Certified environmental management systems → Goal: expand wind power to 500 MW over the medium term → Earlier-than-planned exit from coal at Dürnrohr plant in August 2019 → 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 → Innovation, research and development activities → High demands on sustainability along the supply chain → Ongoing modernisation of natural gas pipeline network → Focus on efficiency improvements	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 12 Responsible consumption and production → SDG 13 Climate action → SDG 15 Life on land
Sustainable increase in corporate value … stands for entrepreneurial actions that are focused, among others, on continuous adjustments to reflect our dynamic environment through targeted innovations, a value-oriented investment strategy and the stable development of dividends.	– Risk of a loss in value for equity and debt investors + Stable development of dividends + Improvement of the infrastructure in countries/regions where projects are in progress or were carried out + Job security	→ Protection of projects through guarantees → Goal: balance between investment projects and an attractive return for shareholders → EVN Code of Conduct → EVN integrity clause as an integral part of every supplier relationship → Corporate compliance management → Innovation, research and development activities	→ SDG 7 Affordable and clean energy → SDG 8 Decent work and economic growth → SDG 9 Industry, innovation and infrastructure
Social commitment … stands for the acceptance of responsibility for people in challenging life situations, above all for children and young people. The focus is also on measures to fight energy poverty as well as on the evn art collection, EVN archive and EVN Social Fund.	+ 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	→ 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	→ SDG 1 No poverty → SDG 4 Quality education → SDG 10 Reduced inequalities → SDG 12 Responsible consumption and production
Stakeholder involvement … stands for 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.	– 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 the power plants – Adverse effects of noise from plant construction and operations + Protection of 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	→ EVN Customer Advisory Board to protect the interests of the different stakeholder groups in a balanced way → Regular stakeholder survey → Proactive stakeholder involvement → Project-related stakeholder communications → EVN materiality matrix as an instrument to reconcile corporate and stakeholder interests	→ SDG 17 Partnerships for the goals

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 (SDG)
Responsible management … stands for ethical, legally correct behaviour and the forward-looking development of the business model with a focus on digitalisation and innovative energy services. Also important is the acceptance of our responsibility as an employer in order to ensure sustainable human resources development in a constantly changing working environment.	– Risk of a loss in value for equity and debt investors – Work accidents – Fraud incidents, corruption + Job creation + Job security + Attractive working environment + Stable development of dividends + Macroeconomic contribution through training and continuing education + Macroeconomic contribution through infrastructure projects and investments	→ EVN Code of Conduct → Compliance training → EVN values → Anonymous whistle-blowing procedure → Corporate social partnership → Sustainable human resources development → Principles and guidelines of the International Labour Organisation (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 → Innovation, research and development activities → Integrated business model → Focus on regulated and stable activities → Goal: ratings in the solid A-range → Goal: balance between investment projects and an attractive return for shareholders	→ SDG 1 No poverty → SDG 3 Good health and well-being → SDG 4 Quality education → SDG 5 Gender equality → SDG 8 Decent work and economic growth → SDG 10 Reduced inequalities
Supply chain responsibility … stands for anchoring social and ecological aspects in procurement and tenders as well as ensuring compliance with human rights by our suppliers.	– Violations of human rights or occupational safety by suppliers or subcontractors – Insufficient efforts to protect the environment and conserve resources + Regional creation of value through cooperation + Fair and transparent tenders	→ High sustainability demands along the supply chain → Sustainable focus of all EVN procurement procedures → EVN integrity clause as an integral part of every supplier relationship → Self-reporting form for all bidders in tenders → Regular control of compliance with human rights and workers' rights in the supply chain	→ SDG 8 Decent work and economic growth

Sustainably attractive for investors

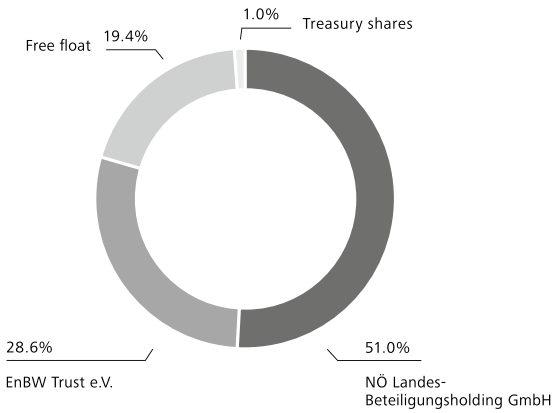
The importance we place on the economic interests of our stakeholders is most evident in our efforts to balance value-oriented investments and an attractive return for our shareholders in all our strategic decisions. In this respect, investment decisions are taken in accordance with strict profitability criteria and, particularly, in keeping with the energy sector, legal und regulatory framework conditions which are relevant for our activities.

We also attach great 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. Not least for this reason, our business activities are focused on regulated and stable business areas. This forms the basis not only for plannable cash flows, but also for continuity in our dividend policy. A clear strategic orientation is also crucial for the ratings which establish the conditions for our positioning on the debt market.

Our focus on the sustainable increase in corporate value is also reflected in the core points of our equity story:

→ High share of regulated and stable activities
→ Stable home market in Lower Austria
→ Integrated business model
→ Solid capital structure
→ Attractive dividends

Shareholder structure[1)]



1) As at 30 September 2019

△ GRI indicator: GRI 102-5

Investor relations

We work to strengthen the long-term confidence of the capital market in EVN with active, regular and target group-oriented communications with all market participants. Our capital market operations are based on a commitment to providing timely, transparent, understandable and substantial information. We hold quarterly telephone conferences in connection with the publication of results as well as regular meetings with analysts and investors at international road shows and investor conferences. In this way, the Executive Board and the investor relations team work to continuously improve the awareness of and understanding for EVN and strengthen the long-term confidence in our share.

Dividend policy

EVN's objective is to establish a balance between its investment projects and attractive dividends for shareholders. The Executive Board will make a recommendation to the 91st Annual General Meeting on 16 January 2020, which calls for the distribution of an ordinary dividend of EUR 0.47 per share for the 2018/19 financial year plus a one-time bonus dividend of EUR 0.03 per share to mark the 30th anniversary of EVN's listing on the Vienna Stock Exchange. EVN's future dividend policy is directed to holding the absolute amount of the ordinary dividend constant at a level of at least EUR 0.47 per share.

Market environment and performance

Developments on most of the international stock markets failed to follow a clearly identifiable trend during the reporting year from Octo-

ber 2018 to September 2019. The German benchmark index DAX rose by 1.5% and the US benchmark index Dow Jones by 1.7%, while Vienna's benchmark index ATX closed this 12-month period nearly 10% lower. The DJ Euro Stoxx Utilities, the relevant industry index for EVN, gained 26.2%. However, the EVN share was unable to follow this positive example and lost 4.4% year-on-year. The average daily turnover in EVN shares equalled 53,555 in 2018/19 (single counting), which represents an annual trading volume of EUR 190.1m (single counting) for EVN's shares on the Vienna Stock Exchange and 0.6% of the total trading volume in Vienna's Prime Market.

The EVN share as a sustainable investment

Ecological and social issues and goals are anchored just as firmly in our core strategies as economic targets. For this reason, we have intensified our activities to also position the EVN share as an investment for sustainability-oriented investors and are working to optimally meet their information needs. The following aspects highlight this orientation:

- A commitment by the Executive Board and Supervisory Board to manage and further develop the EVN Group in order to achieve a sustainable increase in the corporate value
  - Close integration of values, behavioural standards, stakeholder dialogue, sustainability issues and core strategies
  - High compliance and governance standards
- Investment strategy and innovation activities that support environmental and climate protection:
  - Focus on investments in CO_2-free generation capacity
  - Future-oriented expansion of the network infrastructure to integrate the increase in decentralised renewable generation and strengthen supply security
  - Research projects on supply security, electricity storage and environmental and resource conservation
- Innovative products and solutions for climate-conscious customers:
  - Broad range of products from 100% renewable Austrian energy sources
  - Continuous reduction of the CO_2 component in the total supply mix
  - Product innovation joulie: optimal utilisation of electricity generated by customers' own photovoltaic equipment for future-oriented prosumers
- Contribution to reduce CO_2 emissions through the early termination of coal-based electricity generation from the Dürnrohr power plant at the beginning of August 2019
- Future topic: drinking water
  - Extensive investments in supply security for Lower Austria despite rising water consumption as a result of population growth, consumer behaviour and climate change
- Sustainable sewage sludge utilisation as a new business field in the international project business:
  - Know-how in plant design and construction plus operation as a contribution to resource conservation and health protection

EVN share		2018/19	2017/18	2016/17
Share price at 30 September	EUR	16.14	16.88	13.22
Highest price	EUR	17.28	18.00	13.40
Lowest price	EUR	12.16	13.07	10.47
Price performance	%	–4.4	27.7	25.2
Total shareholder return	%	–1.6	31.3	29.2
Performance ATX	%	–10.0	0.9	37.9
Performance Dow Jones Euro Stoxx Utilities	%	26.2	–3.4	13.5
Value of shares traded[1]	EURm	190.1	169.7	97.9
Average daily turnover[1]	Shares	53,555	42,769	33,921
Market capitalisation at 30 September	EURm	2,903	3,036	2,377
Weighting ATX prime	%	1.13	1.09	0.81
Earnings per share[2]	EUR	1.70	1.43	1.41
Dividend per share	EUR	0.47 + 0.03[3]	0.44 + 0.03[3]	0.44 + 0.03[3]
Price/earnings per share	X	9.5	11.8	9.4
Dividend yield	%	3.1	2.8	3.6

1) Vienna Stock Exchange, single counting
2) Shares outstanding at 30 September
3) Bonus dividend of EUR 0.03 per share; 2018/19 financial year: proposal to the Annual General Meeting

External ratings

External evaluations by independent rating agencies represent an important part of EVN's capital market operations and financing strategy. Our goal is to maintain ratings in the solid A range. These agencies updated their ratings for EVN in April and May 2019:

- **Standard & Poor's:** rating raised from A– to A, stable outlook
- **Moody's:** rating raised from A2 to A1, stable outlook

Sustainability ratings and indexes

In addition to traditional financial criteria, sustainable investments also take environmental, social and ethical factors into account. Independent sustainability rating agencies evaluate the performance of companies with regard to sustainability. Sustainability indexes also help interested investors to identify companies that meet international standards for responsibility towards the environment and stakeholders.

EVN is regularly evaluated by the following independent sustainability rating agencies:

- MSCI ESG Research
- ISS Oekom Research
- Vigeo Ratings
- Sustainalytics
- Carbon Disclosure Project (CDP)

The EVN share has been included in the VÖNIX sustainability index of the Vienna Stock Exchange since 2005. This index includes listed companies in Austria which are considered leaders for their social and ecological performance. The continued inclusion in this index for 2019/20 has already been confirmed. The EVN share is also included in the Ethibel Excellence Register compiled by the Ethibel Sustainability Index Group (ESI).

GRI indicator: GRI 102-12

EVN – the reliable supplier.

Fully committed to supply security.

24/7 supply security is our central promise to customers. Energy and drinking water must always be available in sufficient quality and quantity whenever it is needed – we never compromise. And we have implemented a broad range of measures to meet this promise.

"Our customers need to know that they can rely on EVN, each and every day. This is also my personal concern."

Irene Pinczolitsch, employee Netz Niederösterreich GmbH

Supply security at EVN is protected by a wide range of measures

Our networks – which form the basis for delivering supplies to our customers – are extensive and diverse. Just like the measures we have implemented to protect the smooth functioning of this infrastructure and, in turn, safeguard supply security. These measures generally remain discreetly in the background because ideally our customers do not notice them. However, we see them everywhere in virtually all areas of our business.

Electricity: The interview on the following page with Franz Mittermayer, member of the Executive Board with responsibility, among others, for the Generation and Network segments, details the far-reaching bundle of measures implemented by EVN to protect electricity supplies, explains why these measures are necessary and describes the many connections.

Basic supplies for e-mobility: We made an early and decisive contribution to the spread of e-mobility in our home market with the installation of an area-wide basic supply network of e-charging stations in Lower Austria. From our perspective as an energy supplier, we are steadily expanding the charging infrastructure in the public area and, increasingly, also in the private sector and supporting the dynamic growth of e-mobility with numerous initiatives. Joint roaming projects allow drivers with an EVN electricity fuel card to choose from 3,500 loading stations throughout Austria.

"EVN's activities on behalf of supply security often go unnoticed, but they are all the more effective."

René Maier, high voltage engineer

“Reliable electricity supplies are a major challenge.”

A conversation with Franz Mittermayer, member of the EVN Executive Board

Mr. Mittermayer, the growing popularity of renewable energies has been accompanied by a greater focus on the issue of supply security. What exactly does this term mean?

Franz Mittermayer: Supply security means the electricity customer always has the desired quantity and quality of electricity when it is needed. And with quality, I mean the 50 Hertz frequency stability that is standard in Europe. That’s not as easy as it may seem because physics set very narrow limits. To be specific: when the rigidly connected European electricity network doesn’t generate exactly as much electricity as customers need, the frequency fluctuates.

And what does electricity from renewable sources have to do with all this?

The use of conventional power plants can be planned and managed very precisely, but renewable electricity is volatile because of its dependence on the wind and sun. In addition, a wide range of decentralised, independent equipment feeds electricity into the general network, which makes the issue even more complex. However, it’s not only the volatility of electricity from renewable sources, consumer behaviour has also changed significantly – and is still changing. Take a look, for example, at e-mobility, smart homes or heat pump systems. These factors are contributing to the rising demand for electricity. In the past, an average household had a connected load of only 5 kW, but the demand today is, in fact, much higher – especially when an e-car needs to be charged or a house needs to be heated with a heat pump when temperatures are very low.

What do you see as the answer to these challenges?

I could answer this question with a single word: investments – primarily in two areas: in backup services for the power plant segment, on the one hand, and in network infrastructure, on the other hand. Power plants are always needed – and that normally on very short notice – when there is not enough wind and sun to generate the electricity we need. Since the existing thermal power plants are generally not very flexible, we must invest here over the medium and long term, for example in fast-starting gas turbines. We are currently evaluating these types of projects for our plants in Dürnrohr, Korneuburg or Theiss.

And what type of investments are needed in the network business?

In this area, we need to make sure we can actually transport the steadily increasing volume of electricity from decentralised wind and photovoltaic facilities. This involves the high-voltage sector on the one hand, where we are continuously expanding the transmission network as well as our peripheral equipment and systems, meaning transformer stations, substations, IT etc. And the low-voltage sector on the other hand, where we need to upgrade our local networks to meet the increasing demands. That means we not only need to add more substations but, in some cases, also stronger lines. All this shows that reliable electricity supplies are a major challenge.

The wind and sun sometimes produce more electricity than is needed. What happens with the surplus volumes?

That brings us to the subject of day-night or summer-winter compensation, in other words to electricity storage. Day-night compensation takes place through local batteries in households or through sector coupling – meaning the use of electricity in transportation or industry – but, up to now, the economical storage of electricity in larger volumes over longer periods has only been possible in pump storage plants like EVN’s facility in Ottenstein. However, these types of plants can only allow for compensation over a relatively short period of time.

Batteries still don’t really represent an economic option for seasonal storage, so we need to develop new innovative concepts. One is the electrolytic conversion of surplus wind and solar power into hydrogen, which is then stored and can be used to generate energy as required. Interesting trials – in which EVN is also involved – are currently in progress here. This “green gas” could gradually replace the natural gas we currently use, for example in our new gas turbines.

In effect, this means we still need reserve capacity?

Absolutely, because the final transformation of the energy system to renewable energies will still take some time – even though we, and many other players, are working intensively to make this reality. And precisely during this transition period, supply security is particularly important. That’s why we are investing continuously in our network infrastructure – in addition to the steady expansion of our own wind power and, in the future, also in photovoltaic capacity. With these two focal points, we are making an active contribution to the energy transformation.

Natural gas: Our long-term contracts for natural gas storage facilities ensure uninterrupted supplies, especially in periods with temperature-related higher consumption or possible shortages at the European level (e. g. due to political crises in transit or origin countries). Our investment in RAG – with its strategic focus, above all, on the natural gas storage business – has high strategic importance in this context.

District heating: As the largest natural heat supplier in Austria, we invest continuously in the maintenance and new construction of biomass heating plants and the expansion of our district heating networks. This allows us to provide our customers with reliable and comfortable supplies of renewable energy from locally available biomass.

Cable TV and telecommunication services: High-performance networks and technical infrastructure also form the basis for uninterrupted high-quality, reliable solutions in this area.

Drinking water: The development of wells and well fields, the installation and expansion of cross-regional connecting lines plus the construction and operation of natural filter plants – with this bundle of measures, we safeguard reliable supplies of high-quality drinking water.

EVN power generation capacities	30.09.2019		30.09.2018		30.09.2017	
	MW	%	MW	%	MW	%
Renewable energy	719	42.2	673	27.5	624	26.1
thereof hydropower[1]	307	18.0	306	12.5	306	12.8
thereof wind power	367	21.5	318	13.0	269	11.2
thereof photovoltaics	6	0.3	5	0.2	5	0.2
thereof biomass	13	0.7	18	0.7	18	0.8
thereof other renewables[2]	26	1.5	26	1.1	26	1.1
Thermal energy[3]	985	57.8	1,771	72.5	1,771	73.9
thereof natural gas[4]	583	34.2	1,037	42.4	1,037	43.3
thereof hard coal[5]	355	20.8	734	30.0	734	30.6
thereof energy hub Dürnrohr[6]	46	2.7	–	–	–	–
Total	1,704	100.0	2,444	100.0	2,395	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) Includes co-generation and combined heat and power plants in Austria and Bulgaria; capacity data (net output) according to participation interests
4) The thermal power plant capacity in Theiss and Korneuburg which is no longer under contract as reserve capacity was deactivated and conserved in view of the current market environment and is therefore no longer included.
5) The hard coal-fired power plant in Dürnrohr is no longer included because electricity production from hard coal was terminated ahead of schedule in August 2019.
6) Includes the steam cogeneration from thermal waste utilisation in Zwentendorf/Dürnrohr

Energy generation		2018/19	2017/18	2016/17
Coverage ratio	%	28.1	30.0	32.7
Share of renewable energy in the total energy generation mix	%	41.4	40.0	34.5

"The demand and quality requirements for drinking water supplies are increasing continuously – and we have good solutions for both."

Raimund Paschinger, managing director evn wasser

Top-quality drinking water – today and tomorrow

"Austria: a country rich in water" – this almost poetically sounding, but verifiable slogan is frequently used in connection with images of bubbling springs and clear mountain streams. For our drinking water customers, this image becomes reality in the form of tap water, which is always available in top quality. Ensuring reliable supplies of this product requires know-how and continuous investments. And the demand for drinking water is rising continuously: it is a trend which reflects the demographic developments in our supply area – especially the growing population in metropolitan regions – as well as the changing climatic conditions.

All these factors lead to fluctuations in the local availability of drinking water, while demand peaks are rising at the same time. Another requirement is the consumer's increasing focus on quality. A growing number of households are no longer relying on their own wells because they are unable to meet today's higher standards.

EVN currently operates an extensive drinking water pipeline network with a total length of approximately 2,800 km. It is fed from 99 well fields and 99 high-level tanks throughout Lower Austria. In this way, we protect direct and continuous supplies for our customers. Our range of services is also supplemented by natural filter plants. In 2018/19, we completed construction on the fourth plant of this type. The investment of roughly EUR 8m in the Wienerherberg well field south of Vienna makes it possible for nearly 100,000 residents in 18 communities to benefit from high-quality drinking water supplies which are softened mechanically and without the use of chemicals. Soft water protects electrical household equipment like washing machines, dishwashers and electric kettles and eliminates the individual use of chemical water softeners. Additional natural filter plants are currently in the planning stage.

Our investments over the coming years are also focused on the expansion and new construction of cross-regional pipeline networks. One of our major projects is the new supply pipeline between Krems and Zwettl with an overall length of 60 km. In total, we plan to invest approximately EUR 165m in drinking water supplies for Lower Austria until 2030. Preparations are currently in progress to develop a well in the Alpine foothills of Lower Austria, which will provide optimal drinking water supplies for future generations. This "cold spring" lies at the foot of the 1,002 m high Eibl Mountain, and 100 to 200 litres per second gush from its cliffs. It could supply 100,000 households with fresh drinking water. Through its know-how and investments, EVN is optimally equipped to ensure reliable and high-quality water supplies also over the long term.

Highly efficient electricity networks

In Lower Austria, unscheduled network breakdowns remained at a comparatively low level during the 2018 calendar year and were limited to roughly 24 minutes as a result of our ongoing investments to improve the network infrastructure. The same is true for network losses – with around 4% in Austria, we hold an absolute top rank internationally with this indicator.

The comparable values for Bulgaria and North Macedonia are higher due to the different electricity network infrastructure, and our investment programmes are therefore concentrated on the further reduction of network losses and the continuous improvement of efficiency.

We have thus reduced our network losses in Bulgaria from approximately 20% at the time of our market entry in 2004/05 to a recent level of 7.2% and from approximately 25% in 2005/06 to now 13.9% in North Macedonia.

△ GRI indicator: GRI EU12

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 1.01 for the 2018 calendar year (previous year: 1.16). This SAIFI value means an EVN customer experienced roughly one unplanned power interruption during 2018. The average annualised duration of unplanned power interruptions[1], as calculated according to the System Average Interruption Duration Index (SAIDI), equalled 23.99 minutes in the 2018 calendar year (previous year: 38.09 minutes) and was again lower than the Austrian average[2] of 31.47 minutes (previous year: 53.22 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.

GRI indicators: GRI EU28, GRI EU29

Nearly complete availability of power plants

The following table shows the scheduled and unscheduled periods in 2018/19 when our operational thermal power plants and wind parks were not available. Not included is the capacity in the Theiss and Korneuburg thermal power plants which is no longer under contract as reserve capacity and was therefore deactivated and conserved as of 1 October 2018. For the 2018/19 financial year, 430 MW in the Theiss gas-fired power plant served as contractual reserve capacity for the Austrian transmission network operator. Due to the threefold increase in the price for CO_2 emission certificates over the past one and a half years, we decided to terminate electricity production in the Dürnrohr hard coal-fired power plant earlier than planned during August 2019.

GRI indicator: GRI EU30

1) Source: Netz Niederösterreich GmbH, breakdown and disruption statistics for 2017 and 2018
2) Source: E-Control, breakdown and disruption statistics for 2017 and 2018

Average non-availability of power plants 2018/19[1]

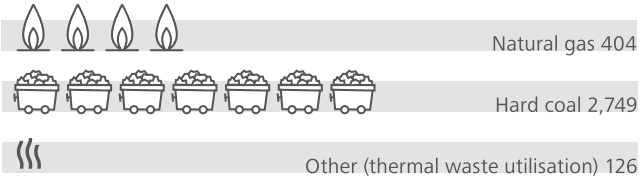
		Planned		Unplanned	
		Hours	%[2]	Hours	%[2]
Wind power plant[3]	Austria	123.5	1.5	396.4	4.6
Small hydropower plants	Austria	96.4	1.1	460.2	5.3
Pump storage plants	Austria	669.2	7.6	52.1	0.6
Natural gas-fired power plant Theiss	Austria	1,455.8	16.6	13.5	0.2
Hard coal-fired power plant Dürnrohr	Austria	2,968.0	33.9	10.3	0.1
Hard coal-fired power plant Walsum 10	Germany	529.2	6.0	189.4	2.2

1) The thermal power plant capacity in Theiss and Korneuburg which is no longer under contract as reserve capacity was deactivated in view of the current market environment and is therefore no longer included.
2) Reference value: 8,760 operating hours per year (standard operational capacity)
3) Average value per wind turbine; The plants commissioned in 2018/19 are included on a proportional basis.

Electricity generation by energy source (GWh)

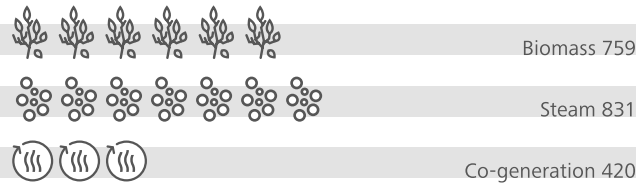
Renewables 2,315 GWh (41.4%)

Thermal 3,279 GWh (58.6%)



Heat generation by energy source (GWh)

Renewables 2,012 GWh (83.9%)



Thermal 386 GWh (16.1%)

GRI indicator: GRI EU2

Always there.

Full commitment for our customers.

EVN's activities are only effective when they are focused on the needs of our customers. Our foremost goal is, therefore, to give each and every one of them the best possible, individual support. Through our intensive personal contact, we know exactly what our customers want and need. This forms the basis for our efforts to continuously increase their satisfaction with our products and services.

"When I need something from EVN, my customer advisor is always available and knows just what to do. I really appreciate that."

Philipp S.,
EVN customer in Lower Austria

Focus on the customer

Our central product is the energy we deliver to end customers, but we also supply drinking water and provide cable TV and telecommunication services in Lower Austria. EVN's products and services are, however, much more than this. They also include energy advising and the sale of energy-efficient products and energy services. The specialised know-how that forms the basis for the day-to-day contacts between our employees and our customers is just as extensive, even when most of these communications involve basic issues – such as the registration and cancellation of services, assistance with tariffs or questions on invoices.

Our activities are always focused on the needs and satisfaction of our customers. This is reflected in the high ranking given to "customer satisfaction" as an area of activity on the EVN materiality matrix. Top professionalism and maximum customer closeness are the guiding principles that define our services. For our customers in Austria, Bulgaria and North Macedonia, we have created a wide variety of simple, easy-to-use communication channels for all types of questions and concerns:

- → EVN's Service Centres, customer events and trade fairs provide an optimal setting for personal contacts with our customers.
- → A service telephone with individual numbers for specific topics and concerns simplifies direct contacts with our staff.
- → Our emergency call centre is on duty 24/7 to help our customers.
- → E-mail and various other online services (e. g. chat) also represent important channels where our customers can reach us at any time.

For information on energy efficiency services and products, also see page 52

Intensive dialogue in the Customer Advisory Boards

We have installed Customer Advisory Boards in Austria und Bulgaria to support the regular and systematic exchange of ideas between EVN and representatives of our various customer segments. Their recommendations and ideas flow directly into the design and improvement of our services, products and communication measures.

More than 1m customer inquiries

… were answered by our customer relations team during 2018/19 in Lower Austria alone. This volume demonstrates the continuing high demand for personal and individual advising.

In 2018/19 the Customer Advisory Boards made valuable contributions, among others, to the introduction of the "kabelplus mobile" product.

The EVN Customer Advisory Board in Austria started its fifth term of office with new members during the 2019 calendar year. Its first meeting focused on the issue of customer satisfaction, and initial ideas and suggestions for improvement will now be evaluated by the involved specialist departments.

Also see www.evn.at/Customer-Advisory-Board

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. Examples of our efforts include the prompt processing of inquiries, active complaint management that includes the development of specific suggestions for improvement after the evaluation of every complaint and the regular analysis through sampling of email answers to optimise the quality of our advising.

These quality assurance measures are reinforced by our high priority on focused modules and training programmes for the customer relations staff. Training at EVN is a continuous process that covers individual programmes as well as team-building seminars and instructions for new employees. EVN's customer service team leaders have also received special training and certification for conducting voice coaching courses.

We also draw on best practice examples to improve our services. This involves monitoring the services offered by other companies and systematically winning innovative and successful approaches of other economic sectors, such as telecommunication and banking, as a source of inspiration and fresh ideas.

New ISO standard for EVN's customer service

EVN's customer service was certified according to ISO 18295-1 in December 2018. This new, internationally recognised quality seal replaced EN 15838, which had served as the standard since 2010. EVN is one of the first companies in Austria to have its customer centres certified under this strict, global standard. The extensive audit which preceded certification covered a detailed examination of employee recruiting, training, communication forms, data security and many other aspects.

Numerous, customer-friendly payment forms

In North Macedonia our customers can comfortably pay by credit card in our Service Centres.

We offer our customers in all our markets a broad range of flexible payment forms which also reflect the different market practices. For example: customers in Austria can pay quarterly or semi-annually via direct debit or transfer, while monthly invoicing is customary in Bulgaria and North Macedonia. In addition to direct debits and transfers, customers can also pay their bills directly in our service centres. Cash payments are accepted here, and special terminals are also available for credit card payments.

Customer orientation as a focal point in 2018/19

The Executive Board defined customer orientation as one of EVN's focal points in Austria for the 2018/19 financial year. The goal was – and is – to concentrate even more on the needs of and benefits for customers. K^2, a programme introduced to improve our internal and external customer orientation, includes a range of specific initiatives to create a greater awareness on the part of employees for customer orientation throughout the EVN Group. The medium-term goal of K^2 is to make EVN the energy provider with the best customer orientation in Austria.

20 years of customer relations

EVN transformed its customer service department into a customer relations department 20 years ago. At that time, a mere twelve employees were involved in advising our customers in Lower Austria. Today, the department has a staff of 116 – which is clear proof for the high importance our company places on active customer support. In our supply areas in Bulgaria and North Macedonia, we quickly developed our customer service departments based on the Austrian model. Our staff in this area numbered 158 in Bulgaria and 60 in North Macedonia during 2018/19.

In order to continuously optimise our performance at the customer interfaces, we organise an event every two years for our customer service employees in Austria, Bulgaria and North Macedonia. These meetings provide an opportunity to exchange experience and discuss the specific content and requirements for daily service activities. The results flow into the development of appropriate measures for the entire Group.

Sustained high customer satisfaction

We commission regular independent, external surveys to proactively analyse and evaluate the quality of our customer service and the satisfaction of customers 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. We then define concrete approaches for improvement measures.

In Austria, we also calculate a monthly index to monitor and measure customer loyalty. The index and underlying indicators help us to identify changes in customer behaviour and the underlying causes at an early point in time, which allows for quick reaction. On a very positive note, the index value has remained stable at a high level in recent years.

Strategies to combat energy poverty

EVN's values also include a commitment to social responsibility. This is reflected, among others, in our work to combat energy poverty. In this area we cooperate primarily with social aid organisations on projects that provide targeted support for low-income households. These projects concentrate 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 like potential subsidies for heating costs etc.), and we also accompany the counsellors in their work with people threatened by poverty.

△ GRI indicator: GRI 203-2

Municipalities now see light

EVN's customers in Lower Austria also include 152 municipalities with approximately 83.6 thousand light points in total. Here we offer an extensive package of lighting services that covers operation, maintenance and repairs as well as the expansion of road lighting. In order to react quickly to breakdowns, the package also includes 24-hour emergency service which can be contacted by community leaders and residents via a special EVN portal. Our advising for customised lighting solutions in the municipal sector also involves the use of efficient and economical LED technology.

Product labelling and responsibility

The high standards that govern our personal contacts and interaction with customers are also reflected in the high quality demands we place on our products and services. The related requirements are deeply anchored in EVN's value hierarchy.

In accordance with legally required electricity labelling regulations, our customer invoices in Austria include information on the geographical origin of the electricity delivered, its composition by primary energy carrier and the environmental impact of its generation (e. g. CO_2 emissions and radioactive waste). Our product portfolio is based on the following principles within this legal framework:

- A long-standing commitment to 0% nuclear-generated and grey electricity
- Proof that 100% of the electricity originates entirely from Austrian sources
- An offering of electricity products that are generated 100% from renewable energy sources
- A hybrid alternative that includes a maximum component of electricity from renewable sources as well as electricity from conventional generation
- Options to select fixed or variable energy prices as the basis for the tariff

Compliance with these principles is verified each year by an independent auditor, whereby the data for the 2019 calendar year will only be available after the editorial deadline for this full report. The values for 2018 show a very encouraging trend from an ecological viewpoint: CO_2 emissions from the electricity delivered by EVN KG to its end customers totalled 86.61 g/kWh and not only represented a further year-on-year decline (2017: 103.69 g/kWh; 2016: 192.67 g/kWh), but were also clearly below 100 g/kWh for the first time. This reduction was made possible by a further cutback in the share of electricity generated with hard coal – its share in the supply mix equalled only 0.3% in 2018 (2017: 0.3%), and the share of electricity generated from natural gas fell from 27.2% to 23.3%.

In Bulgaria, electricity for the regulated market segments must be purchased from the state-owned energy supplier NEK. This company does not label its products, and no other options are available. Our Bulgarian sales company therefore has no influence over the electricity mix. A similar rule applies in North Macedonia: our distribution company is legally required to purchase the electricity for customers in the regulated market segments from the state-owned electricity company ELEM and, consequently, also has no influence over the composition of the delivered electricity. The sales companies in both countries are not required to label electricity.

☐ For information on energy procurement, also see 74
☐ Also see www.responsibility.evn.at
○ Also see www.evn.at/Herkunft (available in German only)
△ GRI indicator: GRI 417-1

Customer health and safety

We minimise the potential health and safety risks from our products with careful, responsible actions along our entire value chain. EVN's quality management plays an important role in this process by defining high standards for all relevant product-related activities and processes. Included here are the (further) development of the product portfolio, innovation, research and development activities as well as all processes for the certification, manufacture, production, distribution, marketing, sales promotion, use, maintenance, disposal and recycling of our products. In keeping with our comprehensive responsibility approach, our products and services are continuously monitored with respect to customer satisfaction, health and safety based on continuous quality assurance procedures.

△ GRI indicators: GRI 102-11, GRI 416-1

"The perfect offering for environmentally conscious customers"

Leopold Wanzenböck, managing director of the green electricity specialist Naturkraft Energievertriebsgesellschaft m.b.H., is delighted to see the growing demand for high-quality green electricity. EVN holds a 45% investment in Naturkraft indirectly through EnergieAllianz Austria.

The volume of green electricity delivered annually by Naturkraft to end customers has quadrupled over the past ten years. "There has been a sharp rise in demand, from private households as well as business customers", explains Leopold Wanzenböck. "We are increasingly also supplying large customers that see this as a way to improve their carbon footprint, including well-known Austrian corporations such as Vöslauer, Ottakringer and Ströck. Beginning in January 2020, we will also be supplying the A1 Telekom Austria Group and Brau Union Österreich."

Naturkraft has high standards: "We supply 100% green electricity from Austria at fair prices, and that throughout the entire country. In other words, we have the perfect offering for environmentally conscious customers who are looking for quality and willing to pay a slightly higher price."

Naturkraft purchases its electricity directly from the producers – small private photovoltaic equipment operators as well as larger wind park firms. Wanzenböck: "In addition to added value in the form of higher quality, direct purchases from numerous green electricity producers mean higher costs compared with the procurement of larger volumes on the electricity exchange. However, our customers have the guarantee that their electricity only comes from small hydropower plants, wind parks or photovoltaic equipment right here in Austria." Naturkraft also provides detailed information on the origin of its electricity through its website – and has received the Austrian eco-label for its "NaturStrom" product: "We purchase 100% of our energy from Austria, with a certificate of origin directly from the source, and the composition of our electricity is verified each year by TÜV Austria. This is a very important issue for many of our customers."

In view of the steady upward trend in demand, the company plans to continue its growth course in the future and could, in fact, be supported by the current public discussions: "The Fridays for Future movement has not triggered an upsurge in demand at the present time. But I could imagine a development like this over the medium and long term", indicates Leopold Wanzenböck. "This movement will certainly strengthen our position as a pure eco-electricity provider, and we want to use this as the basis to significantly increase our sales volumes and market share over the coming years."

"We supply 100% green electricity from Austria at fair prices and throughout the entire country."

Leopold Wanzenböck, managing director Naturkraft

Data protection

The professional protection and non-disclosure of personal data and business information has always been standard practice for our company.

This is reflected in the inclusion of data protection as a separate subject in the EVN Code of Conduct. Based on seven principles, all employees are instructed to ensure the careful handling of personal and confidential data in their daily activities. 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 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) which took effect in May 2018 as well as the requirements of the new Austrian Data Protection Act which was introduced in 2018.

EVN's business directive on data protection defines the framework for the data protection management system. We are well aware of the vote of confidence we receive from our customers and – not least for this reason – the safe and confidential treatment of personal data is one of the key principles for our daily operations.

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. In 2018/19, we received four requests from the Data Protection Authority to submit comments. The related proceedings were subsequently terminated by the authority.

Complaints involving the failure to protect personal data are recorded and processed quickly to allow for the fast implementation of any necessary corrective measures. No justified complaints concerning the violation of customer protection rights were identified during the reporting year. Nine cases related to the possible loss of customer data were identified, but internal investigations did not detect any risks for the rights and freedoms of the involved persons.

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

GRI indicator: GRI 418-1

"We consider it our responsibility to make a significant contribution against climate change."

Andrea Edelmann, head of innovation, sustainability and environmental protection

Conserve resources, minimise emissions.

Fully committed to protection of the environment and climate.

Only if we can minimise – and continue to reduce – our resource consumption and the emissions from our activities can we achieve long-term – or even better: sustainable – success. We therefore engage in careful and conscious actions in the sense of our materiality matrix, which defines "environmental and climate protection" as one of the priority areas of activity.

Environmentally and climate-friendly actions are an integral part of all our activities

Our fundamental goals and values for the protection of the environment and climate are anchored in EVN's environmental policy statement. It includes, among others, guidelines to minimise environmental impact, conserve resources through state-of-the-art environmental engineering and continuously improve our environmental performance.

EVN has operated an environmental management system on a voluntary basis since 1995. As an integrated management system, it meets the EMAS (Eco-Management and Audit Scheme) and ISO 14001 standards as well as fire and workforce protection regulations. It also calls for the definition of measurable environmental objectives. The basic requirements for certification under EMAS include full compliance with environmental regulations and a comprehensive accompanying review. All our thermal power plants in Lower Austria as well as the 56 heat generation plants and four cooling plants are subject to these standards. Our thermal waste utilisation plant in Zwentendorf/Dürnrohr is additionally certified under ISO 9001 and according to the specifications for the monitoring label "specialised waste management company". 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 BS OHSAS 18001:20017.

We make an important contribution to meeting Austria's 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. e-cars

"Our investments in the area of water continue to be focused on the expansion and new construction of cross-regional pipeline networks."

Franz Dinhobl, managing director evn wasser

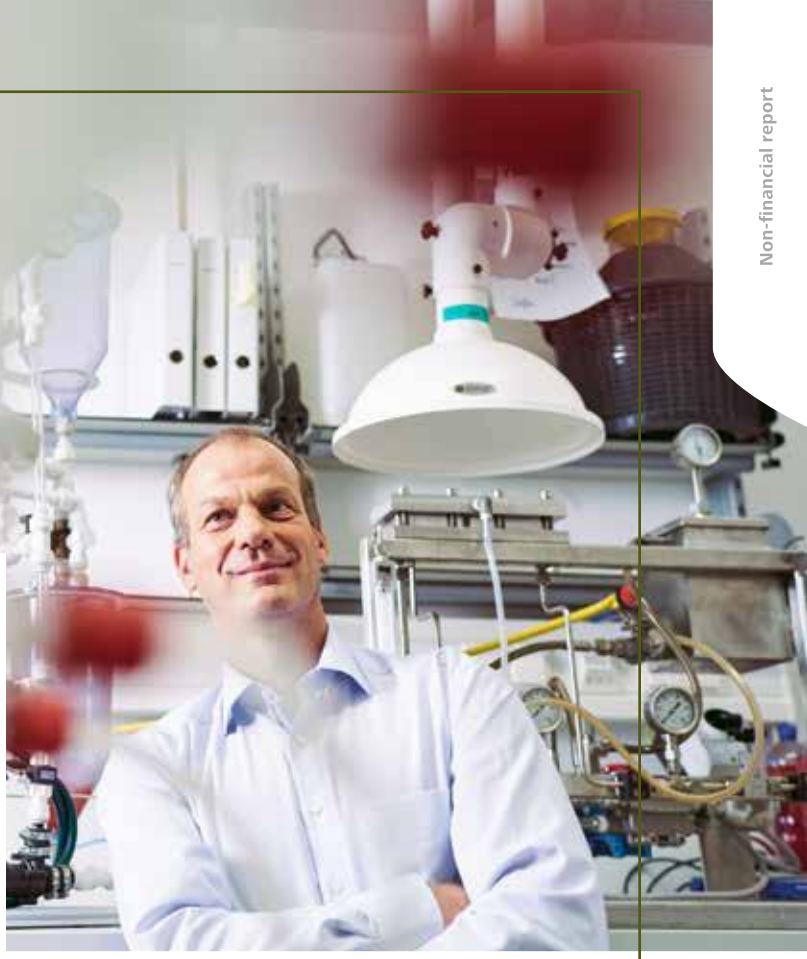
○ Also see www.evn.at/environmental-policy-statement

The Executive Board and Supervisory Board receive information and guidance on environmental and sustainability issues from the 27 members of EVN's Advisory Committee for Environmental and Social Responsibility. Their meetings in 2018/19 focused, above all, on the issues of CO_2-free electricity generation in Austria and current developments in the area of sewage sludge.

○ Also see www.evn.at/Environmental-council
□ For information on the impact of business activities on society, the environment and the economy, also see page 21ff
△ GRI indicators: GRI 102-31, GRI 413-1

Supply security and quality can't be taken for granted

A conversation with Professor Jörg Krampe, head of the Institute for Water Quality and Resource Management at TU Wien



Most Austrians assume that we have always had – and will continue to have – uninterrupted supplies of energy and drinking water. In order to protect this exceptionally good situation over the long term, EVN supplements its internal know-how with the evaluations of external experts. One of these experts is Professor Jörg Krampe, head of the Institute for Water Quality and Resource Management at TU Wien and a member of EVN's Advisory Committee for Environmental and Social Responsibility.

Professor Krampe, will we always have enough drinking water?

Jörg Krampe: In Austria, we are in the fortunate position to have sufficient, high-quality water reserves. The challenge for the supplier, consequently, is related less to the required volumes and more to their distribution. Three aspects play a special role at the present time. The infrastructure of water supply consists mostly of pipelines, many of which are now outdated. Extensive replacement measures must therefore be planned for the near future. We are also witnessing an increase in the number of extreme weather events throughout the region – meaning heavy rains and dryer periods. Creating a balance between the individual source locations therefore means network expansion – similar to the situation in the natural gas and electricity sectors. And that, in turn, increases the importance of security aspects like access controls, IT security and infrastructure protection.

A very professional approach is needed here and, in this environment, major suppliers like EVN can naturally rely on considerably more experience and ability in the expansion and operation of larger networks than smaller companies. But to return to your question: the uninterrupted supply of our households with high-quality water should not be taken for granted – it's the result of regular investments in a highly complex infrastructure and its continuous improvement.

What role does the infrastructure play in maintaining the water quality?

In Austria, practically 100% of our tap water is ground or spring water. Consequently, the treatment of drinking water is an issue in only a few regions. Included here, for example, are several of EVN's supply areas in eastern Austria, where the drinking water must be treated because of increased hardness. With its natural filter plants, EVN has the capacity to reduce the hardness of the water by natural means. A further connection between water quality and infrastructure is that more extensive networks make it easier to mix water from different sources and, in this way, guarantee consistently high quality across an entire region.

However, the most important measures to protect the high quality of our water over the long term take place at the other end of the pipeline. Our objective should be to return the used water to the water cycle as clean as possible. The treatment plants in Austria have done excellent work in this area for many years, but we are facing a variety of new challenges from trace substances such as drug residues, microplastic and hormones. Here the thermal utilisation of sewage sludge represents an important building block for future concepts. It not only prevents dangerous substances from ending up in the environment, but even supports the recycling and energetic recovery of valuable raw materials such as phosphorous. This subject is also a focal point of EVN's projects – for example, the plan to construct a sewage sludge utilisation plant at the energy location in Dürnrohr. I am pleased to see that EVN is thereby addressing a further important station in the water cycle.

What can the individual consumer do to help protect the high quality of our water here in Austria?

As consumers, we need to realise that many of the chemicals we use in our households end up in our water, and what we put in the soil ends up in the ground water. We should all think twice before spraying chemicals like fertilizers and plant protection products or herbicides at home – and use these chemicals sparingly or evaluate alternatives. In the end, ground water is also the source of the cool, fresh and healthy drinking water that comes out of the tap in our apartments and houses.

Environmental impact of our thermal power plants

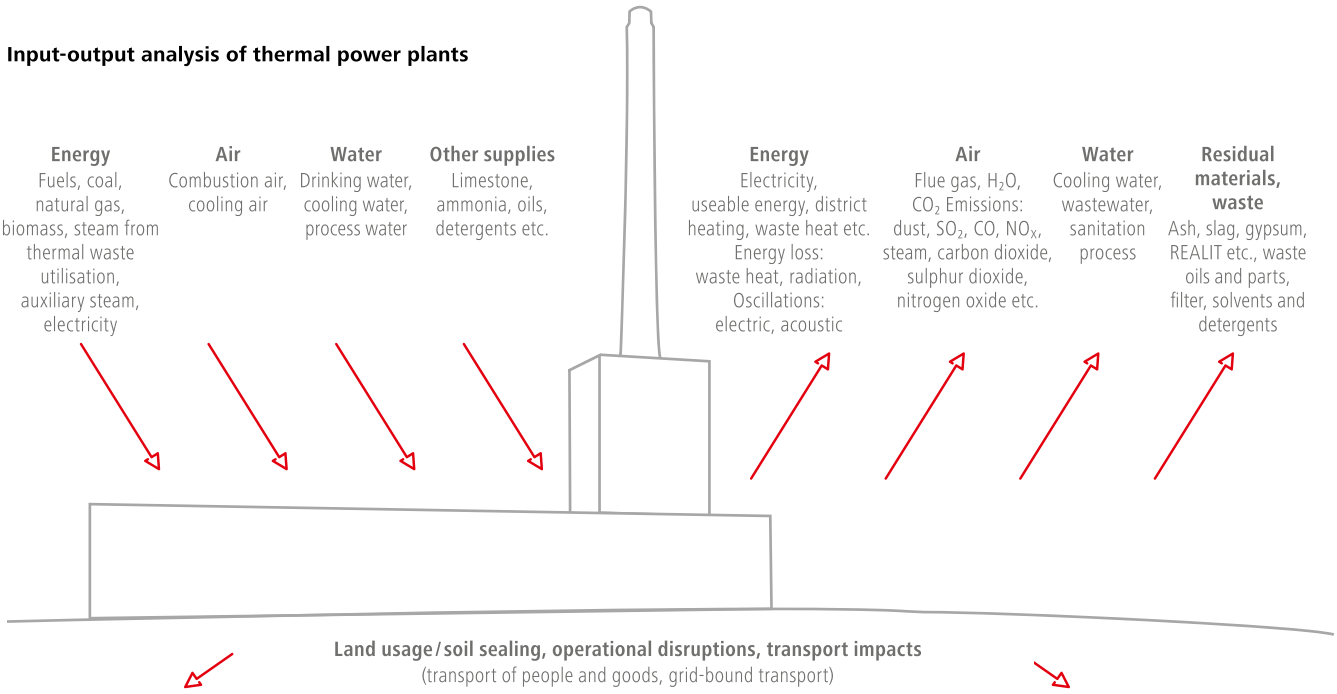
The direct and indirect environmental impact of our power plants is evaluated annually as part of an ABC analysis which covers the following aspects: air, water, wastewater, waste, soil, land usage, resource and energy consumption, noise, vibrations, radioactivity and biodiversity. The analysis examines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

Direct environmental impact

The most important direct environmental impact of our power plants arises from the emission of the following air pollutants: CO_2, NO_X, SO_2, dust and CO. We use state-of-the-art burners and efficient flue gas cleaning equipment to minimise the environmental impact of our power plants through NO_X and SO_2 emissions. The flue ash, coarse ash and REALIT (a waste product from flue gas cleaning) which result from incineration and flue gas cleaning processes are used by the cement and building materials industries.

In our plants, we also use water as a heat transfer medium and for cooling purposes. The cooling water drawn from the Danube River is returned to the river in accordance with all applicable environmental regulations. Other environmentally relevant processes include the treatment of raw water and boiler water. 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.

Input-output analysis of thermal power plants



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 emissions. Our focus here is placed, not least, on the transformation of the energy system towards climate-neutral generation – and, above all, on the expansion of our wind power capacity.

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.

Indirect environmental impact

The indirect environmental impact is related primarily to the delivery of the primary energy carriers used by EVN. In order to avoid unnecessary waste and conserve resources, we include ecological factors in the procurement processes for the required operating products.

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

CO_2 emission certificates

The CO_2 emissions of all EVN thermal power plants and our eight district heating plants are recorded under the EU emissions trading system.

The gas-fired power plant in Theiss was under contract during the 2018/19 financial year as reserve capacity for the Austrian transmission network operator, but at a maximum volume of 430 MW. As of 1 October 2018, we therefore deactivated and conserved the thermal power plant capacity in Theiss and Korneuburg which was not covered by such a contract. We also terminated electricity production at the hard coal-fired power plant in Dürnrohr earlier than planned at the beginning of August 2019 in view of the threefold increase in the price of CO_2 emission certificates during the past one and a half years. CO_2 emission certificates were, as a result, only required in 2018/19 for the remaining operations at the hard coal-fired plant in Dürnrohr, for electricity production at the gas-fired plant in Theiss as required by the Austrian transmission network operator to support network stability and in the Walsum 10 hard coal-fired power plant (in line with our electricity purchasing rights). We purchase the required emission certificates on the wholesale market through EnergieAllianz Austria.

EVN needed approximately 1.8m CO_2 emission certificates in 2018/19. Of this total, 3% were allocated free of charge for heat generation.

GRI indicator: GRI EU5

Direct and indirect greenhouse gas emissions

The direct and indirect greenhouse gas emissions reported in this chapter were calculated according to the rules and 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 as well as inputs from the fuel analysis. Other biogenic CO_2 emissions are not taken into account because the possibilities for data collection are inadequate. In allocating emissions to the individual categories (scopes), we follow the recommendations in the Greenhouse Gas Protocol (GHG Protocol) issued by the World Resource Institute (WRI). The values shown always refer to the respective financial year.

The absolute volume of direct greenhouse gas emissions (Scope 1) equalled 2,726,185 t CO_2 in 2018/19, which represents a year-on-year increase of 6.1% (previous year: 2,573,847 t CO_2).

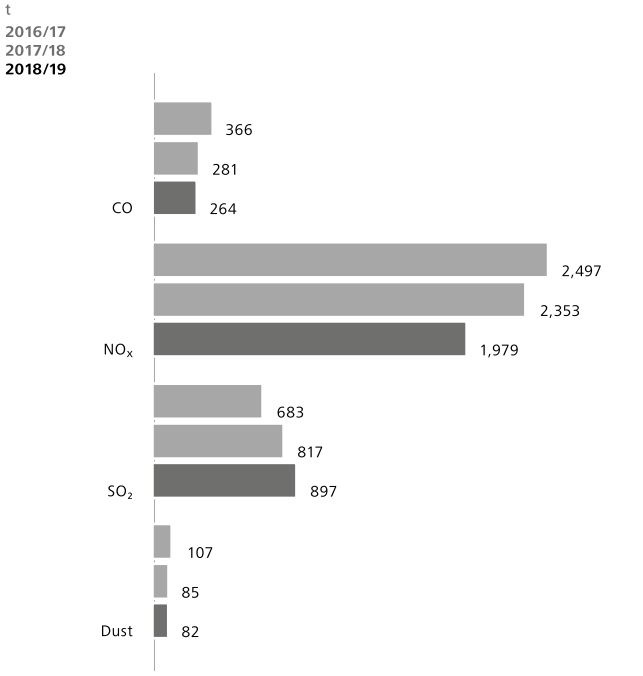
Measures to reduce greenhouse gas-relevant emissions

With our investment and innovation activities, we want to make an important contribution to environmental and climate protection. We see a considerable potential in the expansion of CO_2-free generation capacity, especially wind power. Our target therefore calls for an increase in our wind power capacity to approximately 500 MW by 2023 (subject to appropriate framework conditions). In 2018/19 we commissioned five new wind parks and thereby created the basis for a further avoidance of roughly 78,400 t CO_2 (Scope 1). EVN's wind parks, in total, save roughly 471,600 t of CO_2 per year (Scope 1).

We also decided to discontinue electricity production at the hard coal-fired power plant in Dürnrohr earlier than originally planned in August 2019. In addition to economic considerations, this step also makes an important contribution to climate protection: by terminating operations before the end of the plant's technical useful life in 2025, we will prevent roughly 3.6m t of CO_2 emissions (Scope 1).

△ GRI indicators: GRI 305-5, GRI 305-7

Further significant air emission quantities by EVN[1)]



1) Generation and thermal waste utilisation plants (excl. local heating plants); Austria, Germany, Bulgaria and Russia; in North Macedonia, there are no emissions from electricity production.

An important contribution to low-CO_2 energy generation

Our initiatives in 2018/19 made an active contribution to meeting Austria's climate and energy targets:

→ The early termination of hard coal-fired electricity generation in Dürnrohr will prevent 3,600,000 t of CO_2 emissions during the period from 2020 to 2025

→ Our wind parks will prevent roughly 471,600 t of CO_2 emissions per year; including roughly 78,400 t CO_2 through the five new wind parks completed in 2018/19

Scope 1 – Direct GHG emissions[1) 2)]		2018/19	2017/18	2016/17
Austria and Germany[3)]	t CO_2e	2,554,212	2,426,230	2,664,823
Bulgaria	t CO_2e	169,226	144,606	172,042
North Macedonia	t CO_2e	2,148	2,327	2,291
Russia	t CO_2e	600	684	626
Total	t CO_2e	2,726,185	2,573,847	2,839,782
	t CO_2e/GWh	310.80	291.62	301.82

1) EVN's direct emissions (Scope 1) include the CO_2 emissions from its own plants and facilities, which result from the use of primary energy carriers (hard coal, natural gas, heating oil) for energy generation and for its own use and transportation (fuels) as well as from gas network losses.
2) Calculation method: CO_2 emissions from electricity and heat production + own consumption for production; gas network losses of methane in CO_2 equivalents; in accordance with the GHG protocol; the intensity is based on the entire electricity and heat production in GWh (=denominator).
3) Adjustment of prior year information due to a change in the calculation method

Scope 2 (location-based) – Indirect GHG emissions[1) 2)]		2018/19	2017/18	2016/17
Austria and Germany	t CO_2e	256,127	201,930	214,744
Bulgaria	t CO_2e	179,388	180,896	204,417
North Macedonia	t CO_2e	533,717	521,340	556,663
Russia	t CO_2e	15,162	15,739	16,340
Total	t CO_2e	984,394	919,905	992,164
	t CO_2e/GWh	49.40	49.96	53.50

1) Adjustment of prior year information due to a change in the calculation method; Indirect emissions (Scope 2) are emissions attributed to the production of the volumes of electricity and cooling used by EVN. In addition, electricity network losses have been included.
2) Calculation method: Conversion of electricity and cooling volumes into MWh based on the electricity mix of ENTSO-E, respectively a country-specific electricity mix; The total amount of electricity sold was used in the denominator in order to calculate the intensity.

Scope 2 (market-based) – Indirect GHG emissions[1) 2)]		2018/19	2017/18	2016/17
Austria and Germany	t CO_2e	195,842	161,340	190,494
Bulgaria	t CO_2e	265,193	267,144	302,433
North Macedonia	t CO_2e	533,717	521,340	556,663
Russia	t CO_2e	15,162	15,739	16,340
Total	t CO_2e	1,009,913	965,563	1,065,930
	t CO_2e/GWh	50.69	52.44	57.48

1) Adjustment of prior year information due to a change in the calculation method; Indirect emissions (Scope 2) are emissions attributed to the production of the volumes of electricity and cooling used by EVN. In addition, electricity network losses have been included.
2) Calculation method: Conversion of electricity and cooling volumes into MWh based on the electricity mix of ENTSO-E, respectively a country-specific electricity mix; The total amount of electricity sold was used in the denominator in order to calculate the intensity.

Other indirect GHG emissions (Scope 3)[1) 2)]		2018/19	2017/18	2016/17
Total	t CO_2e	7,540,215	7,224,874	7,680,936
	t CO_2e/GWh	378.43	392.36	414.20

1) Adjustment of prior year information due to a change in the calculation method; Scope 3 emissions include further indirect emissions, which arise in the supply chain (emissions from the extraction and transport of primary energy carriers) through the electricity and natural gas sold to and used by end customers and from the travel by EVN employees with public transportation.
2) Calculation method: Network sales volumes (adjusted for own generation; converted into CO_2 based on EVN's electricity mix) + natural gas sales (based on standard factors from the Austrian greenhouse gas inventory) + travel activity (CO_2 reported by travel agencies)

Intensity of GHG emissions[1) 2)]		2018/19	2017/18	2016/17
Total CO_2 emissions	t CO_2e/GWh	449.89	454.33	474.02

1) Adjustment of prior year information due to a change in the calculation method; total specific emissions from Scope 1–3 in relation to the sales volumes of electricity and natural gas (19,924 GWh of electricity and 5,083 GWh of natural gas for 2018/19)
2) Upstream CO_2 effects from the primary energy carriers, calculated on the basis of the UNFCCC factors

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

Responsible use of energy

As a responsible energy and environmental services company, we not only want to use our extensive know-how to conserve resources, protect the environment and use energy efficiently in our internal operations – we also want to share this expertise with our customers.

EVN's energy intensity[1] totalled 26.3 MWh of primary energy for each GWh of energy sold in 2018/19 (previous year: 24.4 MWh). The use of new technologies and continuous optimisation measures, also in connection with additional voluntary targets 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

Energy efficiency measures

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. As an energy supplier in Austria, we have also been legally required to implement energy savings measures for end customers at an amount equal to 0.6% of the previous year's energy sales volumes since 1 January 2015. The target for the 2018 calendar year was 45.3 GWh, which we met with a wide variety of measures.

We even exceeded the legally defined target for 2018 when we include our own energy efficiency measures – for example, the conversion to energy-efficient LED lighting and on-demand equipment or the installation of photovoltaic equipment to cover our internal electricity requirements. A number of these measures resulted from the continuous improvement process which represents an integral part of the environmental management system at our generation plants.

△ GRI indicator: GRI 302-5

Measures to reduce energy consumption

In 2018/19 we cut our direct energy consumption by approximately 3,000 kWh through the installation of district cooling to replace electrically powered air conditioning in one of our company buildings. We reduce our indirect energy consumption by using e-cars wherever possible, especially for short trips. Business travel is also being reduced by the increased use of video conferences and webinars: for example, the use of webinars as a substitute for classroom training saved roughly 13 t of CO_2 in 2018/19.

Energy consumption outside the organisation (Scope 3) totalled 27,224 GWh in 2018/19 (previous year: 25,831 GWh).

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

Energy efficiency measures for customers

Examples of the measures for our various customer segments (households, commercial and industrial customers as well as cities and municipalities) are:

- → Energy advising
- → Energy services (among others, to identify energy saving opportunities)
- → E-mobility
- → Replacement of boilers
- → Conversion to efficient LED street lighting in municipalities
- → Substitution of district heating from EVN Wärme for less efficient heating systems
- → Installation of photovoltaic equipment and storage batteries to increase decentralised generation while, at the same time, optimising consumption (demand-side management)

EVN's direct and indirect own energy consumption by primary energy sources

		2018/19	2017/18	2016/17
Non-renewable energy carriers	MWh	5,516	5,817	5,834
thereof natural gas	MWh	5,198	5,295	5,356
thereof heating oil[1]	MWh	317	522	477
Renewable energy carriers	MWh	–	–	–
Electricity, heating and cooling energy	MWh	640,502	632,163	678,824
Total	MWh	646,018	637,980	690,492

1) Heating oil is used in North Macedonia and Bulgaria only.

Responsible use of resources

The materials used 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.

Material and other supplies – used in energy generation, wastewater treatment, thermal waste incineration		2018/19	2017/18	2016/17
Renewable energy carriers				
Biomass	terajoule[1]	3,341	3,389	3,400
Non-renewable energy carriers				
Fossil fuels[2]	terajoule[1]	31,304	31,562	35,781
Non-renewable materials				
Limestone	t	27,491	20,547	21,657
Ammonia	t	897	957	1,073
Ammonia water[3]	t	2,136	1,672	1,579
Demineralised water	m³	175,937	219,133	213,627
Lubricating oils[3]	t	7	2	2
Hydrochloric acid[3]	t	219	192	188
Sodium hydroxide[3]	t	67	113	62
Dosing media	t	10	9	9
Rock salt[3]	t	131	101	85
Lime hydrate	t	340	343	312
Precipitants	l	1,645	1,631	1,296
Flocculating agents	l	404	386	334
Urea	t	15	15	15
Other energy carriers				
Waste[4]	terajoule[1]	5,581	5,635	5,559

1) Information provided in terajoules because of the different fuel qualities
2) Natural gas, hard coal, heating oil
3) Amount includes Bulgaria beginning with the 2017/18 financial year
4) For incineration by the thermal waste utilisation plant in Dürnrohr/Zwentendorf

Material utilisation – network construction in Lower Austria[1]		2018/19	2017/18	2016/17
Additional power lines	km	251	356	302
Additional natural gas pipelines	km	25	10	15
Additional heating lines	km	14	18	15

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

△ GRI indicator: GRI 301-1

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 2018/19, the cooling water flow rate at our Lower Austrian thermal power plants totalled 256.5m m³ (previous year: 276.0m m³). This corresponds to 0.43% of the average annual volume of the Danube recorded at the Korneuburg gauge[1] (measuring point number 207241), which amounted to 59,707m m³ and remains clearly below the allowed threshold of 5%.

In cases where the type or quantity of a wastewater stream at one of our locations differs from ordinary household wastewater and connections to a sewage system are available, we conclude contracts with sewage treatment plant operators based on the indirect discharge ordinance. These contracts contain detailed provisions for 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 naturally comply with all requirements defined by various public authorities for cooling water discharge temperatures. The seepage water or rainwater from our own landfills is recycled by using it for flue gas cleaning.

However, water is also important for our company in another context: drinking water supplies for Lower Austria are provided by evn wasser, while WTE Wassertechnik is involved in the international project business through the planning, construction and operation of plants for drinking water supplies and wastewater disposal. The management of sewage sludge represents a further – and new – business field. The goal here is to construct efficient and ecologically compatible plants for the thermal utilisation of sewage sludge.

In the area of wastewater disposal, our plants treated roughly 144.5m m³ of wastewater in 2018/19 with a mean purification performance of 87.5%[2] (previous year: 87.7%; 165.2m m³). The resulting sewage sludge is used partly for agricultural purposes and compost production and partly deposited in landfills or used to generate heat.

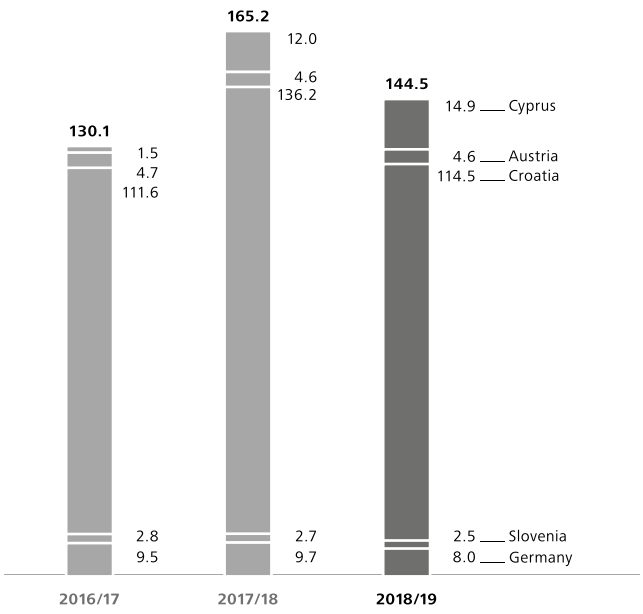
1) Source: "Austrian Hydrographical Annual 2015", Federal Ministry for Sustainability and Tourism

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

△ GRI indicators: GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-5

Wastewater treated

m m³



Water[1] m m³			2018/19	2017/18	2016/17
Water withdrawn[2]	Total		294.4	314.4	322.9
	thereof by source	Surface water	259.7	279.0	288.9
		Groundwater	34.3	35.0	33.6
		Delivered water	0.3	0.4	0.4
Water released[2]	Total		262.2	281.7	291.4
	thereof by destination	Surface water	259.7	279.0	288.9
		Water released to third parties (municipal wastewater treatment)	2.5	2.7	2.5
	thereof by treatment	No treatment	259.7	279.0	288.9
		Treatment level – wastewater purification (municipalities)	0.2	0.3	0.3
		Treatment level – wastewater purification (EVN Group)	2.3	2.4	2.1
Water consumption[3]	Total		32.2	32.7	31.5

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

Thermal sludge utilisation – the next logical step after wastewater treatment

A conversation with Manfred Graf, head of thermal utilisation at EVN

An interesting new area of business for the EVN Group – specifically for WTE Wassertechnik, which is specialised in the treatment of drinking water and wastewater – is currently materialising in the thermal treatment of sewage sludge. This residual material was generally spread on fields or composted in the past, but the practice is changing because sewage sludge can contain harmful substances like microplastic, hormones, antibiotics and other drug residues. The main point here, however, not only concerns the reduction of pollutants, but also the conservation of resources. Manfred Graf, who is responsible for EVN's thermal sewage sludge treatment business, explains: "The treatment of sewage sludge can lead to the recovery of phosphorous – a finite raw material that is only found in a few countries throughout the world. As an example, the new waste sewage sludge ordinance in Germany requires nearly comprehensive phosphorous recycling beginning in 2029 – which generally entails thermal treatment." This also makes sense from an energetic standpoint because the utilisation of sewage sludge – apart from generating electricity to meet internal needs – can be used for district heating. Several plants are currently in the planning or construction stage in Germany, and WTE is working on such a project in Halle-Lochau through sludge2energy, a joint venture formed with a German partner company in 2012. There is also a growing interest in this field outside Germany, and all larger cities and metropolitan areas will have a need for these services over the medium term.

For the EVN Group, the most promising markets currently include Germany and Austria – among others, two plants with different dimensions and technologies are in the planning stage for our energy location in Dürnrohr – as well as the Arabian Peninsula. WTE is currently working on a large sewage sludge utilisation facility in Tubli, Bahrain, as part of a project to expand a wastewater treatment plant.

WTE was also commissioned to develop a smaller plant in northern Europe – specifically in the Lithuanian city of Utena. Manfred Graf: "Our five current projects cover a broad spectrum of plant sizes and types. They allow us to gain wide-ranging experience and, at the same time, demonstrate our know-how in developing reference plants for different applications." Not least due to its many years of expertise in the customised planning and turnkey realisation of projects, EVN is well prepared to meet the expected demand as a general contractor for planning and construction as well as a plant operator. Manfred Graf smiles: "The potential for sewage sludge utilisation is really impressive."

Environmentally compatible waste management

Material and substance flows in the EVN Group are closely monitored and controlled to avoid waste, support recycling and ensure appropriate disposal. In addition, material and equipment suppliers as well as disposal partners are selected on the basis of ecological criteria.

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 2018/19.

We utilise all flue ash, coarse ash and REALIT, while roughly one-half of the biomass ash from district heat production is transferred to disposal firms and then utilised. The remaining amounts are deposited in a landfill in accordance with the applicable regulations.

All environmentally relevant incidents are recorded in a standardised reporting system that covers the plants in Austria, Germany, Bulgaria and North Macedonia. Our company registered only one environmentally relevant incident in 2018/19: in the boiler room of our district heating plant in Ernsthofen, Lower Austria, a defective manometer led to the leakage of 400 l of heating oil. This incident had no impact on the environment because the oil leaked out onto the sealed floor of the heating room. The heating oil was removed, and the floor was correctly cleaned.

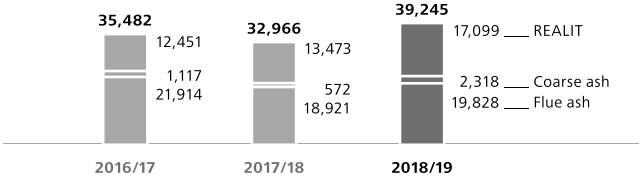
GRI indicators: GRI 306-3, GRI 306-4

Development of waste quantities[1]		2018/19	2017/18	2016/17
Hazardous waste and residual materials	t	19,604	19,348	11,524
Non-hazardous waste and residual materials	t	237,346	267,224	259,242
Export of hazardous waste				
Hazardous waste	t	0	0	0

1) Without construction residue or power plant by-products

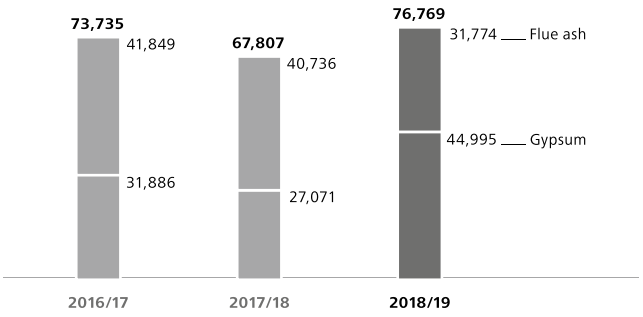
Utilised quantities of power plant by-products – Austrian power plants

t/year

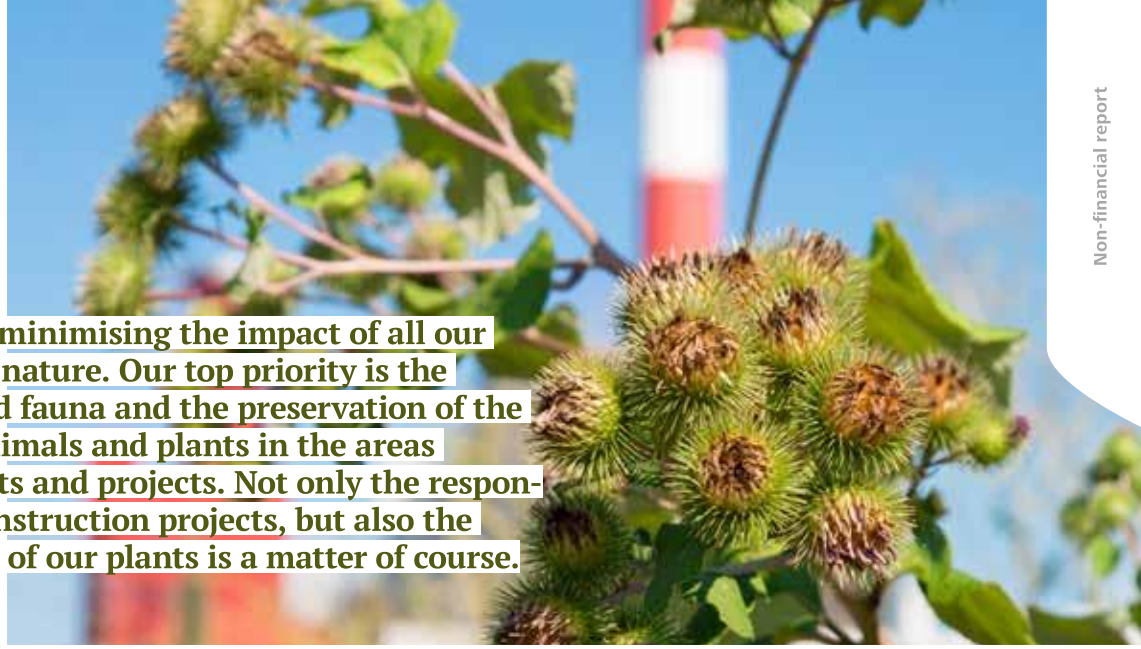


Utilised quantities of power plant by-products – Walsum 10 power plant

t/year



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

As a result of our infrastructure – which consists primarily of power plants and networks – the potential impact of our business activities is chiefly related to habitats in the water and in the air. Hydropower plants can have an influence on 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 the 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 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
- → Cooperation with BirdLife Austria to insulate power poles as protection for the imperial eagle in the Laaer Basin
- → Operation of online monitoring equipment to regularly test the water quality at various levels in the Ottenstein reservoir
- → Joint project with the Association for the Protection of Great Bustards in Austria (continuation of the EU LIFE+ programme)
- → Species protection measures at selected wind power projects (e. g. joint concept with BirdLife to develop compensatory measures to create alternative habitats for birds)
- → Installation of fish bypasses at small-scale hydropower plants
- → Construction of nest platforms to protect the endangered white stork in Bulgaria and North Macedonia
- → Joint project with the Bulgarian Association for Bird Protection to protect the imperial eagle (EU LIFE+ programme)
- → Joint project with Green Balkans, a Bulgarian environmental protection association, to protect the black vulture (EU LIFE+ programme)
- → Project to protect snakes by using ultrasonic devices for rodent prevention in network infrastructure plants in North Macedonia

△ GRI indicator: GRI 304-4

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 2019

Category	Animals	Plants
Critically endangered	51	7
Endangered	79	19
Vulnerable	152	23
Near threatened	146	18
Least concern	1,398	696
Total	**1,826**	**763**

Committed to clear values.

Responsibility towards employees, partners and suppliers.

EVN's materiality matrix speaks a clear language: "responsible management", "sustainable increase in corporate value" and "supply chain responsibility" represent key issues for our stakeholders. That explains why we also place high value on ethical and legally compliant behaviour by our employees, business partners and suppliers, who we, in turn, treat with the same responsibility and respect.

"Respect and mutual appreciation guide us in our actions – both inside and outside the company."

Julia Handler, recruiting

Human rights, ethics and integrity

We have put our commitment to full compliance into practice by implementing a series of compliance guidelines and measures which apply within the EVN Group. The starting point is formed by the EVN Code of Conduct with its ten subject areas. It regulates, among others, the aspects of our business activities in the areas of human rights, governance, compliance, corporate ethics, the prevention of corruption, public appearance and competitive behaviour as well as occupational safety and accident prevention. We have also issued additional detailed guidelines for specific target groups such as employees or suppliers and for specific issues such as the prevention of corruption.

The rules in our Code of Conduct are based on a diverse group of principles and policies which 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) and internal organisational directives and corporate principles that go beyond legal requirements. Reliability, transparency, trust and quality in our interaction with internal and external partners represent 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 75
Also see www.evn.at/Code-of-conduct.aspx

Human rights

A very central subject area in our Code of Conduct is our unlimited and unequivocal commitment to the respect, observance and protection of human rights and ethical principles at all our locations. We are committed to compliance with the ten principles of the UN Global Compact and, in particular, decisively reject any form of child labour or forced labour. A related obligation is the prohibition of discrimination based on nationality or ethnic background, gender, sexual orientation, culture, religion, age or health. This applies not only to our business partners, but also to our interaction with our employees.

As an international corporation, we are also active in countries with a less developed understanding for human rights issues. Although the respective governments are primarily responsible for protecting human rights, we consider it our responsibility – within our possibilities – to also encourage compliance in this area outside our direct scope of operation.

Behavioural norm for suppliers

Full compliance and the strict observance of the EVN Code of Conduct represent binding guidelines for our behaviour in the areas of human rights, the prevention of corruption, ethics and integrity. Our suppliers are required to follow these same principles and values. Consequently, we expect them to comply with the EVN integrity clause, which also covers the issue of human rights.

Prevention of corruption

We are decisively opposed to all types of corruption and define this term very broadly. For EVN, it includes 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 any form of these payments or gratuities – with the exception, for example, of small mementoes that reflect local or national practices.

A comprehensive set of preventive measures – including internal behavioural guidelines and specific training programmes – have 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 the staff department corporate compliance

management. These analyses are based on a catalogue of criteria whose key elements include the operating environment, the country, industry and scope of business activities as well as the initiation and processing of business transactions.

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

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 is designed to support 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 violations of the Code of Conduct
- → Reaction through information and improvement

The staff department corporate compliance management (CCM) is responsible for the operation and continuous improvement of the CMS and, in this function, reports directly to the Executive Board. In addition to the chief compliance officer and CCM staff, decentralised compliance officers were assigned to EVN's individual operating areas and national compliance officers were installed for Bulgaria, North Macedonia and the WTE Wassertechnik international project business. This structure ensures that the centrally managed CMS is optimally geared to meet the requirements of the various specialist areas and regions. Thus a total of eleven employees in the EVN Group have specific compliance responsibilities.

Compliance readiness check

CCM carried out an evaluation of the compliance culture and application of the CMS in EVN's companies in Bulgaria, North Macedonia and the WTE Wassertechnik international project business during 2018/19. The evaluation covered the structures as well as the knowledge and awareness of employees on this issue. The results will now be used to make compliance measures more efficient and target-oriented. The compliance readiness check will now be standardised and carried out in all countries where EVN is active over the coming years.

Group-wide identification of compliance risks

Compliance risks which, in line with EVN's interpretation also cover human rights and the prevention of corruption, are identified annually for the entire Group on a systematic basis and from different viewpoints. These risks are surveyed as part of the annual risk inventory since any violations represent an important issue for EVN's risk management. The reviews carried out by our internal audit department also cover the observance of all compliance-relevant directives and rules.

CCM carried out another comprehensive, Group-wide assessment of compliance risks in 2018/19, which included the structured review and evaluation of all subject areas in the EVN Code of Conduct. Its goal was to identify and analyse existing risks from a broader standpoint in order to further improve the CMS through the development of new targeted measures – for example, related to training. The conclusion of the risk assessment in the Austrian Group companies during 2018/19 will be followed by similar procedures in EVN's international companies.

△ GRI indicator: 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 designated compliance e-mail addresses. It can be used to communicate any concerns over unethical or illegal actions.

Special compliance e-mail addresses also allow business partners to use the whistle-blowing procedure. A Group directive defines the procedures for dealing with the reported concerns and protecting the whistle-blower.

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 are advised to contact EVN's compliance officer directly and without delay.

We received no reports of discrimination based on ethnic, national or social origin, skin colour, gender, sexual orientation, religion or political orientation during 2018/19.

However, we received three reports in 2018/19 concerning alleged violations of the principle of integrity and the prevention of corruption which are anchored in the Code of Conduct. Two reports concerning employees, which were not the subject of a lawsuit, were confirmed after an internal investigation, and measures were taken to prevent similar incidents in the future. None of these cases led to the dismissal of or a warning notice to the involved employees or to the termination of contracts with business partners.

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

Review of business partners

Our business partners are also required to comply with high, 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 specifically focused on industry and country risks. For Austria and the WTE Wassertechnik international project business, 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

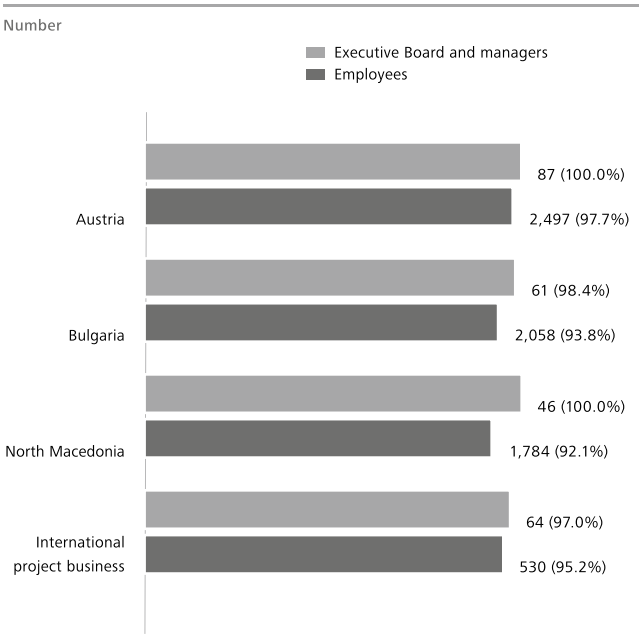
Compliance training

In order to firmly anchor the issue of compliance throughout the EVN Group, we regularly emphasise the importance of correct, ethical behaviour to all managers, employees and the members of the Supervisory Board. This information is generally presented in training courses and workshops which concentrate on human rights, corporate ethics, the prevention of corruption, public appearances and competitive behaviour. The programmes range from mandatory standardised training courses for new employees in the Group, above all on the ten subject areas of the EVN Code of Conduct, to supplementary e-learning programmes and special courses for areas exposed to increased risk. The special courses are directed, for example, to employees in highly competitive business sectors and the international project business as well as employees with contacts to public authorities. The members of the Supervisory Board have also received additional comprehensive training from external experts in the past.

CCM cooperates with managers from various departments to strengthen and improve our compliance principles and rules and our ethical values. These multi-hour workshops also equip managers with the tools to transfer the defined content to their staffs. The managers in Bulgaria, North Macedonia and the international project business, together with their employees, represented a special focal point in 2018/19. In Austria, managers received in-depth training on equal opportunity and conflicts of interest during the reporting year.

GRI indicator: GRI 205-2

Participation in mandatory compliance training[1)]
(as of 30.09.2019)



1) Includes non-consolidated subsidiaries

Our employees – the basis for our success

The EVN Group had an average of 6,908 employees on a full-time equivalent basis in 2018/19 and 7,327 employees (headcount) as of 30 September 2019. Our workforce consists of men and women from different nationalities, cultures and generations. With their high qualifications, they play a central role in all our business activities. The awareness of this strategic importance is reflected in our actions as a responsible and fair employer, which allow us, not least, to safeguard efficient, goal-oriented human resources development in a continuously changing working environment.

"The wide variety of attractive offerings and flexible solutions underscores the high priority EVN gives to its employees."

Claudia Tabacco-Buchta, HR management

Diversity

Our company's international market presence is also reflected in our workforce: EVN's employees come from more than 25 countries, above all from Austria, Bulgaria und 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. Our goal, therefore, is to maximise the number of employees and managers from the respective region in all our markets (approximately 90%). In particular the strengthening of local management capacity represents an important aspect of our corporate strategy.

In addition to our own staff, 162 leased employees also worked for the EVN Group as of 30 September 2019. They represented 2.2% of EVN's total workforce. 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; third, to handle peak work periods; and fourth, in business areas with an uncertain market situation.

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 2018/19, the ratio of the highest salary and average salary[1] at EVN in Austria equalled approximately 7.5:1.

As of 30 September 2019, our workforce included 1,686 women (23.0%) and 5,641 men (77.0%). In order to increase the percentage of women in the EVN Group, we launched the Women@EVN programme. It includes requirements-oriented seminars, internal networking opportunities and several other initiatives to improve the framework conditions for our female staff and support highly qualified women in developing a career path with a management focus. Specific measures to improve equal opportunity have also been in place in North Macedonia since 2015/16. Over the medium term, we are working to increase the percentage of women to a level that mirrors the current educational levels of women in the applicable professional groups.

1) The calculation was based on the average value.

For information on diversity and the diversity concept for the Supervisory Board and Executive Board, see the corporate governance report on page 93ff

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

Diversity of employees 2018/19[1)]

Gender

1,686 women

Austria	518
Bulgaria	576
North Macedonia	459
Other countries	133

5,641 men

Austria	2,101
Bulgaria	1,676
North Macedonia	1,534
Other countries	330

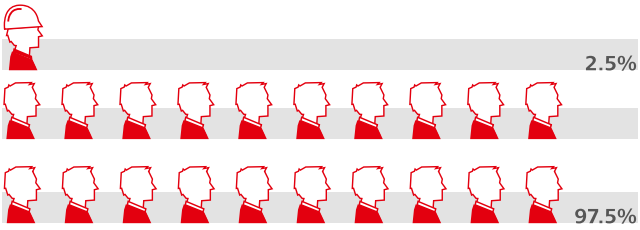
Type of employment[2)]

180 workers

Austria	62
Bulgaria	–
North Macedonia	–
Other countries	118

7,147 employees

Austria	2,557
Bulgaria	2,252
North Macedonia	1,993
Other countries	345



Principles and models for our employee relations

In addition to national laws, international guidelines and the basic values described in the Code of Conduct, EVN has defined principles and models for the interaction with our employees in a set of binding documents.

Our goal is to apply these same high standards in all countries where we are active. This led to the definition of three key values – ensure, encourage and enable – for the EVN Group several years ago:

ensure: We ensure quality and corporate success.
- → We are committed to continuity and safety. Our employees are hard-working, 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.

These values also represent an integral part of the key documents that describe our corporate and management culture, e.g. the managerial mission statement, and the feedback and orientation sessions which are held regularly with more than 80% of our employees in Austria. In these discussions, employees receive feedback on their performance and a framework for development planning. A total of 429 women (21%) and 1,584 men (79%) in Austria took part in a feedback session during 2018/19. This important management tool includes an appraisal by the employee's supervisor as well as structured reciprocal feedback on work performance and quality plus the definition of specific goals for the employee.

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, equal opportunity and diversity
- → Work-life balance
- → Health care, occupational safety and accident prevention
- → Corporate social partnership and internal communication
- → Human resources development and advancement

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

Part-time employees[3)]

464 total		342 women	
Austria	280	Austria	208
Bulgaria	11	Bulgaria	2
North Macedonia	136	North Macedonia	98
Other countries	37	Other countries	34

1) As of 30 September 2019
2) In Bulgaria and North Macedonia, there is no distinction between employee and worker.
3) EVN only uses limited one-year employment contracts for new employees. Further data was not collected in this respect because the category is irrelevant.

Equal treatment and equal opportunity

In agreement with the principles of the UN Global Compact and the International Labour Organisation, all EVN employees are treated equally regardless of their nationality or ethnic background, gender, sexual orientation, culture and religion, age or state of health. We also 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 independent of gender and based solely on the applicable collective bargaining agreement or their specific responsibilities and qualifications. At EVN, there is no difference in the compensation paid to women and men who have the same training and perform the same activities.

In keeping with our commitment to equal treatment and opportunity, we also support the integration of people with special needs in our workforce. We employed 122 persons with special needs in 2018/19, representing 1.7% of the total number of employees.

Newly hired employees 2018/19		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[1)]
<30 years		86	72	67	17	242	3.3
thereof women	Number	26	10	33	3	72	1.0
thereof men	Number	60	62	34	14	170	2.3
30–50 years		62	78	32	31	203	2.8
thereof women	Number	12	24	13	5	54	0.7
thereof men	Number	50	54	19	26	149	2.0
>50 years		6	3	2	12	23	0.3
thereof women	Number	2	1	1	1	5	0.1
thereof men	Number	4	2	1	11	18	0.2
Total		154	153	101	60	468	6.4
thereof women	Number	40	35	47	9	131	1.8
thereof men	Number	114	118	54	51	337	4.6

1) In relation to total workforce as of 30 September 2019.

△ GRI indicator: GRI 401-1

Work-family balance

A further central concern is to help our employees achieve a balance between their working and family life. An important step in this direction was the signing of a "charter on the new compatibility between parents and business" in May 2011, 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 various part-time working models which play an important role, above all, in connection with childcare. 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.

Our salaried employees in Austria, Bulgaria and North Macedonia are legally entitled to parental leave after the birth of a child, and we naturally approve this leave within the framework of the applicable laws. In South East Europe, this option is used less frequently than in Lower Austria. 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.

Men at EVN are also increasingly using the available models.

In 2018/19, 40 women and 19 men were on parental leave in Austria, and nearly all mothers and fathers returned to EVN after that time (return rate: 97.5% for women, 100% for men). One employee left the company after parental leave in 2018/19; in the previous year all employees on parental leave returned to their jobs and were also employed by EVN after twelve months.

△ GRI indicator: GRI 401-3

Occupational safety

An important subject area in our Code of Conduct involves our efforts on behalf of occupational safety and the prevention of accidents in all our business units. In addition to the many European and national requirements, we have defined our own principles for occupational safety and health protection. These principles are anchored in EVN's safety mission statement and seven-point safety strategy. They are supplemented by an extensive set of internal directives and guidelines which describe the safety risks associated with our activities and define the necessary countermeasures.

Despite extensive safety precautions, two fatal work accidents unfortunately occurred in North Macedonia during 2018/19. The circumstances surrounding the accidents were investigated in detail, and the insights gained will now flow into the Group's training measures.

A separate occupational safety department records and analyses work accidents involving our own employees and leased personnel and introduces 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. Close contacts between the safety officers in the individual business units and safety experts ensure that identified risks and preventive measures are integrated in all safety 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 once each year in accordance with legal regulations. Representatives of our works council are also involved in all workplace, health and safety issues.

Our accident analysis is based on specific events and was expanded to include the regular analysis of "near-miss" incidents and accidents by contract firms. Nearly one-third of all work accidents involve tripping, stumbling and twisted

The new world of work at EVN: together simply better

The world is changing. Digitalisation, networking and the energy revolution are creating new framework conditions for the entire industry. We want to continue to offer our customers a portfolio of innovative products and services in the future and, to meet this objective, we have launched a project to redesign the working world at our headquarters by 2020 – with the aim of promoting teamwork across all departments.

The core measure of the "EVN Working World" project involves the opening of workspace. Individual and group offices are being replaced by open areas with networking zones, shared infrastructure and state-of-the-art conference rooms. The goal is to optimise the flow of information and dialogue between areas and between supervisors and colleagues. This concept promotes a new working culture where experience and expertise from different departments will be used to develop new customer solutions.

An important aspect in this connection is the issue of flexibility. Our employees are entitled to work up to 100 hours each year at a location of their choice, which makes childcare easier or reduces travelling time to and from the office. The EVN Working World will also include a variety of technical improvements, including the introduction of innovative technologies such as Skype for Business and new digital equipment.

Accident and lost days statistics	2018/19	2017/18	2016/17
Deaths after work-related injuries	2	–	–
Ratio of deaths	0.2	–	–
Occupational accidents[1) 2)]	85	100	89
thereof severe accidents with lost days >6 months	–	5	1
Ratio of severe accidents with lost days >6 months	–	0.4	0.1
Staff sick days[2)]	2,376	3,535	2,354
LTIF[3)]	4.3	4.8	5.3
Number of LTIF-relevant occupational accidents[4)]	53	58	64
Lost days/employees	10	11	10

1) Number of occupational accidents (excluding commuting accidents)
2) Lost days (including weekends and public holidays) resulting from occupational accidents (excluding commuting accidents); previous years' figures adjusted due to a change in calculation method
3) Lost Time Injury Frequency Index – frequency of occupational accidents per one million working hours
4) Lost days resulting from work-related accidents (excluding commuting accidents), the causes of which are connected to the occupation

ankles, followed by physical strain during work procedures, falls, cuts and stab wounds. Major potential hazards for serious accidents with long work absences are, for example, traffic accidents, falls from power poles and torn ligaments or broken bones during power line inspections.

Our efforts in support of accident prevention include information and instructions for our employees on all issues related to health and safety. We use a safety manual that addresses the special working conditions in the energy sector and have also issued manuals for specific areas such as hydropower plants or wind power equipment. Each of these documents is updated on a regular basis 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 detailed information on the specific dangers connected with EVN's equipment. The instructions on worker protection include general information and, above all, behaviour- and action-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 and fire alarm plan
- 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" and "Construction of high- and low-voltage overhead lines: the safety-related aspects of power line construction". These courses provide the involved employees with a mix of theoretical and practical training on the safety aspects of their day-to-day work.

In 2018/19 we launched a further initiative to underscore the importance of wide-ranging occupational safety in our company. Nearly every meeting now begins with occupational safety as the first topic on the agenda. In addition, video animation on the office info screens provides regular information on this subject. All documents, training materials and contact partners for occupational safety are available also to our employees via the EVN Intranet.

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

Occupational health care

We 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 attend to employees within the framework of labour protection laws. The many related measures include medical check-ups, vaccinations, eye and hearing tests as well as psychological counselling, coaching, tips on healthy nutrition and special offerings for groups of employees who are exposed to particular risks. Our subsidiaries in Bulgaria and North Macedonia have also implemented healthcare programmes to increase awareness and improve the health of our employees. EVN does not operate in countries with an increased risk of infectious diseases or working conditions which could permanently endanger our employees' health, but Group guidelines such as the "EVN Pandemic Prevention" are in force at all subsidiaries to deal with emergencies.

In addition to company-sponsored measures, the EVN culture and sports club offers employees a wide range of activities which are also focused on health protection.

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

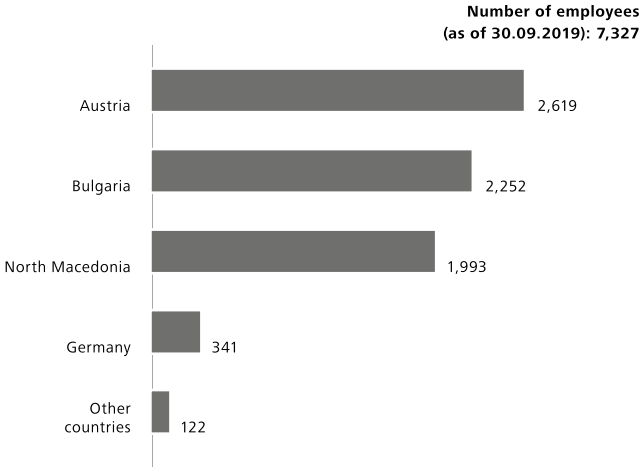
Corporate social partnership and internal communication

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 (Austria, Bulgaria, North Macedonia and Germany). Most of our employees in Austria are covered by the collective agreement for salaried employees in electricity companies, which was revised by the participating social partners in 2018/19 and adapted for the future.

Transparency is an integral part of our major business decisions, in line with our managerial mission statement and applicable legal regulations. The employee representatives – in addition to EVN AG, all other larger companies in our Group have these types of designated representatives – are informed of important business decisions on a regular and timely basis or, respectively, are involved in the decision processes. This approach applies to strategic

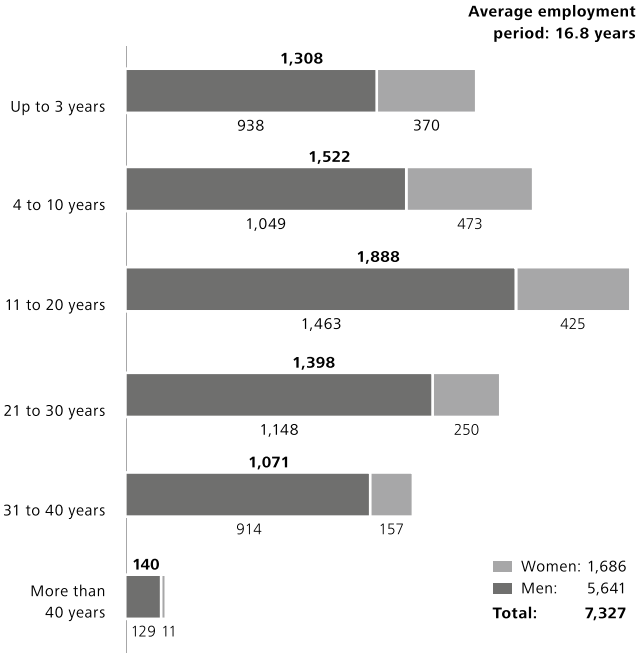
Employees per operating location 2018/19

Number



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

Employment period of employees 2018/19



"To make sure the measures really work, occupational safety must be internalised."

Horst Wagner, occupational safety

Occupational safety is a top priority!

The health and safety of our workforce are of course high priority issues for EVN. Accidents not only endanger employees' well-being, but can also lead to material damage, supply interruptions and long downtime. Accident prevention has therefore always been an integral part of EVN's DNA and a central element of our corporate culture.

What moved us in 2018/19

We took a number of steps during the past two financial years to increase the awareness of employees throughout the Group for the importance of occupational safety. As the basis for these measures, senior employees were informed of the status of accidents at EVN and the related ranking in international comparison at the EVN Safety Day. EVN currently counts as one of the safest employers in its sector in Austria, but a comparison beyond the country's borders or with other industries shows room for improvement. Significant progress in safety performance across the entire Group is therefore essential.

First EVN Safety Day

The first EVN Safety Day was held in May 2018, and key employees of the EVN Group as well as safety officers and works council representatives were invited. The Executive Board opened the event with a presentation of the Group's strategy to improve occupational safety and introduced EVN's new safety mission statement. Lucy Innes, a guest speaker from the British utility company UK Power Networks Services, then explained how her company became the energy supplier with the lowest accident rate in England. The afternoon followed with an information programme for the safety officers.

Occupational safety on your mind

The number of work accidents in the EVN Group has declined steadily for some time, but the trend has stagnated in recent years. Here it appears that EVN has exhausted the classical measures for increasing occupational safety. Our employees already have excellent protective clothing, optimal training and access at all times to the information needed to effectively protect themselves against accidents.

Not least for this reason, we hardly register any accidents in the handling of our electricity, natural gas, heat or water. Most of the accidents in the Group represent falls that occur in connection with related activities like removing or transporting material – and are often the result of carelessness or a lack of concentration.

In addition to strict compliance with all standard occupational safety measures, it has become more important to anchor the issue of safety even stronger in the minds of our employees and make this part of their inner conviction. A range of initiatives has been developed to support this behaviour-oriented occupational safety.

A good idea with safety

We outlined a special focal point for an ideas competition that started in 2018 – the prevention of commuting accidents, which have recently been on the rise. Within the framework of this competition, our employees dealt with the subject of driving safety. Several interesting suggestions were or are currently being implemented, including traffic safety measures on the company premises. A prize was also presented to the competition's winner.

An open exchange on equal footing

A conversation with Paul Hofer, chairman of the EVN Group's European works council

Mr. Hofer, in addition to national employee representatives, EVN has also had a European works council since 2007. Where do you see the main function of this board?

Paul Hofer: Apart from our work on specific issues, I see a very important function in an open, direct exchange between the employee representatives in our main markets and EVN's Executive Board. This releases enormous potential because it increases the depth of information for everyone involved and, above all, strengthens mutual understanding and trust.

And how would you characterise the exchange and cooperation with management?

From my point of view – which is also shared by my colleagues – very positively. In principle, we have the right to be informed and consulted on relevant issues – meaning all matters that have greater importance for employees or which involve more than one country. In practice, this works through a very close partnership at EVN: we routinely meet at least twice each year for regular consultations with the Group's management, where the exchange of information is very open, and we also have an opportunity to make an active contribution.

Not only the head of human resources for the EVN Group, but also the Executive Board is almost always present at these events. This is something we really appreciate because we can communicate eye to eye.

Let's turn to the essential points – what issues are you dealing with in the European works council?

In general, our work is focused on social harmony and justice in the EVN Group. That's why we are basically working to achieve equal treatment under the same basic conditions, but naturally with a good measure of sound judgment and consideration for the individual markets.

Specific issues where we also make a contribution across borders and have achieved a great deal are occupational safety, social benefits such as pensions, health programmes ranging from vaccinations up to the prevention of psychological stress, Group-wide employee assessments and the related issues of education, development opportunities and career planning. Another point is the lack of specialists, which is becoming an increasing problem especially in Bulgaria – here the Group is working to address this problem with the rollout of the Austrian dual training system in South East Europe. However, we are also active through transnational community-building initiatives in culture and sport. One example is the EVN Run, which now takes place in all countries at the same time. With this wide-ranging involvement, we also want to help EVN remain an attractive employer in all its markets – and experience shows that our approach has been well received by the Executive Board.

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.

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 the EVN employees in Austria, Bulgaria and North Macedonia.

One of our central concerns is to develop and carry out necessary restructuring measures in a socially acceptable manner and in agreement with the trade unions. This productive cooperation also formed the basis for a socially acceptable solution for the involved employees in connection with the shutdown of the Dürnrohr coal-fired power plant. The trend in primary energy and electricity prices and the threefold increase in the price for CO_2 emission certificates over the past one and a half years prompted our decision to terminate electricity production in Dürnrohr earlier than planned during August 2019. Dürnrohr will, however, be maintained and expanded as an energy location: we are currently installing an additional gas-fired boiler to generate steam for industrial customers, and a sewage sludge incineration plant and a large-scale photovoltaic plant are currently in the planning stage. A total of 70 employees were affected by the restructuring measure, whereby half can continue at this location. Most of the other employees are scheduled to retire in the near future, and the remaining staff will generally be transferred to other EVN units or will replace retiring colleagues.

Our "EVN Intern" magazine provides employees with 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 current seminars and other training events. In order to support the preferred internal filling of positions, job advertisements are also first posted on the Intranet.

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

Human resources development and advancement

The qualifications of our workforce represent an important element for protecting the sustainable success of our company. Consequently, preserving and increasing our employees' high level of expertise represent a central element of our human resources management. The related training and professional development programmes in Austria, Bulgaria and North Macedonia are carried out by the local EVN Academies.

We invested EUR 356.8 per employee in continuous training and education during 2018/19 (previous year: EUR 335.9), which represents a total of EUR 2.5m (previous year: EUR 2.3m). Each employee spent an average of 34.05 hours (previous year: 33.8 hours) on these programmes.

Our activities in the area of human resources reflect 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 (44.4 years). The need for employees with these qualifications 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 2019, 78 apprentices were employed at EVN.

In order to optimally round out our training programmes, we offer a dual programme of theoretical vocational school education and practical on-the-job experience in our Austrian companies. This traditional model is supplemented by internal courses and seminars as well as support for double and multiple qualifications. Most of our apprentices remain as employees after completing their programmes. There are no legal regulations in South East Europe covering this type of dual training and, for that reason, we are attempting to establish a similar EVN-internal structure in these countries through cooperation with schools.

△ GRI indicator: GRI 404-2

"With our broad-based training programmes and exciting career opportunities, we are a very attractive company for qualified employees."

Wolfgang Maier, head of HR

Additional 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 insurance providers in the individual countries ensure optimal medical care for all participants.

GRI indicator: GRI 403-6

→ **Pension benefits:** All EVN employees (100% of the Group's workforce) are covered by statutory pension insurance. As a supplement, all 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 date of retirement. EVN's contribution in 2018/19 equalled at least 2% of each eligible employee's monthly gross remuneration. Contributions by employees are voluntary, whereby roughly 41% of the workforce in Austria took advantage of this offer in 2018/19. Our responsibility as an employer is also illustrated by the introduction of 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 total, 427 EVN employees are currently active volunteers in these types of aid organisations. We support this commitment, in our function as an employer, by excusing employees from work for up to half of the invested time in case of an operation.

Employee benefits

We spent a total of EUR 17.5m on employee benefits (pension contributions, other employee benefits) in 2018/19 (previous year: EUR 13.9m), which represents 5.2% of personnel expenses (previous year: 4.3%).

GRI indicator: GRI 401-2

Employee fluctuation – persons leaving 2018/19[1]		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[2]
<30 years		17	15	17	6	55	0.8
thereof women	Number	5	8	6	3	22	0.3
thereof men	Number	12	7	11	3	33	0.5
30–50 years		37	20	48	7	112	1.5
thereof women	Number	17	7	14	3	41	0.6
thereof men	Number	20	13	34	4	71	1.0
>50 years		10	6	66	1	83	1.1
thereof women	Number	5	3	31	–	39	0.5
thereof men	Number	5	3	35	1	44	0.6
Total	Number	64	41	131	14	250	3.4
thereof women	Number	27	18	51	6	102	1.4
thereof men	Number	37	23	80	8	148	2.0

1) This indicator does not include transfers within the Group, retirements, trainees or persons leaving based on the Bulgarian social compensation plan.
2) In relation to total workforce as of 30 September 2019

GRI indicator: GRI 401-1

The dual training system: a new approach for Bulgaria and North Macedonia

South East Europe has virtually no tradition of high-quality dual training similar to the Austrian apprenticeship, which combines practical on-the-job experience with theoretical vocational school education. EVN has therefore developed its own dual training concept in close cooperation with schools in Bulgaria and North Macedonia. In this way, we help young people to receive practical education and also make contact with skilled talents for a successful future.

Bulgaria attracts young talents

Following the start of our cooperation with technical schools in Bulgaria two years ago, we are now working with six training centres. Our training programme for electrical technology, which covers the entire five-year period, was attended by 61 young people during the 2018/19 school year. The first "EVN graduates" completed their studies in 2019.

The curriculum for the first three years of the Bulgarian programme is directed primarily to theoretical education. However, EVN experts visit the classes during this phase to share their practical experience. The young men and women can also watch experienced EVN technicians at work in a separate training area. The focus for the last two school years shifts to practical training – and here many of these students decide in favour of EVN for their apprenticeships – which is clear proof that early connections pay off and bring talented people to EVN.

Comprehensive package for North Macedonia

Our commitment to schooling in North Macedonia started as early as 2013 with practical education for students at EVN in Skopje. Ten students attended the programme at that time, and today we maintain

The schools have a great interest in cooperating with EVN. This is not only a result of our positive contribution to education – we also provide an e-learning programme for students and teachers, equip one classroom in each of the six partner schools each year and support various school events. Particularly good students also receive financial assistance. And, of course, all students who complete internships at EVN are paid fairly.

close partnerships with ten schools throughout the country and have instructed roughly 300 electrical technology students in a wide range of professional skills to date.

As part of a three-year programme at two schools, we have contributed our technical know-how as well as a comprehensive package since 2017: it covers training and mentoring for teachers and students as well as the provision of teaching materials, technical equipment for the classrooms, protective equipment and e-learning solutions. With the help of more than 100 EVN employees, roughly 120 students currently receive extensive support. The first will graduate in 2020, and we want to hire the best 20 as specialists within the framework of a training programme.

The curriculum for our specially designed programme in North Macedonia, which carries EVN's signature, is very similar to the Austrian apprenticeship model. It has since become the benchmark project in a wide-ranging educational reform that is currently being implemented by the North Macedonian Ministry of Education. And we have also been recognised numerous times at another level. Among others, EU Social Affairs Commissioner Marianne Thyssen highlighted our training programme as Europe's best practice example for vocational training at the Awards for Vocational Education and Training Excellence which were presented by the European Alliance for Apprenticeship in November 2018.

Suppliers

Supply chain

EVN's business activities as a whole and, above all, the investment focal points on network infrastructure, renewable generation and drinking water supplies require extensive cooperation with construction firms, plant, pipeline and cable line builders as well as suppliers of electro-technical equipment and components, pipes, transmission and cable lines, meters, hardware, software and work clothing.

Our German subsidiary WTE Wassertechnik – which is active in the international project business through the planning and construction of plants for drinking water supplies, wastewater disposal and thermal waste utilisation – serves as a general contractor and commissions subcontractors, in particular construction firms and suppliers of machinery, electro-technical equipment and components, to perform additional services.

Procurement of energy and primary energy carriers

Electricity

We cover the electricity supplies for our Austrian customers through medium-term supply contracts and – via EnergieAllianz Austria – 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 also 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 the electricity sales volume in the respective regulatory area.

For information on electricity labelling, see page 41
For information on the development of the EEX exchange prices, see page 107

Our electricity 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 the already liberalised segments is purchased over wholesale markets.

Natural gas

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 wholesale natural gas purchases are also handled by EnergieAllianz Austria. The majority of imports – from the European point of view – come from Russia and Norway.

Hard coal

Electricity production at the hard coal-fired plant in Dürnrohr was terminated during August 2019, i.e. nearly six years before the end of the plant's technical useful life in 2025. The hard coal used up to the early end of coal-fired electricity generation was purchased directly from two Tier 1 suppliers (coal wholesalers and/or trading and forwarding agents) which, in turn, purchased their supplies from processing companies or exclusive exporters (coal wholesalers) (Tier 2). These firms purchased their coal supplies directly from the mining companies (Tier 3). Roughly 45% of hard coal deliveries came from Europe, while the rest came from America and Russia. Coal purchases for the German Walsum 10 power plant, in which EVN holds a 49% investment, as well as the operation of this plant are managed by the joint venture partner STEAG and therefore outside our direct sphere of influence.

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 have been handled over a web-based procurement portal since the beginning of June 2019. The entire procurement process – from the EU-wide announcement to the tender, submission of offers and contract award – can now be processed online. This broad-based roll-out of e-procurement has paved the way, above all, for the introduction of strategic procurement. The new platform has substantially increased transparency and also supports viable supplier management, not least in regard to the strict sustainability criteria defined by our integrity clause.

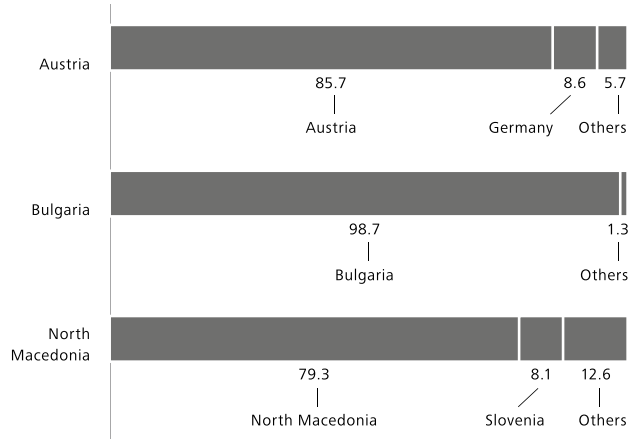
We handled a total procurement volume of approximately EUR 624.0m in 2018/19 (previous year: approximately EUR 648.0m) at our main locations in Austria, Bulgaria and North Macedonia. EVN maintained direct supplier relationships with 1,470 suppliers and contractors during this financial year.

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

Countries of origin of suppliers at main operating locations

%, Basis: Order volume



High sustainability demands

EVN is committed to fair, partnership-based and transparent business relations with its suppliers. We place high demands on sustainability, but always in keeping with economic efficiency. The underlying principles are anchored in a separate area of activity in our materiality matrix under "supply chain responsibility". Our high demands are reflected in EVN's integrity clause, which requires suppliers to meet strict standards in areas that include human rights, labour practices, protection of the environment, resource conservation and business ethics. The integrity clause represents a central component of each order – it applies Group-wide to all suppliers of products and services and to all sub-suppliers in the international project business without exception. There were no complaints over compliance with the integrity clause by suppliers during the 2018/19 financial year.

Also see www.evn.at/integrity-clause

EVN is classified as a sector contractor under EU public procurement law in many areas and is therefore subject to the applicable provisions of the Austrian Federal Procurement Act. We comply in full not only with these regulations, but also with the principles governing competition in the EU and the individual member states. New bidders are regularly included in tenders. All tenders with a contract value over EUR 100,000 that involve sector activities have been announced nationwide since March 2019. As a sector contractor, we are also legally required to include a reference to the complaint office in Lower Austria with every tender offer. This office can be used by all participating bidders to file complaints and request explanations, free of charge and without mandatory legal counsel. There were no justified objections in recent years.

Documentation of sustainability criteria

The implementation of our new e-procurement portal was accompanied by additional measures to further standardise and improve compliance with our high sustainability demands on suppliers. Every interested bidder in Austria must complete a self-reporting form on all aspects of the integrity clause at the time of full registration. All potential suppliers therefore complete standardised, systemised questions at an early point in time on sustainability, risk assessment and behavioural rules in the areas of environment, health and safety, human and labour rights, business ethics, supply chain, and occupational safety and accidents. We also include explicit sustainability criteria in the evaluation of selected tenders.

The regular reviews carried out by EVN in previous years included a focus on the hard coal supply chain, in particular regarding compliance with human rights, workers' rights and living and working conditions. We were therefore able to confirm that all coal mines which supplied hard coal for EVN's energy generation in 2018/19 meet wide-ranging international standards and are certified under ISO 14001 (environmental management). One mine in America that supplied EVN with hard coal is also certified under OHSAS 18001 (Occupational Health and Safety). We did not carry out any on-site inspections at mining companies during 2018/19 – in contrast to previous financial years – because the last hard coal order for the Dürnrohr plant was delivered at the end of May 2019 and coal-fired generation was terminated prematurely in August 2019.

Good corporate citizen.

Oriented towards dialogue, fair, social.

EVN is active in many countries and at a wide variety of locations, but our regional roots are very important. We are well aware of the great responsibility this involves and, consequently, engage in an active dialogue with our many different stakeholders to create an equitable balance between their often contrary interests. This balance also includes a strong commitment to social responsibility through numerous initiatives and measures.

"I see EVN's support for the arts as a very positive step."

Lazar Lyutakov, artist

Proactive interaction with our stakeholders

We see the social acceptance of our activities as a basic requirement for EVN's long-term, sustainable success and good public perception. The overriding principle in this context is the creation and maintenance of an appropriate and equitable consideration of the diverse concerns our stakeholder groups share with us. This is reflected in the importance given to a regular, proactive and open dialogue with our stakeholders, which is anchored as a key management principle in the EVN Code of Conduct. A separate guideline for stakeholder management was also issued to ensure the regular integration of these interest groups at the strategic level.

The foundation for the structured harmonisation of our corporate strategy with stakeholder interests and the analysis of the social, ecological and economic impact of our activities is formed by the EVN materiality matrix, which is updated every three years together with our major stakeholders. Various stakeholder groups were also involved in the preparation of this full report, e. g. the Supervisory Board, Executive Board, employees and the Advisory Committee for Social and Environmental Responsibility.

For details on stakeholders and the EVN materiality matrix, see page 16f

GRI indicator: GRI 102-43

Project-related stakeholder dialogue

In addition to a regular dialogue with various stakeholder groups, we are also involved in an open and detailed exchange with relevant NGOs and interest groups on various issues. The development of trusting and sustainable long-term relations with groups which are sometimes critical of EVN's projects and activities help us in our planning and communications. A good discussion climate and mutual understanding, outside conventional conflict lines, create the necessary requirements for the joint development of alternative solutions that are acceptable to all project parties. Apart from increased 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.

Project communications – meaning project-related stakeholder management and dialogue – has been institutionalised at EVN. 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.

EVN's stakeholders and the type of inclusion (Extract)	Survey (employee and customer surveys at regular intervals, stakeholder surveys etc.)	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	+	+	+	+	+

Ecological and social aspects are included in the development of all our projects from the very beginning. Our extensive dialogue is intended, in particular, to support the following goals:

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

The insights gained through stakeholder communications regularly flow into the due diligence audits that are conducted before the start of every project. These audits also represent an integral part of internal decision-making processes by the Executive Board and/or the Supervisory Board, depending on the scope of the project.

△ GRI indicator: GRI 102-29

Responsible handling of local stakeholder interests

The timing and form of information are critical for the dialogue with residents who are directly involved in a project planned by EVN. In particular, we concentrate on:

- → Early identification of the expectations and requirements of the various interest groups
- → Professional, structured and proactive communications with all local stakeholders
- → Transparent and extensive presentation of all relevant project information in easily understandable information materials, and the continuous development and improvement of these materials
- → Use of modern, open communication formats for project information
- → Coordination of communications with political decisionmakers, support for municipalities in their communications and mediation in conflict situations

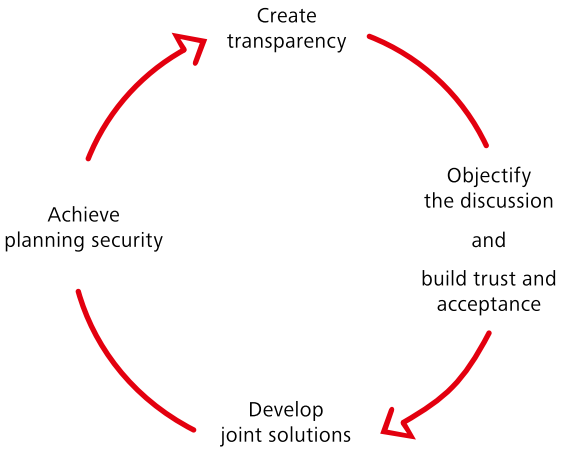
Our project communications take place in close coordination and cooperation with the project managers and other responsible persons, whereby the continuous improvement of these employees' communication skills is also part of our activities. Local stakeholders can, of course, contact us at any time to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

△ GRI indicator: GRI 413-1

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 risk scenarios that also affect the population. 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. The emergency staff receive regular training, while duty personnel take part in annual training courses and all employees attend annual security training. Crisis management systems have also been installed in Bulgaria and North Macedonia.

Our premises for successful project communication



Support for interest groups and initiatives

We play an important role in the functioning of public life and the economy through the operation of our infrastructure and wide-ranging services. In order to meet these commitments as best as possible, we are a member, on a voluntary or legally required basis, of numerous national and international organisations and interest groups. The examples include Oesterreichs Energie and Eurelectric as industry associations as well as the UN Global Compact and respACT as social and ecological initiatives. All activities involved with 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

The artist Lazar Lyutakov with one of his art objects.

Social commitment

Our social responsibility extends to many different interest groups, and we have implemented numerous social and cultural initiatives outside the scope of our operating business to meet this responsibility. EVN's social commitment is focused on 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 the support of 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 with children and young people. A total of TEUR 457.5 was spent on these projects during the 2018/19 financial year.

Also see www.young.evn.at

Art that connects. The evn collection in Plovdiv, the European Capital of Culture 2019

We make an important contribution to the economy and society with our products and services, but our responsibility for society goes much further. Over the long term, we want to develop strong social roots in all our core markets. The evn collection is one example of our efforts to meet this goal. Founded in 1995, it has grown to include a diverse collection of modern works by international artists.

In 2019, the evn collection organised the first-ever programme outside Austria: an exhibition in Plovdiv, a city in south Bulgaria and this year's European Capital of Culture. Plovdiv is not only rich in historical attractions, it is also EVN's headquarters in Bulgaria and, since 2005, the hub for all our activities in our Bulgarian supply area.

This year the related activities were complemented by various art projects presented as part of the Capital of Culture programme. Together with three artists, the evn collection designed a special exhibit in Plovdiv. It presents works by Lazar Lyutakov, who was born in Bulgaria and now lives in Vienna, as well as works by Franz Kapfer and Martina Vacheva.

EVN Junior Ranger Programme: On the Ybbs River, where we operate a number of small hydropower plants with fish ladders as well as a project for sustainable fisheries management, we organised another training programme in spring 2019 which led to the certification of 13 young people as "EVN Junior Rangers". The programme was held on four afternoons and included theoretical and practical instruction by experts on hydrobiology, flora and fauna in water meadows, river ecology and fisheries as well as nature and river conservation.

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 an EVN social project. This latter method allows our customers to donate their bonus points, e. g. for professional counselling for the psychologically disadvantaged.

EVN Social Fund: The EVN Social Fund, which has an annual endowment of roughly EUR 100,000, 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 2018/19, we supported 18 projects with a total of TEUR 118.5.

Also see www.evn.at/social-fund
Also see www.evn-sammlung.at

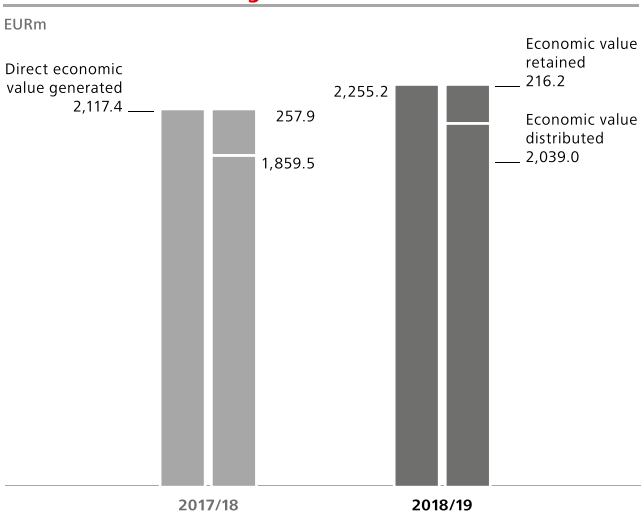
Value creation for our stakeholders

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.

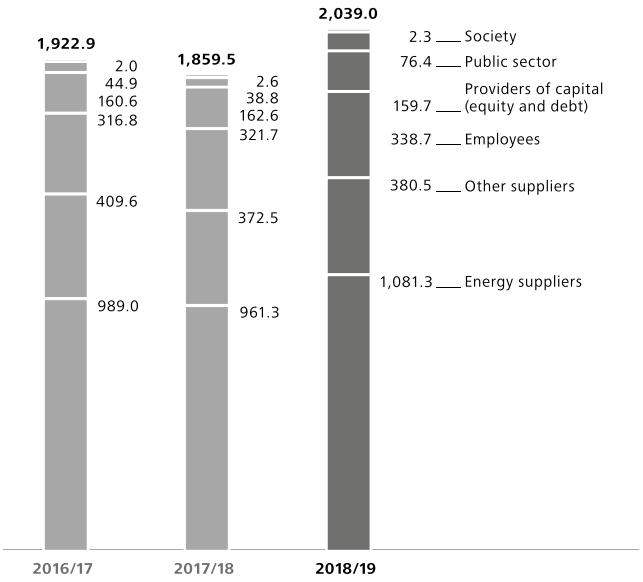
On the revenue side, in particular the income generated by our business operations and investments contributes to the creation of value. This value is distributed primarily to our investors and lenders (dividends, interest), to society as a whole (donations, sponsoring, social programmes) and to the public sector (taxes, duties) as well as to our employees (wages, salaries, social security contributions) and suppliers (primary energy carriers, materials and purchased services). The graph on the right shows the economic value generated by EVN as a total over each bar. 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



Economic value distributed



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.

We also identified the targets and measures that currently make a tangible contribution to reaching the 17 Sustainable Development Goals (SDG) set by the United Nations. The following section shows the assignment of the identified targets and measures to the respective SDG.

The EVN materiality matrix: see page 17

For information on the SDG and the individual targets, also see https://sustainabledevelopment.un.org/sdgs

Corporate goals by area of activity (excerpt)

Supply security

Target: maintain the Group coverage ratio at 30% of electricity sales
→ Status: 28.1% own coverage in 2018/19 (previous year: 30.0%)

Target: maintain high network quality and low disruption times in spite of the increasingly volatile and decentralised generation capacity on the market
→ Status: minimal downtime in industry comparison (2018: 23.99 minutes; 2017: 38.09 minutes – Austrian average: 31.47 minutes; previous year: 53.22 minutes)

For information on electricity disruptions, also see page 35

Environmental and climate protection

Target: expansion of wind power capacity to 500 MW over the medium term
→ Status: installed capacity of 367 MW as of 30 September 2019 (previous year: 318 MW)

Target: increase in renewable generation to 50% of total electricity production
→ Status: 41.4% of energy generation from renewable sources in 2018/19 (previous year: 40.0%)

Target: end of hard coal-fired operations at the thermal power plant in Dürnrohr by 2025
→ Status: earlier termination of hard coal-fired electricity generation in August 2019

Responsible management

Target: increase the share of women in the company (to reflect the current educational levels of women in the applicable professional groups)
→ Status: 23.0% share of women in the company during 2018/19 (previous year: 23.1%)

Target: continuous reduction of the Lost Time Injury Frequency Index (LTIF); attainment of a very good level in industry comparison
→ Status: LTIF in 2018/19: 4.3 (previous year: 4.8)

EVN has defined the following project targets and implemented the following measures, among others, to meet these corporate goals:

Project target	Measures	Milestone Deadline	Status as of 30 September 2019	Sustainable Development Goals (SDG)
Supply security				
→ Supply security for customers in electricity, natural gas, heat and water → Protection of supply security during system conversion to renewable energy	→ Investments in network expansion to integrate renewable generation → Expansion and new construction of cross-regional drinking water networks → Integration of additional decentralised generation capacity for network stabilisation	Continuity in investment strategy – continuation of investment offensive for network infrastructure Expansion of cross-regional drinking water networks – investments of EUR 165m; roughly 300 km of additional transport pipelines (by 2030)	→ Continued strong focus on maximum availability of supplies and services → Start of construction on new transport and connecting lines	→ SDG 6 Clean water and sanitation (6.3) → SDG 7 Affordable and clean energy (7.1, 7.2) → SDG 9 Industry, innovation and infrastructure (9.4)
→ Protection of drinking water quality → Optimisation of quality assurance process	→ Quality improvement through water softening → Use of additional continuous monitoring systems under evaluation	Natural filter plant at the Wienerherberg well field commissioned at end of May 2019	→ Construction of natural filter plants to reduce the water hardness by natural means → Successful start of operations by natural filter plant at the Wienerherberg well field; water supplies for 18 communities → Further development of quality assurance process	→ SDG 6 Clean water and sanitation (6.3) → SDG 14 Life below water
Environmental and climate protection				
Energy efficiency → for the responsible and reasonable use of resources and → in the provision of EVN's products and services	→ Implementation of energy efficiency measures for customers and in the company → Support for customers in efficient energy consumption → Reduction of internal requirements at generation plants → Implementation of energy efficiency measures at EVN buildings	Ongoing continuation of energy efficiency measures in the core business (products and services)	→ Compliance with legal requirements defined by the Austrian Energy Efficiency Act plus additional efforts by EVN and customers → Continuous development of decentralised energy solutions (photovoltaic, storage, energy management) → Further development of the joulie optimisation assistant; easy and affordable access to renewable energy systems; integration in the overall energy system with the optimisation assistant; participation in the energy market through the virtual power plant	→ SDG 7 Affordable and clean energy (7.3) → SDG 12 Responsible consumption and production (12.2)
Improvement in EVN's environmental performance	→ Institutionalised environmental management and controlling → EMAS for heating and electricity generation plants	Annual environmental programmes with improvement measures	Environmental programme 2018/19 completed	→ SDG 3 Ensure healthy lives and promote wellbeing for all at all ages (3.9) → SDG 7 Affordable and clean energy (7.3) → SDG 13 Climate action → SDG 15 Life on land (15.5)

Project target	Measures	Milestone Deadline	Status as of 30 September 2019	Sustainable Development Goals (SDG)
→ System-wide development towards decentralised renewable generation → Supplemented by controllable central and decentral energy storage	→ Investments in renewable energy as key measures for climate protection → Increase electricity storage and solution flexibility → Develop and test innovative storage solutions → Hydrogen research programme	Ongoing	→ 367 MW installed wind power capacity and 307 MW installed hydropower capacity → Conversion of existing power plant pool to meet network support requirements → Detailed testing at Prottes large battery storage facility (e. g. offline simulation of operating modes, simulation of multi-modal operations, characterisation of battery cells, laboratory testing of converter unit, hardware-in-the-loop, tests of various operating modes parallel to field trials); black start capability and multi-modal operations of the storage battery confirmed → Power-to-gas/wind-to-hydrogen project completed → Storage expansion programme at RAG supported by FFG-subsidised research project "Underground Sun Conversion"; subsidised as part of the energy research programme by the Austrian Climate and Energy Fund; commissioning of "Underground Sun" research facility at the end of October 2018 → Power-to-heat plant in Theiss in operation → Decentralised energy solutions for customers (photovoltaic, storage, energy management) included in offering; market introduction of joulie (sales instrument that permits the simple configuration of photovoltaic equipment with fast price calculations; joulie supports the increase in own consumption and helps to improve savings by optimising the power-on time of electrical equipment; joulie visualises consumption and electricity production)	→ SDG 7 Affordable and clean energy (7.1, 7.2) → SDG 9 Industry, innovation and infrastructure (9.4) → SDG 12 Responsible consumption and production
Further development of sustainability initiatives in South East Europe	→ Investments in electricity networks and meters → Reduction of network losses → Further development of environmental and nature protection (waste management and bird protection) → Activities to increase customers' energy efficiency and technical understanding	Ongoing	→ Focus on investments in network-relevant infrastructure → Cooperation with public authorities, NGOs and customers on environmental protection and the improvement of energy efficiency	→ SDG 7 Affordable and clean energy (7.3) → SDG 9 Industry, innovation and infrastructure (9.1, 9.4) → SDG 12 Responsible consumption and production (12.4, 12.5) → SDG 15 Life on land (15.5)

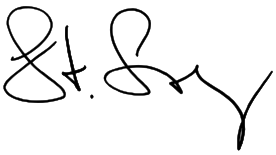
Project target	Measures	Milestone Deadline	Status as of 30 September 2019	Sustainable Development Goals (SDG)
Recycling of by-products and waste products	→ Evaluation of opportunities to utilise biomass ash as a composting additive	Biomass ash can be used as a composting additive when the relevant quality parameters are met	→ Use confirmed by technical review	→ SDG 12 Responsible consumption and production (12.5)
Reduction of environmentally relevant chemicals	→ Preparation of general list of operating materials for assessment and selection of products	Completion of a reverse osmosis plant at the end of 2018	Reverse osmosis plant in operation since September 2018 as replacement for water purification; reduction in materials required for water purification (sodium hydroxide and hydrochloric acid)	→ SDG 12 Responsible consumption and production (12.4)
Reduction of pollutants in wastewater	→ Construction of a pilot plant by evn wasser for nitrogen removal	Project runs up to the end of 2019; further nitrogen removal; reduction of space and energy requirements	Development of a biofilm process for the further microbiological cleaning of nitrogenous water (for ground water and as a downstream biology step for municipal wastewater)	→ SDG 6 Clean water and sanitation (6.3)
Responsible management				
→ Increase the share of women in the company → Increase the interest of women for technical professions	→ Create attractive working times for men and women; increase flexibility of working hours and locations → Support for training measures specifically directed to women and for the development of networks with other successful women from external areas → Stronger presence at relevant educational and training trade fairs to increase the overall percentage of women in technical professions → Targeted opinion-building in management circles	Ongoing	→ Share of women in recruiting currently exceeds the percentage of women in the Group → Above-average participation of women in human resources development programmes	→ SDG 5 Gender equality (5.5)
Protect the company's future viability, with a focus on results-oriented work and employee satisfaction	→ Continuous development of the corporate organisation to adapt to the steadily changing working world → Support for mobility and decentralised work, among others through investments in state-of-the-art mobile end user devices → Process support for employees and regular exchange of experience to optimise the working world with external and internal stakeholders	Ongoing implementation	Very advanced in EVN's external organisation, gradual implementation in the headquarters	→ SDG 8 Decent work and economic growth (8.2)

Project target	Measures	Milestone Deadline	Status as of 30 September 2019	Sustainable Development Goals (SDG)
Sustainable increase in corporate value				
Further development of business model to include digitalisation	→ Increased focus on electricity network controls → Digital interaction with customers → Protection of critical infrastructure → Provision of innovative energy services → Activities in research and technology development	Ongoing	→ Gradual introduction of automated controls for internal and external assets → Further development of joulie optimisation assistant → Research project in Echsenbach as next step after field trials in Seitenstetten up to the end of March 2019; testing of an all-electricity scenario to protect future optimal supply security with simultaneous system expansion towards renewable generation; technology test programme started	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure
Support for expansion of alternative drive systems in mobility	→ Development of an extensive charging infrastructure for customers → Creation of a platform for the customer-friendly charging of e-vehicles throughout Austria → Gradual conversion of EVN motor vehicle pool to alternative drive vehicles	→ Ongoing expansion of charging network → Gradual conversion to e-cars by EVN planned (beginning in 2018; e-vehicles to comprise 20% of the car fleet by 2022)	→ Currently 3,500 loading stations are available to all users of an EVN fuel card throughout Austria → Further development of EVN's e-mobility app "Autoladen" → Platform operational since March 2017 → 38 e-vehicles in EVN's motor pool; 25 additional e-cars planned for 2019/20 financial year	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure (9.4) → SDG 11 Sustainable cities and communities
Supply chain responsibility				
Focus of all EVN procurement processes on sustainability	→ Revision of integrity clause for suppliers → Systematic application of a self-declaration form for all bidders in tenders → Analysis and classification of relevance of sustainability aspects in procurement processes and development of target-oriented measures	Extension to all relevant procurement processes by 2019	→ Survey of measures completed for the procurement of construction and waste disposal services → Self-declaration form in use	→ SDG 8 Decent work and economic growth
Stakeholder involvement				
Updating of EVN's stakeholder dialogue on sustainability	→ Further development of current stakeholder dialogue for the external evaluation of EVN's areas of activity	External evaluation of areas of activity every three years	Revision of stakeholder dialogue concept started	→ SDG 17 Partnerships for the goals

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.

Maria Enzersdorf, 18 November 2019

EVN AG
The Executive Board



Stefan Szyszkowitz
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

Independent assurance report on the non-financial reporting 2018/19

We have performed an independent limited assurance engagement on the consolidated non-financial report as well as the sustainability disclosures and indicators in the "Full Report" (the "NFI reporting") for the financial year 2018/19 of

EVN AG
("the Company").

Management's responsibility

The legal representatives are responsible for the proper preparation of the NFI reporting in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) as well as the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option "Core") as reporting criteria and publishes the NFI report in the Full Report 2018/19.

The responsibility of the legal representatives of the company includes the selection and application of reasonable methods for non-financial reporting (especially the selection of material topics) as well as the use of assumptions and estimates for individual non-financial disclosures that are reasonable under the circumstances. Furthermore, the responsibility includes the design, implementation and maintenance of systems, processes and internal controls relevant for the preparation of the sustainability reporting in a way that is free of – intended or unintended – material misstatements.

Auditors' responsibility and scope of the engagement

Our responsibility is to state whether, based on our procedures performed, anything has come to our attention that causes us to believe that the NFI reporting of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option "Core") in all material respects.

Clarification on the assurance scope due to the integrated NFI reporting in the Full Report: Our assurance included the following area of the Full Report:

- NFI disclosures and indicators referred to the GRI content index in the "Full Report 2018/19".

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. This standard requires us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance, thus providing reduced assurance. In spite of conscientious planning and execution of the engagement it cannot be ruled out that material mistakes, unlawful acts or irregularities within the non-financial reporting will remain undetected.

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

- Inquiries of personnel on corporate level responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of the Company;
- Conduct of a media analysis on relevant information concerning the sustainability performance of the Company in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the disclosures on environmental, social and employees matters, respect for human rights and anti-corruption and bribery, including the consolidation of the data;
- Inquiries of personnel on corporate level responsible for providing and consolidating and for carrying out internal control procedures concerning the disclosures on concepts, risks, due diligence processes, results and performance indicators;

- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of local data collection, validation and reporting processes as well as reliability of the reported data on the basis of sample testing on the site in Bulgaria (Povdiv);
- Analytical evaluation of the data and trend explanations of quantitative disclosures, submitted by all sites for consolidation at corporate level;
- Evaluation of the consistency of the for the Company applicable requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and of the GRI Standards (Option "Core") with disclosures and indicators in the NFI reporting;
- Evaluation of the overall presentation of the disclosures by critical reading of the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying illegal acts such as fraud, nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to review future-related disclosures, figures from previous periods and statements from external information sources and expert opinions. Disclosures which were audited within the scope of the Annual Financial Statement were assessed for correct presentation (no substantial testing).

This assurance report is issued based on the assurance agreement concluded with the Company. Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions. The respective latest version of the AAB is accessible at http://www.kpmg.at/aab.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFI reporting of the Company is not in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) ant the GRI Standards (option "Core") in all material respects.

Vienna, 18 November 2019

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft signed by:

Rainer Hassler
Wirtschaftsprüfer (Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.