HIGHLIGHTS 2019/20

Revenue
EUR 2,107.5m

EBIT
EUR 273.1m

Group net result
EUR 199.8m

Dividend proposal
EUR 0.49 per share

CONTENTS

MAKE A CONTRIBUTION – EVERY DAY

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 high standards of the UN Global Compact and presents our progress in the related areas. The following corporate departments were responsible for the collection and calculation of data in accordance with national and international standards and with the guidelines for financial and sustainability reporting: accounting, controlling and human resources management as well as the staff department for innovation, sustainability and environmental protection. The consolidated financial statements were prepared in accordance with § 245a of the Austrian Commercial Code based on the requirements of the 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 (GRI), which were applied as completely as possible. This full report for 2019/20 meets the requirements of the Global Reporting Initiative, 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.

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 2019/20 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, as well as in line with the following principles:

- → **Inclusion of stakeholders:** The reporting content is based on legal requirements and the information needs of our stakeholders, which were identified through a stakeholder survey in 2020. 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 17

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 2019/20 financial year.

The auditors' report can be found on page 252ff
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 115ff

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.

The introduction of a software tool in 2019/20 to support non-financial reporting led to a further improvement in data quality – above all, regarding the environment and climate. The related prior year data were adjusted accordingly.

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 16 November 2020.

For information on the GRI content index, see page 258ff
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 14 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)

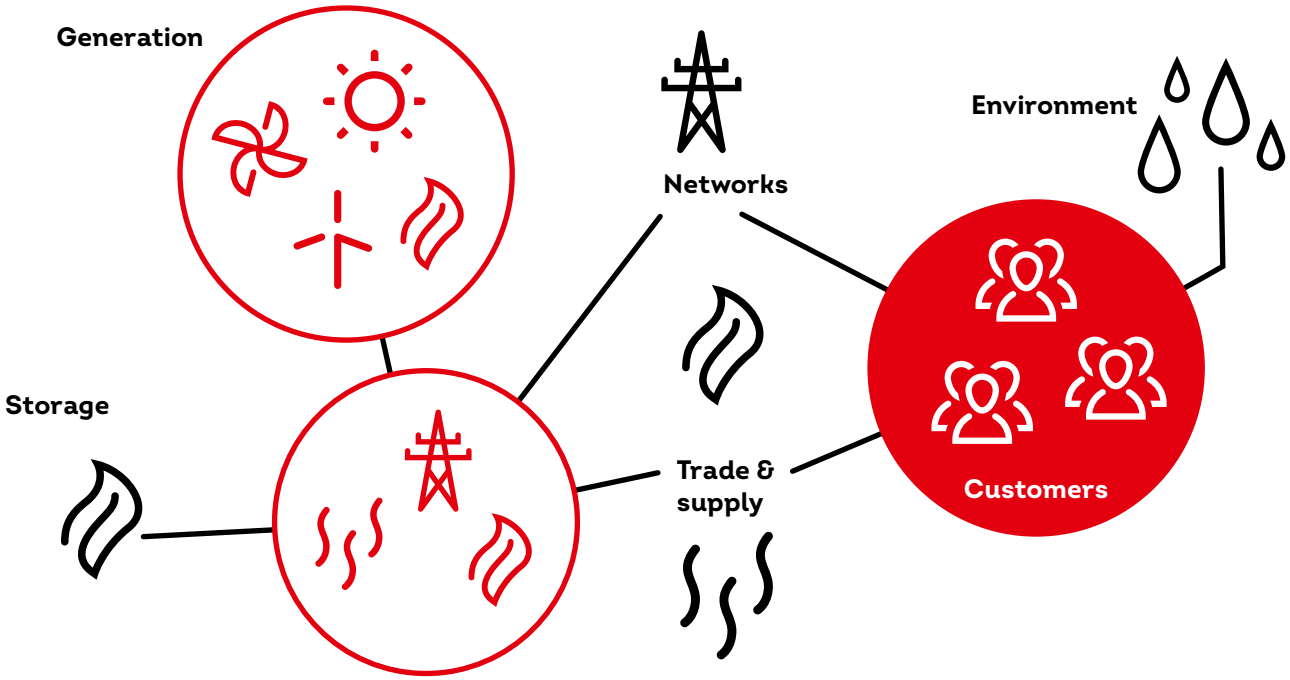
ENVIRONMENTAL SERVICES BUSINESS

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

BULGARIA

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

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

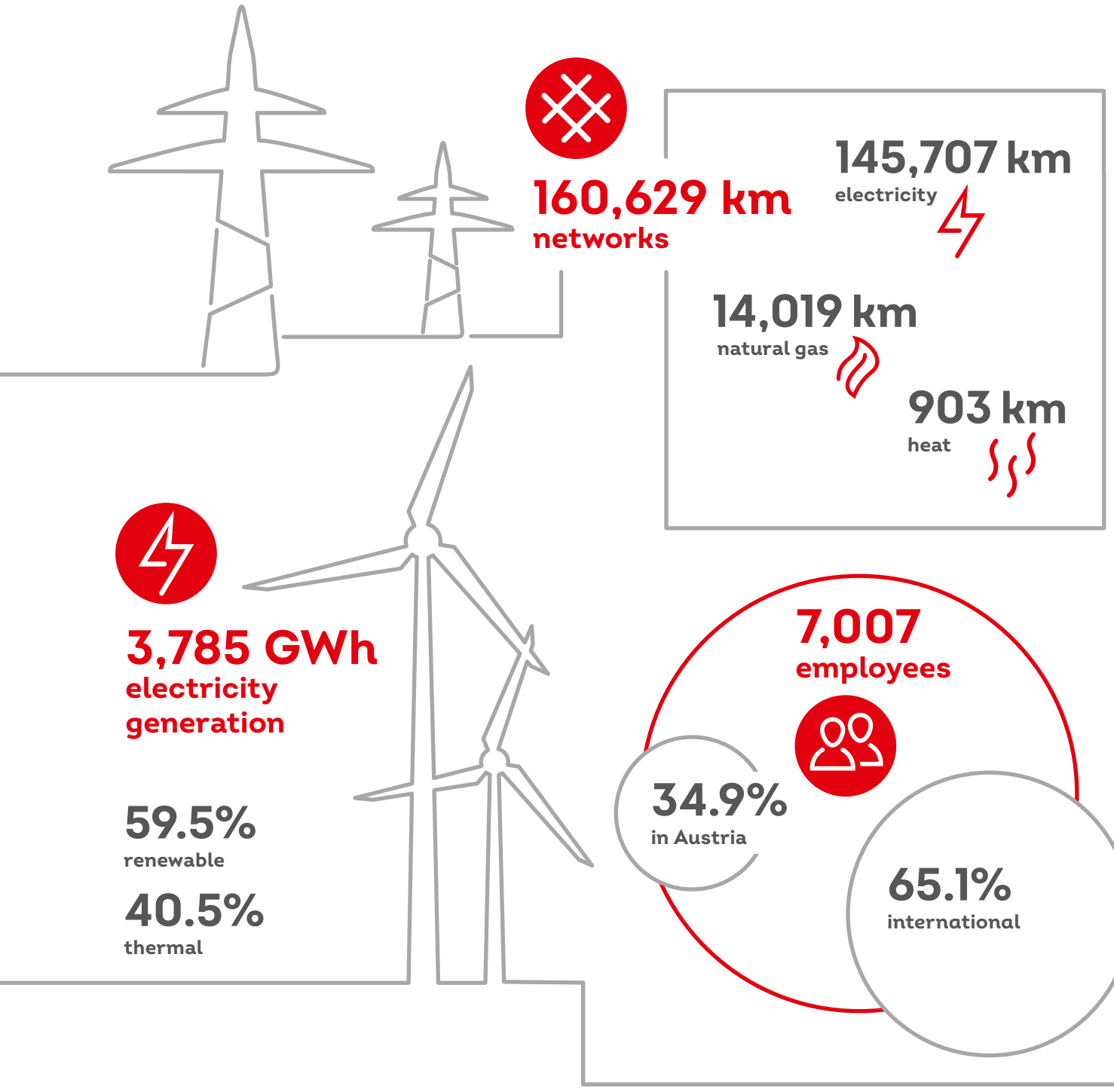
- → **Generation:** electricity

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

KEY DATA AT A GLANCE



160,629 km
networks

145,707 km
electricity

14,019 km
natural gas

903 km
heat

3,785 GWh
electricity generation

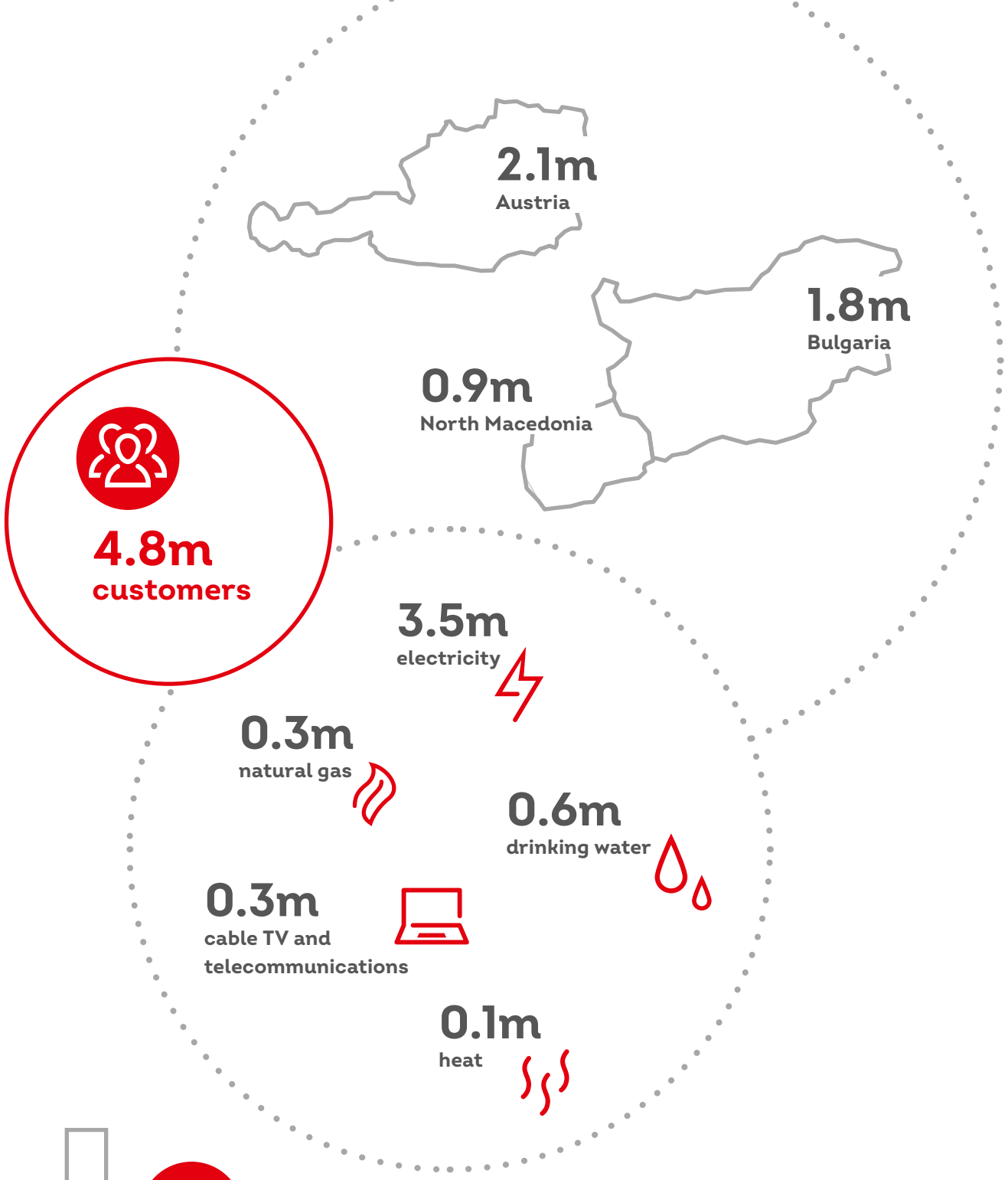
59.5%
renewable

40.5%
thermal

7,007
employees

34.9%
in Austria

65.1%
international



82%
EBITDA from regulated and stable activities

59%
in Austria

23%
in South East Europe

MORE SUSTAINABLE, MORE DIGITAL, MORE EFFICIENT

Stefan Szyszkowitz
and Franz Mittermayer
EVN Executive Board

» We want to make real contributions in all our markets in the interests of our stakeholders.

Our corporate values and comprehensive sustainability principles give us the tools to do this. «

Stefan Szyszkowitz,
spokesman of the Executive Board

A very unusual year with Covid-19 as the dominating theme will soon be ending. How has EVN been doing so far with the corona pandemic?

Stefan Szyszkowitz: In line with our responsibility as a critical infrastructure provider, EVN has prepared workable emergency plans for various crisis situations. For example: As early as 2009, we issued a Group guideline to deal with pandemics. Of course, we also hold training exercises on a regular basis so we can act quickly and professionally in case of an emergency. Our crisis plans have proven to be highly effective ever since the beginning of the corona pandemic, and supply security was guaranteed 24/7 – also in this extraordinary situation!

Our central goals not only included protecting supply security, but also protection of the health and well-being of our employees and customers. On behalf of management, we want to thank the many men and women whose commitment and flexibility helped us react to these wide-ranging challenges. Supply security was guaranteed at all times and our customers were given the best possible support, but we were also quickly able to turn our attention to other areas and to the many different projects currently in progress.

In addition to all these challenges, you recently completed a process to update your strategy. Why now?

Stefan Szyszkowitz: The last few years have seen an increasingly intensive social and political discourse over climate change. The Paris Climate Agreement, the European Union's Clean Energy Package and the energy and climate goals anchored in the programme announced by Austria's government are only a few examples of the many concrete measures to reach an overriding goal: to slow and reduce global warming. And at EVN, we want to contribute to reaching these goals. Our assessment of the past ten years is positive, but we decided it was time to update our strategy and focus on the years up to 2030. We are extremely pleased that we were able to complete this strategy process during the past weeks despite the restrictions caused by Covid-19.

What perspectives are created by EVN's Strategy 2030?

Franz Mittermayer: Investments in energy supply and environmental services have, by nature, a very long-term horizon. In order to achieve sustainable, value-increasing growth in these business areas, we must plan for the long term – and, if at all possible, look very far ahead. We need to analyse the longer term trends and draw the right conclusions – that is the only way to correctly identify opportunities, select the options that are attractive for EVN and set the right course for the future. When we take a ten-year planning horizon, it's clear that we need to work with assumptions and scenarios. In the end, it's important to set realistic

interim goals and regularly review the underlying parameters. That helps us to fine-tune our core strategies and adjust them, if necessary, to deal with the changes in our operating environment. The willingness to change and move forward has always been one of EVN's key strengths!

Let's take a look into the future – where do you see EVN?

Stefan Szyszkowitz: EVN will become more sustainable, more digital and more efficient! Our fundamental strengths and inherent character will be retained, but also move in step with the times. We will continue to operate in our stable regulated business areas with a maximum of efficiency and, of course, profitability. However, we are also concentrating on sustainable growth and performance improvements. Here, we plan to introduce a variety of measures – and I now want to emphasise three main changes: First, a substantial increase in our renewable generation capacity from wind power and photovoltaics. That will allow us to reduce the specific CO_2 emissions from our electricity generation 50% below the 2005 level by 2030.

Our second strategic goal is to more effectively utilise the opportunities created by digitalisation. In this connection, we want to make all customer-related processes easier, faster and more efficient over the coming years through the use of smart applications and software: keyword "digital quality sales". In this way, we plan to improve our competitive ability and remain an attractive partner for our customers.

The third major change that we intend to dynamically pursue involves our positioning as an innovative provider of solutions to support the circular economy in our business areas – and also make a proactive contribution to a future-oriented project by the European Union.

The pent-up demand for supply security and critical infrastructure has reached historic proportions, especially in the new EU countries. We therefore expect to use our experience and know-how to contribute to and participate in the catch-up process in the markets where we are active.

How do you plan to realise this future vision?

Franz Mittermayer: Let me give you a few concrete examples: One key point for the expansion of our renewable generation capacity is to extend the radius of our operations over the coming years from the previous concentration on wind power in Lower Austria to wind power and, increasingly, also to photovoltaic plants outside Lower Austria.

In view of the substantial expansion of renewable generation that will be needed to meet Austria's climate targets, investments in the networks will represent another central anchor point. The creation of additional wind power and photovoltaic capacity will also require the extensive expansion and adaptation of our network infrastructure to guarantee the feed-in and transport of the growing CO_2-free volumes of electricity. And we intend to meet this important responsibility, which goes hand in hand with our commitment to supply security.

And what about environmental services?

Franz Mittermayer: Here I see interesting opportunities, on the one hand, in the area of drinking water supplies. "Energy. Water. Life." makes it clear that our activities as a supplier of public services mean responsibility for energy and, increasingly, also for water. This notion is important for our strategy in two respects: In Lower Austria, we see it as an obligation in the sense of supply security to make sure water can always be distributed throughout the entire region. Water will be available in sufficient quantities in our province over the long-term, but it is not distributed evenly. We are working to counter this with concrete expansion plans, for example the construction of a 60 km transport pipeline from Krems to Zwettl. This project will support the development of a cross-regional circular pipeline in Austria's Waldviertel.

On the other hand, the previously mentioned keyword "circular economy" has opened up a new and very attractive business area over the past two years. It involves taking our solution expertise in wastewater treatment one – logical – step further: With our German subsidiary WTE Wassertechnik, we can rely on the know-how from more than 100 projects in the wastewater treatment area. Our Group also has proven experience in thermal waste utilisation, in part from our own plant in Lower Austria. The next step was obvious: to extend our activities and, as a general contractor, design and construct plants for the thermal utilisation of sewage sludge. We are particularly pleased over the acquisition of three major projects in Germany during the past financial year, namely in Berlin, Hanover and Straubing. We see further opportunities for growth in this form of sustainable wastewater management over the near term, especially in Germany. And we also plan to build and operate a thermal sewage sludge utilisation plant at our own Dürnrohr energy location in Lower Austria.

EVN recorded another success in the international project business during 2019/20, namely the contract for a major project in Kuwait.

Franz Mittermayer: That was, in fact, a major achievement because we have been working intensively to acquire this project for several years. To be specific, the Umm Al Hayman project involves the planning and construction of a wastewater treatment plant and – together with partners – a 450 km sewage network with pumping stations. Infrastructure projects of this size have a very long lead time for all participants. The long-awaited date finally arrived this past summer: After the contract was awarded to our consortium

in January 2020, all requirements for the project start were ultimately completed at the end of July. An interesting fact – apart from the signal effect as a reference project – is the long-term perspective because we will be responsible for plant operations for 25 years. And this project also meets an important criterion for the circular economy because the treated wastewater will be used to irrigate agricultural land in Kuwait.

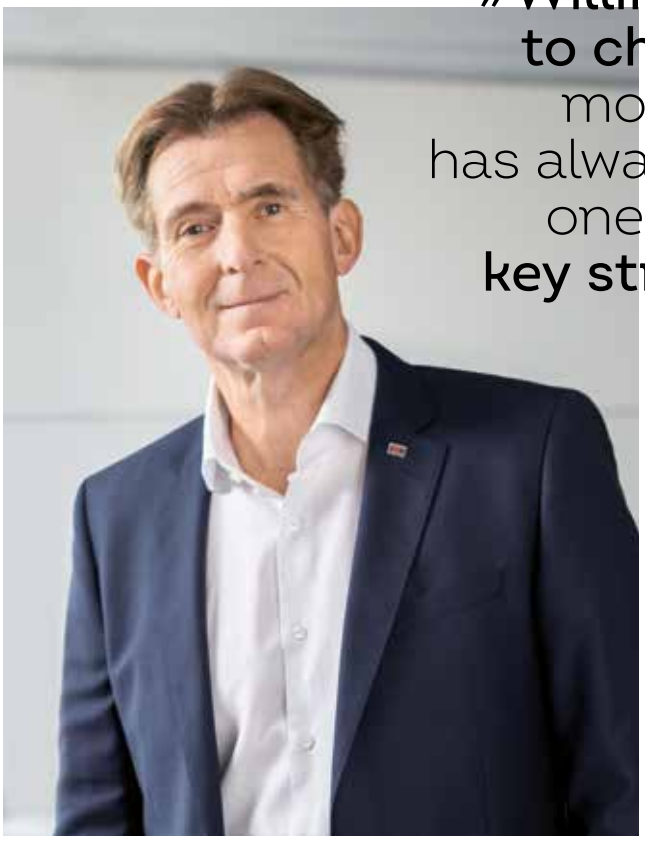
And what expectations can shareholders have for EVN in the future?

Stefan Szyszkowitz: Our Strategy 2030 has a clear message for the capital market: The core of EVN's inherent character will not change. Our shareholders can rely on the fact that we will continue to generate the major share of our earnings through regulated and stable activities because these cash flows form the basis for our ambitious investment plans – and also for our dividends.

Our investments will increase up to EUR 450m annually over the coming years, with roughly three-fourths of this amount directed to Lower Austria. There the focus will also be placed on renewable generation, the networks and drinking water supplies in the future. With this ambitious programme, we intend to meet the high demands on a reliable infrastructure.

Our solid financial policy will not change at all under the Strategy 2030 because we want to retain EVN's good external credit rating in the future. Ratings in the solid A range remain our goal, and the necessary relation between earning power and stable net debt will therefore represent a benchmark for the realisation of our strategic goals.

We plan to ask the Annual General Meeting to approve an ordinary dividend of EUR 0.49 per share for the 2019/20 financial year. That represents a year-on-year increase of EUR 0.02 per share and sends a clear signal that the EVN share remains a reliable and stable investment despite the challenges created by the Covid-19 pandemic. 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.



» **Willingness to change** and move forward has always been one of **EVN's key strengths.** «

Franz Mittermayer,
member of the Executive Board

SUSTAINABLE INCREASE IN CORPORATE VALUE

A clear set of values, with areas of activity which we regularly review and prioritise together with our stakeholders, forms the basis for all our activities as an energy company and environmental services provider. This value structure determines the principles and rules for our interaction with our employees, suppliers and business partners – as well as our corporate strategy.

EVN's value structure includes fundamental statements on our vision, mission and corporate values as well as binding Group-wide standards for behaviour and actions. As a member of the UN Global Compact, we are expressly committed to compliance with the global principles of ethical business activities.

Our strong sense of responsibility for our daily supply and disposal activities is reflected in strict standards for our business and the management of our Group. Compliance with ethical values and all applicable legal requirements is a matter of course.

WHAT WE MEAN BY "SUSTAINABILITY"

At EVN, we use the comprehensive term "sustainability" when we refer to ethical, social and environment-related aspects as a whole and in connection with our economic activities. That makes sustainability one of the central principles 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.

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 continued 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 climate and the environment, in particular, by minimising emissions, conserving resources and increasing the use of renewable energy carriers. A decisive role in this process is played by continuous innovation and efficiency improvements.

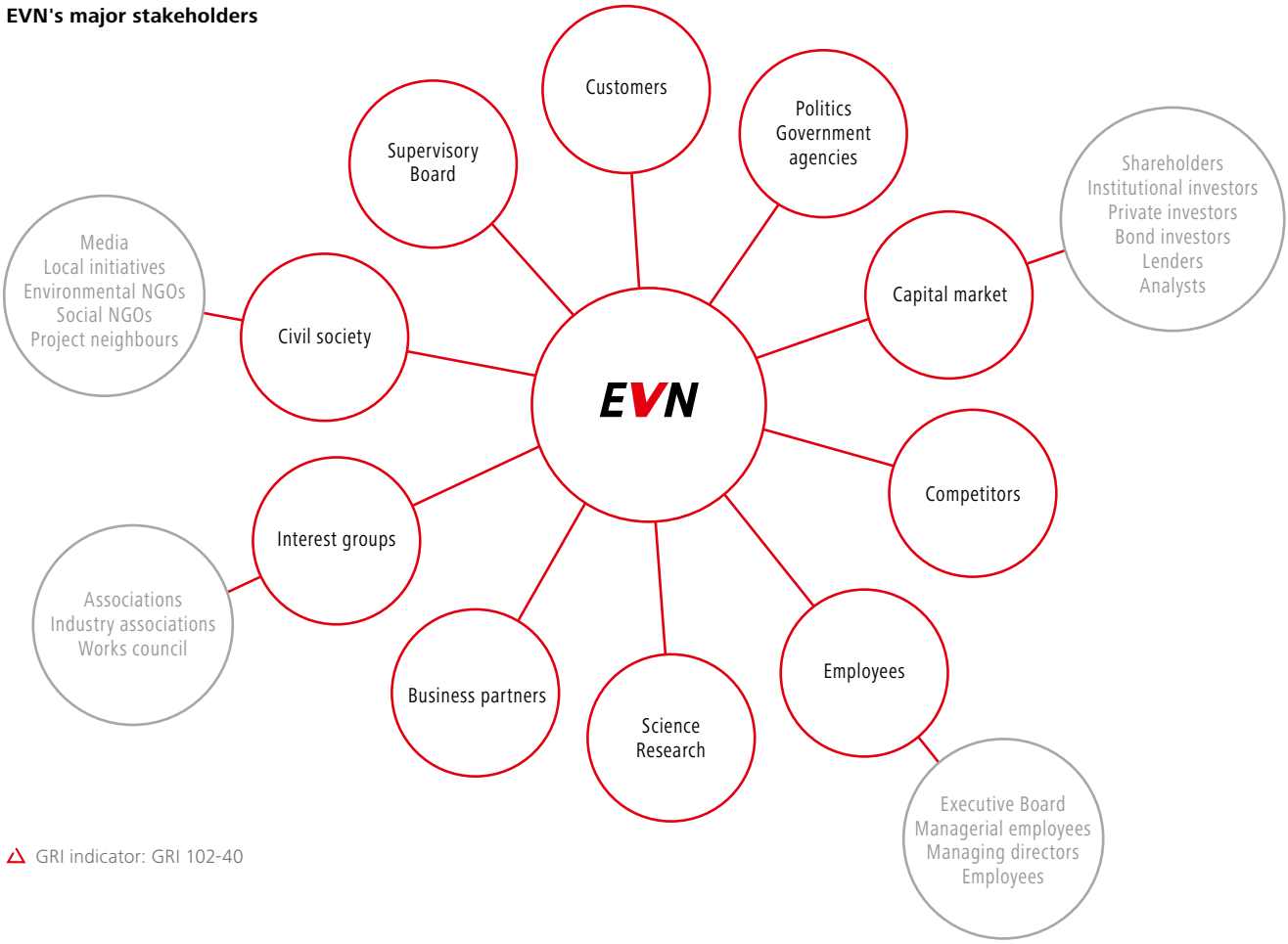
Our value system is rounded off by a clear commitment to social responsibility.

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

Protection of our stakeholders' interests

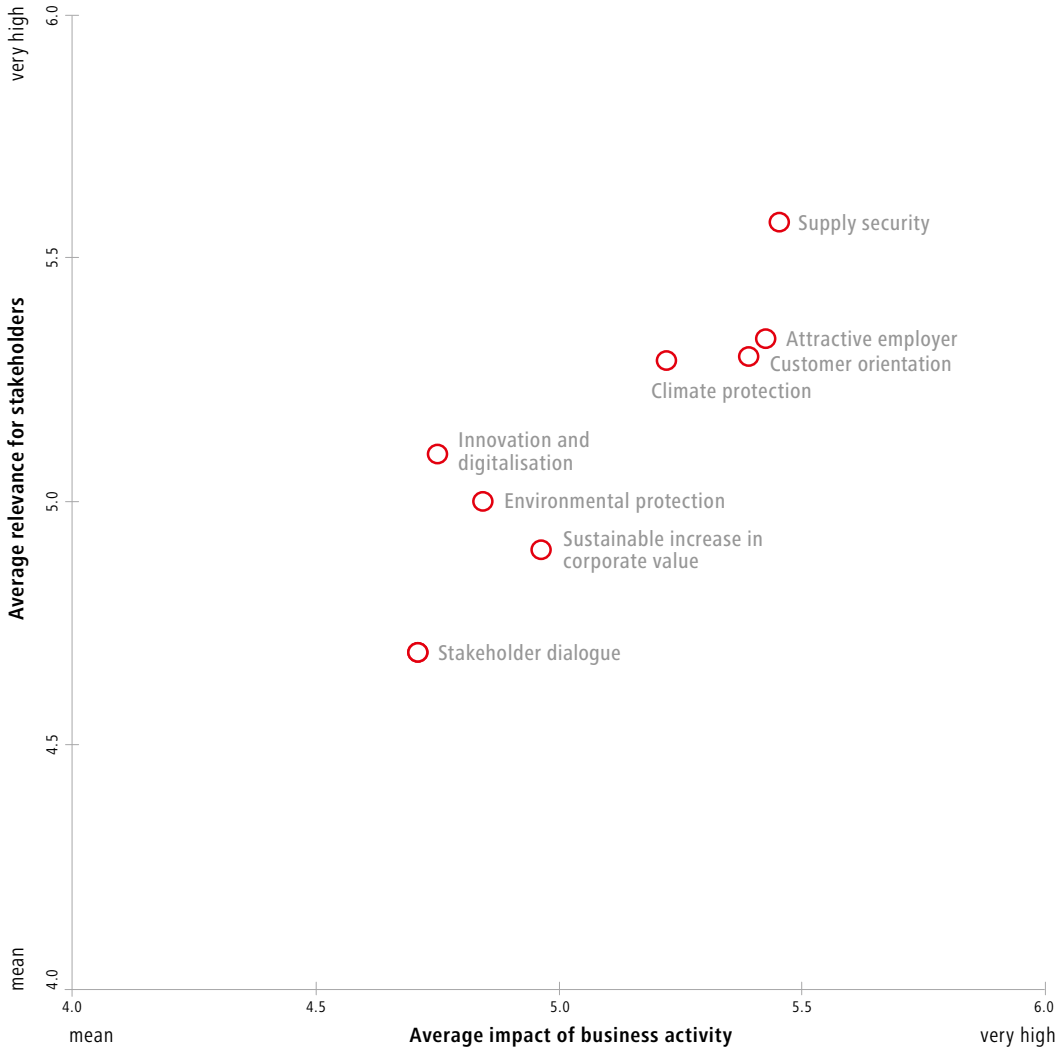
The concerns and priorities of our internal and external stakeholders provide valuable guidance for our strategic orientation. Apart from the event-driven contacts which regularly take place at different levels in connection with our business activities, we place great importance on an institutionalised dialogue with our various stakeholder groups on strategic issues. The updating of our materiality matrix represents the core of our stakeholder management in the area of sustainability.

EVN's major stakeholders



GRI indicator: GRI 102-40

EVN materiality matrix 2019/20



UPDATE TO THE MATERIALITY MATRIX IN 2020

The EVN materiality matrix was updated in 2019/20 in line with the planned three-year cycle based on a representative survey of our internal and external stakeholder groups. The relevance of these groups for our company was reviewed in advance. Individual adjustments were also made to the distribution of content and descriptions of the areas of activity.

The goal of this structured survey process was to focus on the issues which have the highest priority for our stakeholders and represent the greatest economic, ecological and/or social impact of our business activity. Our corporate strategy thereby always reflects the latest ecological and social developments and is strongly geared to the Sustainable Development Goals (SDGs) defined by the United Nations. The major issues and areas of activity, which also represent a focal point of our reporting, are those on the materiality matrix that have a high to very high relevance for EVN.

Since the stakeholder survey in spring 2020 was influenced by the corona pandemic, we have already scheduled another survey for spring 2021 to validate the results.

For information on the SDGs and the respective sub-targets, also see https://sustainable-development.un.org/sdgs

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

Following is an overview of the areas of activity which were modified in connection with the stakeholder survey 2020:

Area of activity	Description
Sustainable increase in corporate value	… stands for entrepreneurial actions which, in connection with strategic decisions, are intended to maintain a balance between value-oriented investments and an attractive return for our shareholders. Ethical and legally compliant behaviour by our employees is a matter of course. The anchoring of social and ecological aspects in procurement as well as in the awarding of contracts and compliance with human rights by our suppliers and business partners represent further focal points in this area.
Supply security	… stands for reliable supplies for our customers, also in crisis situations. Uninterrupted supplies of the required energy and the technical quality of the networks are the key factors in the energy area. We focus on the sustainable expansion of our networks and technical infrastructure and on the reliable supply of and increase in the quality of drinking water.
Customer orientation	… stands for products and services that are transparent and meet individual needs, for high service quality, for target group-oriented communications and for support for our customers in the efficient and safe use of energy. The protection of personal data also has high priority.
Attractive employer	... stands for our claim to be a responsible, fair and crisis-resistant employer. We support diversity and equal opportunity, are committed to employee training and to offering a wide range of responsibilities in a modern working world. That allows us to pursue targeted and efficient human resources development in a continuously changing working environment – and all this within the context of comprehensive occupational safety and health protection.
Climate protection	…stands for the step-by-step system conversion towards climate-neutral generation while, at the same time, protecting supply security. Efficiency improvements and innovation initiatives – also to reduce greenhouse gas emissions – make an important contribution in all areas.
Environmental protection	… stands for minimising the environmental impact of our activities, for the responsible use of resources, e. g. materials and water, for the protection of flora and fauna and for conservation of the natural habitats of the animals and plants in the areas surrounding our plants and proj-ects. Environmentally compatible waste management represents another focal point. Full compliance with environmental regulations and requirements in all our activities is a matter of course.
Innovation and digitalisation	… stand for the future-oriented development of our business model, among others with a focus on continuing adjustments to keep pace with our constantly changing environment through targeted innovations and digitalisation.
Stakeholder dialogue	… stands for the acceptance of responsibility towards EVN's various interest groups through wide-ranging social and cultural initiatives, also outside our core operating business. The key element is a proactive dialogue with our stakeholder groups and the responsible handling of their concerns, e. g. through the involvement of neighbouring residents in the expansion and operation of our plants. Our social commitment is also reflected in the transfer of knowledge to children and young people and in the improvement of the quality of life for people in challenging situations, e. g. through measures to combat energy poverty.

FOCUSED STRATEGY

In 2019/20 we updated our strategy in a Group-wide process. The starting point was formed by a detailed analysis of the current market environment and the significant changes which will accompany us over the coming years.

Our routine monitoring at all levels and from different viewpoints of the framework conditions relevant for EVN's activities proved to be extremely productive. The external environment ranges from political climate and energy targets (e. g. Paris Climate Agreement), economic and energy policy factors to the changing legal and regulatory framework conditions.

We also base our strategy on key international frameworks that are directed to global improvements at the economic, social and ecological levels, like the Sustainable Development Goals of the United Nations (SDGs).

The market analysis carried out in 2019/20 also dealt with the inputs and interests of EVN's stakeholders. Our materiality matrix creates an important, institutionalised alignment with our stakeholders' interests and assessments by identifying and prioritising our key areas of activity and sustainability issues. That helps us to focus on the issues that have the highest priority for our stakeholders as well as the greatest economic, ecological and social impact.

The determining factor changing our industry – which is, in turn, a central factor for our strategy process – is the European and Austrian climate and energy policy. This policy is increasingly searching for concepts and solutions to bring about the transition to a functioning CO_2-free energy system as quickly as possible. This changeover is driven by social and political efforts to minimise branch specific climate effects faster and even more clearly.

The consequences of these developments influence the framework conditions for the further expansion of generation from renewable sources as well as the price trends for CO_2 emission certificates and energy. We also see radical changes in our markets, above all, through the rapid spread of digitalisation.

The development of many key market and environmental factors is connected with uncertainty. Our strategy process therefore included sensitivity and scenario analyses to support reliable conclusions for the identification of concrete measures.

Cornerstones of the Strategy 2030

The knowledge gained from the strategy process, which was discussed in detail during management and Supervisory Board conferences, was condensed into two cornerstones: sustainable growth and performance improvement. Based on these strategic directions and on the core strategies described on the following pages, concrete measures will be developed in 2020/21. Our motto is: "More sustainable. More digital. More efficient."

For information on the energy policy environment, see page 130

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

OUR CORE STRATEGIES 2030

Integrated business model as a solid basis

Sector environment and trends

Climate and energy policies are driving the rapid transformation towards a CO_2-neutral energy system

Initiatives to combat climate change lead to massive changes in the international energy markets

Our strategy

Diversification along the entire value chain with a clear focus on climate neutrality, circular economy, digitalisation and drinking water supplies

Commitment to efficiency improvements in all business areas

Stable and regulated activities form a solid backbone

This strategy element applies to the following areas of activity:

Environmental protection; climate protection; innovation and digitalisation; sustainable increase in corporate value

Investment focus on network infrastructure

Sector environment and trends

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

Our strategy

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

Focus on supply security and quality

Supply security; climate protection; sustainable increase in corporate value

Reduction by half in specific CO_2 emissions from our electricity generation

Sector environment and trends

Global targets for the reduction of greenhouse gas emissions

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

Our strategy

Contribution to climate protection through reduction by one-half in specific CO_2 emissions per generated kWh based on further massive expansion of renewable generation in Lower Austria by 2030 (versus 2005)

Focus on wind power and photovoltaic

Climate protection; sustainable increase in corporate value

Strengthening of end customer business through steady digitalisation

Sector environment and trends

Increasing competition in the end customer market

Rising demand for digitalisation and smart technologies

Our strategy

Digitalisation of sales processes

Further development of business models and energy services through digitalisation

Innovation and digitalisation; customer orientation; sustainable increase in corporate value

Growth and efficiency improvement in South East Europe

Sector environment and trends

High growth potential for renewable generation (strong wind and solar power)

Continued high demand for efficiency improvements in network operations

Progressive liberalisation as challenge for energy distribution

Our strategy

Growth through realisation of new wind power and photovoltaic projects

Commitment to supply security and quality

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

Efficiency improvements in the operating business

Supply security; climate protection; customer orientation; sustainable increase in corporate value

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; environmental protection; customer orientation; sustainable increase in corporate value

Focus on concepts to support a circular economy

Sector environment and trends

Ban on spreading of sewage sludge and stricter EU requirements for the separation and recycling of household waste (e. g. plastic)

Our strategy

Concepts and projects for the thermal utilisation of sewage sludge and waste (focus on Austria and Germany)

Environmental protection; climate protection; 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

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

Sustainable increase in corporate value; environmental protection

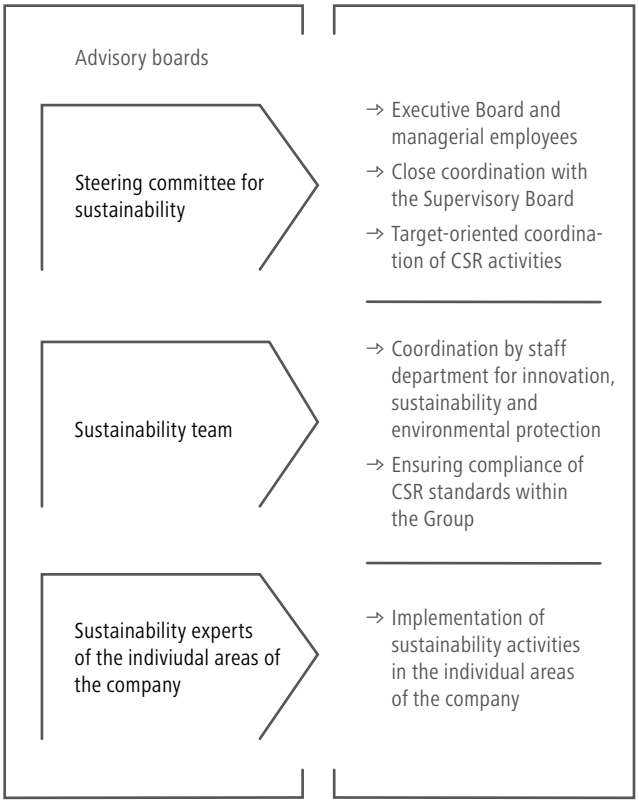
EFFICIENT SUSTAINABILITY ORGANISATION

The following diagram illustrates the sustainability 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 sustainability steering committee, which meets four times each year, includes the members of the Executive Board as well as key managers from various areas of the company and members from the intradepartmental sustainability team. 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.

EVN sustainability organisation



Group-wide focus on energy and climate policies

Our sustainability organisation ensures that energy and climate policy issues are addressed according to structured methods at all relevant levels of the EVN Group. Very productive results were created by 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. 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 ensures 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'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 various 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 project-related stakeholder dialogue, see page 102ff
For the EVN Customer Advisory Board, see page 55 and www.evn.at/Customer-Advisory-Board
For the EVN Social Fund, see page 105 and www.evn.at/social-fund
For the Advisory Committee for Environmental and Social Responsibility, see www.evn.at/Environmental-council
For the EVN Art Advisory Board, see www.evn-sammlung.at
GRI indicators: GRI 102-21, GRI 102-44

IMPACT OF OUR BUSINESS ACTIVITY ON SOCIETY, THE ENVIRONMENT AND THE ECONOMY

The process to update our materiality matrix in 2019/20 also involved a survey of the risk-owners in the EVN Group based on the various areas of activity to evaluate the impact of our business on society, the environment and the economy.

This survey was coordinated by our risk management together with the staff department for innovation, sustainability and environmental protection.

The following table summarises the potential impacts identified by the survey. It also provides examples of the instruments and measures we use – in agreement with the EVN Code of Conduct and our overriding behavioural compliance norms – to minimise any negative effects.

Our annual central risk management process provides a further clearly structured and defined method to identify and manage potential risks and their impact. This differentiated approach to risk management 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.

Focus on sustainability and, in particular, climate risks

Sustainability risks are interdisciplinary issues that can be found in all risk categories.

For information on EVN's risk categories, see page 146ff

The risk analysis in 2019/20 focused, in particular, on the identification of climate risks as interdisciplinary material together with their classification as transition or physical risks with assignment to EVN's individual risk categories. Transition risks represent the uncertainties resulting from the transformation towards a renewable energy system. At EVN, these transition risks involve, for example, technology factors or changes in the legal framework. The physical risks relating to global warming cover events and changes triggered directly by the climate. For EVN, these risks include a decline in demand because of the mild winter weather, a reduction in hydropower generation due to less favourable hydrology or damages caused by extreme weather.

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

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

Occupational safety and accident prevention are also important issues in all our business units. We guarantee the required high level of safety, above all, through training and by raising employees' awareness. In addition to legal requirements, we have developed an extensive set of internal

rules, directives and guidelines. All work accidents in the EVN Group are recorded and analysed centrally by the occupational safety department. As shown in the following table under the area of activity "sustainable increase in corporate value", employee-related risks also cover the loss of highly qualified staff 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 144ff
- For additional information on SAIFI and SAIDI, see page 42 and page 45
- For additional information on occupational safety, accident prevention and compliance, see page 67ff and page 28ff
- Details on the ecological impact of EVN's activities can be found on page 76ff
- GRI indicator: GRI 102-15

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

EVN area of activity and definition	Impact assessment (excerpt) "–" = negative; "+" = positive	Management instruments and measures (excerpt)	Sustainable Development Goals (SDGs)
Sustainable increase in corporate value … stands for entrepreneurial actions which, in connection with strategic decisions, are intended to maintain a balance between value-oriented investments and an attractive return for our shareholders. Ethical and legally compliant behaviour by our employees is a matter of course. The anchoring of social and ecological aspects in procurement as well as in the awarding of contracts and compliance with human rights by our suppliers and business partners represent further focal points in this area.	– Risk of a loss in value for equity and debt investors – Compliance violations + Stable development of dividends + Improvement of the infrastructure in countries/regions where projects are in progress or were carried out + Job security + Regional added value through cooperation + Solid capital base eases effects of economic crises + Fair and transparent tenders	→ Goal: balance between investment projects and an attractive return for shareholders → Protection of projects through guarantees → Integrated business model with focus on regulated and stable activities → Goal: ratings in solid A-range → EVN Code of Conduct → EVN values → Corporate compliance management → Compliance training → EVN integrity clause as an integral part of every supplier relationship → Sustainable focus of all EVN procurement procedures → Self-reporting form for all bidders in tenders → Anonymous whistle-blowing procedure → Regular control of compliance with human rights and workers' rights in the supply chain	→ SDG 7 Affordable and clean energy → SDG 8 Decent work and economic growth → SDG 9 Industry, innovation and infrastructure
Supply security … stands for reliable supplies, also in crisis situations. Uninterrupted supplies of the required energy and the technical quality of the networks are the key factors in the energy area. We focus on the sustainable expansion of our networks and technical infrastructure and on the reliable supply of and increase in the quality of drinking water.	– Influence on habitats (people, animals and nature)/negative impact on biodiversity through network expansion, hydropower plants and the construction of wind power plants – Consumption of natural resources – Emissions – Impact of network breakdowns on society and the economy + Increase in the share of renewable energy + Reliable energy supplies for society and the economy + Provision of infrastructure + Provision of high-quality drinking water	→ Certified environmental management systems → Goal: expand wind power to 500 MW by the end of 2023 → Planned photovoltaic expansion in Lower Austria, Bulgaria and North Macedonia → Top priority for supply security and quality → EVN-internal crisis and emergency plans (e. g. flooding, hydropower plants, pandemics) → Extensive monitoring activities (e. g. water quality) → Low network losses and electricity supply interruptions → Ongoing investments to improve network infrastructure and drinking water supplies	→ 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 orientation … stands for products and services that are transparent and meet individual needs, for high service quality, for target group-oriented communications and for support for our customers in the efficient and safe use of energy. The protection of personal data also has high priority.	– Data protection incidents + 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 → Intensive personal customer contacts	→ 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 (SDGs)
Attractive employer ... stands for our claim to be a responsible, fair and crisis-resistant employer. We support diversity and equal opportunity, are committed to employee training and to offering a wide range of responsibilities in a modern working environment. That allows us to pursue targeted and efficient human resources development in a continuously changing working world – and all this within the context of comprehensive occupational safety and health protection.	– Work accidents – Compliance violations + Job creation + Job security + Attractive working environment + Flexible working conditions + Macroeconomic contribution through training and continuing education	→ EVN values → Corporate social partnership → Sustainable human resources development → Principles and guidelines of the International Labour 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	→ 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
Climate protection … stands for the step-by-step system conversion towards climate-neutral generation while, at the same time, protecting supply security. Efficiency improvements and innovation initiatives – also to reduce greenhouse gas emissions – make an important contribution in all areas.	– Greenhouse gas emissions + High standards for supply quality + Efficient and environmentally friendly energy supplies for society and the economy + Contribution to meeting international and national climate targets + Reduction of greenhouse gas-relevant emissions	→ Goal: expand wind power to 500 MW by end of 2023 → Planned photovoltaic expansion in Lower Austria, Bulgaria and North Macedonia → Earlier-than-planned exit from coal at Dürnrohr plant in August 2019 → Reduction by half in specific CO_2 emissions from generation by 2030 (versus 2005) → Focus on efficiency improvements, above all through minimisation of GHG emissions	→ SDG 7 Affordable and clean energy → SDG 11 Sustainable cities and communities → SDG 13 Climate action → SDG 15 Life on land
Environmental protection … stands for minimising the environmental impact of our activities, for the responsible use of resources, e. g. materials and water, for the protection of flora and fauna and for conservation of the natural habitats of the animals and plants in the areas surrounding our plants and projects. Environmentally compatible waste management represents another focal point. Full compliance with environmental regulations and requirements in all our activities is a matter of course.	– Influence on habitats (people, animals and nature)/negative impact on biodiversity through network expansion, hydropower plants and the construction of wind power plants – Consumption of natural resources – Emissions + High environmental standards for supply quality + Efficient and environmentally friendly energy supplies for society and the economy	→ Certified environmental management systems → EVN-internal crisis and emergency plans (e. g. flooding, hydropower plants) → Wide-ranging measures for species conservation, protection of biodiversity and the protection and restoration of natural habitats → Use of state-of-the-art technology → Ongoing modernisation of natural gas pipeline network → Focus on efficiency improvements → Efficient and effective waste management	→ SDG 12 Responsible consumption and production → SDG 15 Life on land

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 (SDGs)
Innovation and digitalisation … stand for the future-oriented development of our business model, among others with a focus on continuing adjustments to keep pace with our constantly changing environment through targeted innovations and digitalisation.	– Lack of customer acceptance for innovative products – Growing risk of cybercrime + Protection of competitive ability + More flexible working conditions for employees + Macroeconomic contribution through innovation initiatives, infrastructure projects and investments	→ Continuous monitoring of innovation processes → Extensive IT security measures → Innovation, research and development activities → Goal: balance between investment projects and attractive return for shareholders	→ SDG 7 Affordable and clean energy → SDG 8 Decent work and economic growth → SDG 9 Industry, innovation and infrastructure → SDG 13 Climate action
Stakeholder dialogue … stands for the acceptance of responsibility towards EVN's various interest groups through wide-ranging social and cultural initiatives, also outside our core operating business. The key element is a proactive dialogue with our stakeholder groups and the responsible handling of their concerns, e. g. through the involvement of neighbouring residents in the expansion and operation of our plants. Our social commitment is also reflected in the transfer of knowledge to children and young people and in the improvement of the quality of life for people in challenging situations, e. g. through measures to combat energy poverty.	– Asymmetric inclusion of various stakeholder groups – Lack of identification with the expectations and requirements of the various stakeholder groups – Adverse effects of air pollution from power plants – Adverse effects of noise from plant construction and operations + Protection of interests of major stakeholder groups + Protection and improvement of the quality of life through reliable energy supplies + Protection of the quality of life through supplies of high-quality drinking water + Support for children and young people in challenging life situations + Improvement in customers' consumption behaviour + Instruction for elementary school-children on the scientific and practical basics of electricity	→ EVN Customer Advisory Board to protect the interests of the different stakeholder groups in a balanced way → Advisory Committee for Environmental and Social Responsibility → Regular stakeholder survey → Proactive stakeholder involvement → Project-related stakeholder communications → EVN materiality matrix as an instrument to reconcile corporate and stakeholder interests → Combatting energy poverty → Support for customers in improving consumption efficiency → Responsibility for art and culture through the evn art collection → EVN Social Fund → EVN School Service → Free school workshops by kabelplus to strengthen young people's digital competence	→ SDG 1 No poverty → SDG 4 Quality education → SDG 10 Reduced inequalities → SDG 12 Responsible consumption and production → SDG 17 Partnerships for the goals

HUMAN RIGHTS, ETHICS AND INTEGRITY

At EVN, we place particular importance on ethical and legally compliant behaviour by all our employees, business partners and suppliers. We have put this commitment to full compliance into practice by implementing a series of guidelines and measures which apply throughout 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 37
Also see www.evn.at/Code-of-conduct

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 eth-

nic 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.

Additional information on the principles for the protection of human rights relating to our employees (above all, equal treatment and equal opportunity, occupational safety and co-determination rights) can be found on page 63ff

Prevention of corruption

We are decisively opposed to all types of corruption and define this term very broadly. For EVN, it covers illegal payments (e. g. bribes, kickback payments, fictitious services, false classification/ account assignment) as well as all forms of gratuities (e. g. gifts, invitations, subjective benefits, immaterial advantages like awards and patronage). Our employees and their close family members are prohibited from accepting 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, GRI 205-2

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

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.

INTERNATIONALLY RECOGNISED HIGH ENVIRONMENTAL AND SOCIAL STANDARDS FOR THE UMM AL HAYMAN WASTEWATER TREATMENT PROJECT IN KUWAIT

The German subsidiary WTE Wassertechnik, which is responsible for the international project business in the EVN Group, received a general contractor assignment in 2019/20 for the construction of the Umm Al Hayman wastewater treatment plant in Kuwait. The project is financed by a bank consortium which is led by the state-owned German KfW IPEX-Bank. The project partners have committed to compliance with the so-called "Equator Principles", a risk management framework adopted by international banks and export credit agencies which – based on the applicable requirements of the World Bank – defines strict environmental protection and social standards for the realisation of projects. This framework contains, in particular, guidelines for social and environmental impact assessments as well as measures to reduce, monitor and manage ecological and social risks. Compliance with these guidelines at the wastewater treatment project in Kuwait is regularly monitored by an external consultant on behalf of the banks. In addition to the Equator Principles, all EVN standards for human rights, ethics and integrity apply to this project.

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.

Group-wide identification of compliance risks

Compliance risks, which, in line with EVN's interpretation, also include 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.

In 2019/20 CCM continued the comprehensive, Group-wide assessment of compliance risks that had been started in the previous year, which also involved 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 to further improve the CMS through the development of new targeted measures – for example, related to training. This form of risk assessment and the related development of measures will be continued in the future and gradually rolled out to EVN's international companies.

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

Whistle-blowing procedure

Our employees have access to a confidential and anonymous whistle-blowing procedure, which permits the reporting of (presumed) compliance violations via the EVN Intranet or designated compliance e-mail addresses. It provides a platform for the communication of 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 2019/20.

In 2019/20 we received four reports, which were subsequently confirmed after internal investigation, concerning alleged violations of the principle of integrity and the prevention of corruption which are anchored in the Code of Conduct. Two reports involving employees, which were not the subject of a lawsuit, were confirmed after 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 con-

centrate 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. Multi-hour workshops equip managers with the tools to transfer the defined content to their staffs. Special focal points in 2019/20 involved training measures for the international project business in Bahrain and the Group-wide introduction of an innovative, competitive online training programme "Compliance Cup 2020" that must be completed by all employees.

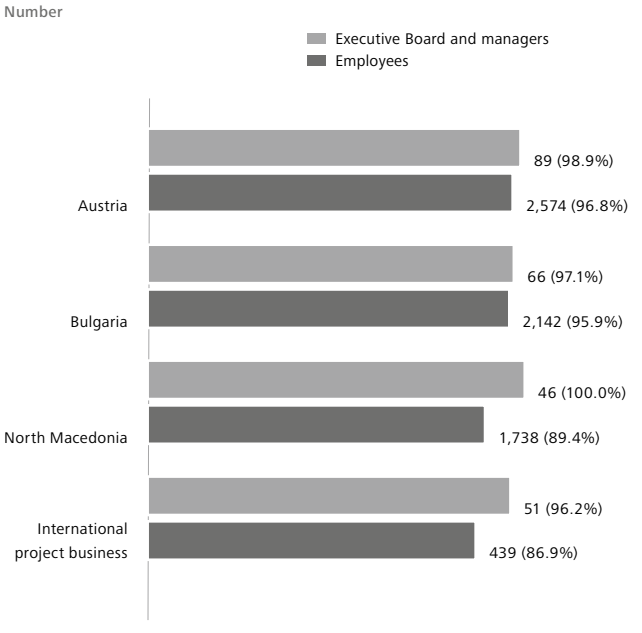
△ GRI indicator: GRI 205-2

EVN COMPLIANCE CUP 2020

The goals of the Group-wide "Compliance Cup 2020" are to refresh current knowledge on compliance through case studies, to introduce new aspects and to allow employees to review their own level of competence. The Cup was designed as an innovative, competitive, two-level online training programme: Participation at the first level "Load your energy" was mandatory for all employees. This preparatory round was followed by the next level "Connect your high energy" with three scoring categories (individual, team and nation ranking) and awards for the winning participants.

The Compliance Cup 2020 was made available to employees in ten languages to ensure the optimal transfer of information. Practical multiple choice questions dealt with compliance-relevant content from previously organised training programmes. In addition to the identification, strengthening and further standardisation of compliance know-how throughout the Group, the team and nation competitions also fuelled participants' team spirit and motivation. The information gained from this competition will help to make future training measures more efficient and target-oriented.

Participation in mandatory compliance training[1)]
(as of 30.09.2020)



1) Includes non-consolidated subsidiaries

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, especially, in keeping with the energy sector, legal and regulatory framework conditions which are relevant for our activities.

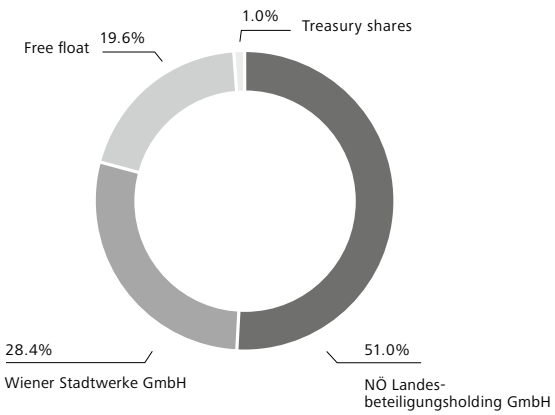
We also attach great importance to achieving and maintaining a position as a reliable partner on the capital market and meeting the expectations of our equity and debt investors. Not least for this reason, our business activities are concentrated in regulated and stable business areas. This forms the 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 2020

△ 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 92nd Annual General Meeting which calls for the distribution of an ordinary dividend of EUR 0.49 per share for the 2019/20 financial year. EVN's future dividend policy is directed to holding the absolute amount of the ordinary dividend at a level of at least EUR 0.49 per share.

Market environment and performance

Performance on the European stock markets was mixed during the reporting period from October 2019 to September 2020, a financial year that was significantly influenced by the Covid-19 crisis. The German benchmark index DAX rose by 2.7%, but Vienna's benchmark index ATX lost roughly 30%. The US benchmark

index Dow Jones recovered its second quarter losses and closed September with a plus of 3.2%. The DJ Euro Stoxx Utilities, the relevant industry index for EVN, declined by 0.8%, while the price of the EVN share fell by 11.5%. The average daily turnover in EVN shares equalled 50,045 in 2019/20 (single counting), which represents an annual trading volume of EUR 190.1m (single counting) for EVN's shares on the Vienna Stock Exchange and 0.60% of the total trading volume in Vienna's Prime Market.

Green financing

In raising debt capital, we also follow our strategic approach to increase our investments in energy generation from renewable sources and support the transformation of the energy system through network investments. We addressed the growing interest in "green" financing instru-

THE EVN SHARE – A SUSTAINABLE INVESTMENT

Ecological and social issues and goals are anchored in our core strategies just as strongly as economic targets. Consequently, we are increasingly positioning the EVN share as an alternative for sustainability-oriented investors and are working to meet their information needs as best as possible. The following aspects illustrate this orientation:

- → A commitment by the Executive Board and Supervisory Board to manage and further develop the EVN Group 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 growing volumes of decentralised renewable generation and strengthen supply security
  - Research projects on supply security, electricity storage, environmental protection and resource conservation
- → Innovative products and solutions for climate-conscious customers:
  - Broad range of products from 100% renewable Austrian energy sources
  - Continuous reduction of CO_2 component of total supply mix
  - Product innovation "joulie": optimal utilisation of electricity generated by customers' own photovoltaic equipment for future-oriented prosumers
- → Contribution to reducing CO_2 emissions:
  - Early termination of coal-based electricity generation in Dürnrohr at the beginning of August 2019
  - Reduction by half of specific CO_2 emissions from generation by 2030 (versus 2005)
- → 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 climatic changes
- → Sustainable sewage sludge management as a new business field in the international project business:
  - Know-how in the planning, construction and operation of plants and equipment as a contribution to resource conservation and health protection

EVN share		2019/20	2018/19	2017/18
Share price at 30 September	EUR	14.28	16.14	16.88
Highest price	EUR	18.36	17.28	18.00
Lowest price	EUR	11.22	12.16	13.07
Price performance	%	–11.5	–4.4	27.7
Total shareholder return	%	–8.4	–1.6	31.3
Performance ATX	%	–30.0	–10.0	0.9
Performance Dow Jones Euro Stoxx Utilities	%	–0.8	26.2	–3.4
Value of shares traded[1]	EURm	190.1	190.1	169.7
Average daily turnover[1]	Shares	50,045	53,555	42,769
Market capitalisation at 30 September	EURm	2,569	2,903	3,036
Weighting ATX prime	%	2.06	1.13	1.09
Earnings per share[2]	EUR	1.12	1.70	1.43
Dividend per share	EUR	0.49[3]	0.47 + 0.03[4]	0.44 + 0.03[4]
Price/earnings per share	x	12.8	9.5	11.8
Dividend yield	%	3.4	3.1	2.8

1) Vienna Stock Exchange, single counting
2) Shares outstanding at 30 September
3) Financial year 2019/20: proposal to the Annual General Meeting
4) Bonus dividend of EUR 0.03 per share

ments by issuing our first green promissory note loan in April 2020 (nominal value: EUR 100.0m; term: 10 years). The proceeds from the transaction will be used to finance wind park projects in Lower Austria.

External ratings

Independent evaluations by the Standard & Poor's and Moody's rating agencies represent an important part of EVN's financing strategy. Our goal is to maintain ratings in the solid A range.

These rating agencies confirmed their ratings for EVN in May 2020. However, Standard & Poor's adjusted the outlook from stable to negative to reflect the outlook for the province of Lower Austria, EVN's core shareholder:

- **Standard & Poor's:** A, outlook negative
- **Moody's:** A1, outlook stable

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 consists of listed companies in Austria which are considered leaders for their social and ecological performance. The continued inclusion in this index for 2020/21 has already been confirmed. In addition, the EVN share was added to the Standard Ethics European Utilities Index in June 2020.

△ GRI indicator: GRI 102-12

VALUE CREATION FOR OUR STAKEHOLDERS

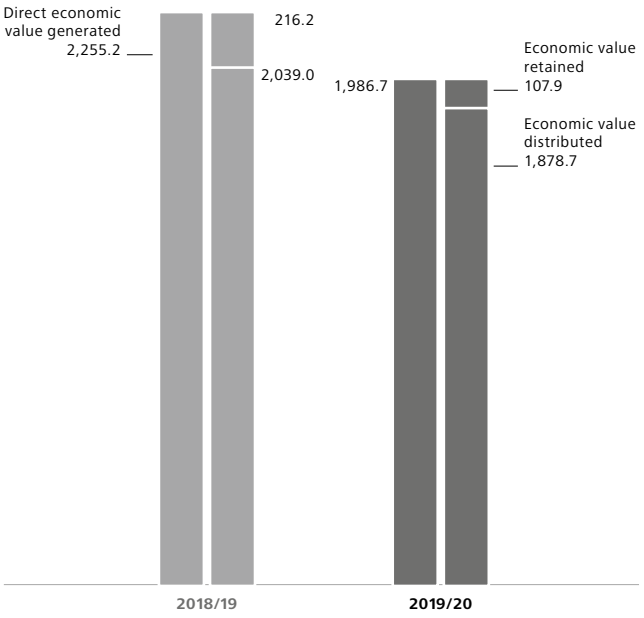
EVN's economic success is significantly influenced by our stakeholders who, at the same time, share in our financial results. Our most important stakeholder groups – shareholders, society as a whole, the public sector, employees, suppliers and debt investors – also receive a direct financial benefit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

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

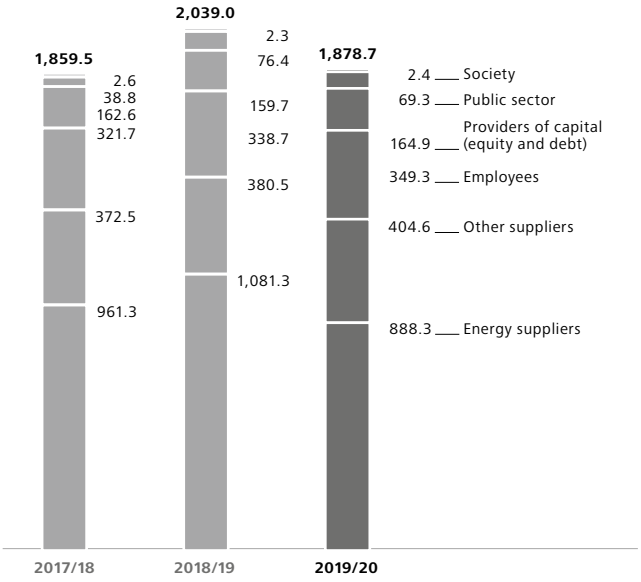
Direct economic value generated

EURm



Economic value distributed

EURm



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 electrotechnical 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, electrotechnical 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. In addition, we take over the surplus electricity produced by our customers' own generation equipment (especially photovoltaic equipment).

For information on electricity labelling, see page 58
For information on the development of the EEX exchange prices, see page 133

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

The last hard coal delivery for our hard coal-fired plant in Dürnrohr, Lower Austria, was made in May 2019, i. e. during the previous financial year. Electricity production from hard coal was terminated prematurely in August 2019 and, consequently, EVN has made no more purchases and holds no remaining stocks of hard coal.

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 EU-wide announcement to the tender, submission of offers and contract award – can now be processed online. This broad-based rollout of e-procurement has paved the way for the introduction of strategic procurement and has also substantially increased transparency.

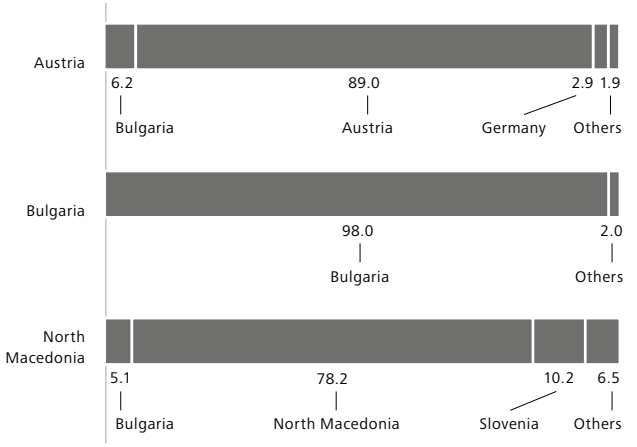
We handled a total procurement volume of approximately EUR 623.9m in 2019/20 (previous year: approximately EUR 624.0m) at our main locations in Austria, Bulgaria and North Macedonia. In Austria, EVN maintained direct supplier relationships with 3,189 suppliers and contractors during this financial year.

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 and business partners. We place strict demands on social and ecological aspects as well as the respect for human rights in our procurement activities and the awarding of contracts, but always in keeping with economic efficiency. The underlying principles are reflected in the area of activity "sustainable increase in corporate value" and anchored in our materiality matrix. 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 without exception. There were no complaints over compliance with the integrity clause by suppliers during the 2019/20 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 invited to participate 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.

RELIABILITY FOR GENERATIONS

SUPPLY SECURITY 24/7

We are committed to providing reliable supplies around the clock and view this as our central promise to customers. Electricity, natural gas and heat as well as drinking water must always be available in sufficient high qualities and quantities whenever it is needed. And we have implemented a broad range of measures in nearly all our business activities to meet this promise.

Our networks create the essential basis for delivering supplies to our customers. The smooth functioning of this extensive, but sensitive infrastructure requires a wide range of measures which generally remain unnoticed by our customers. The system transformation towards renewable energy and the continuous changes in consumer behaviour are also leading to a significant increase in the complexity of network planning, management and operations. Ongoing high investments are needed to maintain these high quality levels – not only in the high-voltage area and in local networks but also in transformer stations and substations. Additional details are provided by Heinrich Bittner, managing director of Netz Niederösterreich GmbH, in the interview on page 43.

Electricity: Electricity from renewable sources is, by nature, volatile and generated by a wide range of decentralised, independent equipment. The number of customers who are increasingly relying on e-mobility, smart home technologies and/or heat pumps – and therefore using more electricity – is growing steadily. Bringing all these factors together and, at the same time, ensuring reliable supplies of electricity 24/7 is a major challenge. Flexible backup services for the power plant segment, electricity storage and reserve capacity are therefore issues we deal with every day and

areas in which we regularly invest in order to make an active contribution to the energy transformation without compromising supply security or quality.

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. 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 other initiatives. Joint roaming projects allow drivers with an EVN electricity fuel card to choose from 6,400 loading stations throughout Austria.

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, modernisation and new construction of biomass

Energy generation		2019/20	2018/19	2017/18
Coverage ratio	%	19.1	28.1	30.0
Share of renewable energy in the total energy generation mix	%	59.5	41.4	40.0

heating plants and in the expansion of our district heating networks. We currently operate more than 60 biomass heating plants in Lower Austria. They allow us to provide our customers with reliable and comfortable supplies of renewable energy from locally available, CO_2-neutral 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.

MICRO-TUNNEL UNDER THE DANUBE PROTECTS SUSTAINABLE SUPPLY SECURITY

A particularly interesting project for the sustainable supply of energy, drinking water and telecommunication services is currently in preparation for the Danube area. In cooperation with EVN, both coast sides of the Danube river plan to connect their supply systems for drinking water, natural heat, Internet, electricity and natural gas. A tunnel under the Danube will not only improve regional supply security over the long term but also upgrade two locations in a rapidly growing region. Construction is scheduled to begin in early summer 2021 after the necessary permits have been received. In Klosterneuburg, the expansion of natural heat supplies is also proceeding as scheduled. This project includes a new biomass heating plant which was commissioned at the end of October 2020 and, when completed, will supply 14,000 households with heat, as well as a 12 km extension to the pipeline network and a 4 km connecting pipeline between the natural heat networks in Maria Gugging and Klosterneuburg.

Drinking water: Demographic developments in our supply area as well as the changing climatic conditions are responsible for a continuous rise in the demand for drinking water. Our wide-ranging drinking water pipeline network covers more than 2,800 km and is fed by well fields and high-level tanks throughout Lower Austria. In addition, we are making extensive investments in the expansion and new construction of cross-regional pipelines. One example is the new 60 km supply pipeline between Krems and Zwettl – an important step to increase water supply capacity in the Waldviertel. The construction of natural filter plants to improve quality through the physical softening of water is another method we rely on to maintain the current high level of supply standard. The fifth plant of this type is now under construction in Petronell-Carnuntum and is scheduled for commissioning in 2022.

For more information on RAG, also see page 98f
For more information on kabelplus, also see page 95
GRI indicator: GRI 203-2

Highly efficient electricity networks

As a result of our ongoing investments to improve the network infrastructure, network losses in Lower Austria remain stable at roughly 4% – which is a very low level in international comparison. A direct comparison with our supply areas in Bulgaria and North Macedonia is hardly possible due to the different customer and network structures. The indicators in these two markets are higher, and our investment programmes there are therefore focused on the further reduction of network losses and the continuous improvement of efficiency. We have successfully reduced our network losses in Bulgaria from approximately 20% at the time of our market entry in 2004/05 to a recent level of 6.7% and from approximately 25% in 2005/06 to 13.7% 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 0.90 in the 2019 calendar year (previous year: 1.01). This SAIFI value means an EVN customer experienced on average less than one unplanned power interruption during 2019. The average annualised duration of unplanned power interruptions[1)], as calculated according to the System

Continued on page 45 →

"SUPPLY SECURITY IS OUR MOST IMPORTANT PROMISE TO CUSTOMERS."

A conversation with Heinrich Bittner, one of the two managing directors of EVN's subsidiary Netz Niederösterreich GmbH, which is responsible for the operation of Lower Austria's electricity and natural gas networks, on the many different activities which generally take place behind the scenes and are required to ensure reliable supplies of electricity and natural gas.

Not very long ago in many areas of Lower Austria, electricity that came directly from the socket was not an obvious occurrence. So-called "lights-on celebrations" were regularly held in the 1950s and 1960s to mark the connection of further communities to the electricity network, and the addition of Harmanschlag im Waldviertel in 1963 marked the official completion of area-wide supplies. A few decades later, it has become impossible to imagine our daily lives without electricity. Supply interruptions would not only disturb residents' valued comfort but, above all, weaken the infrastructure and economy. And the corona crisis has made us very much aware of how restrictions can influence our long-standing habits.

Supply security is therefore at the top of EVN's agenda. But what appears easy for laypersons is much more complex than you would think. "We are permanently working with a range of measures at various levels to protect and maintain supplies everywhere, in the required quantity and quality", explains Heinrich Bittner. "Most of our employees are involved in these activities, but they generally take place behind the scenes and out of view of our customers which, in fact, is just what we want."

» The system transformation towards **renewable energies** requires wide-ranging **expansion measures.** «

Heinrich Bittner,
managing director of
Netz Niederösterreich

The challenging energy transformation …

In fact, network planning and operations involve a wide range of activities – and new ones are being added constantly. The networks had to be adequately dimensioned and regularly checked, maintained and repaired from the very start of electricity supplies– to meet the minimum requirements for the correct functioning of progressive electrification. However, this environment has changed massively in recent years – and with it, the network requirements: In earlier days, electricity almost always flowed from large power plants directly to the customer, and the network served as a pure distribution factor. Today, numerous small generators – wind parks as well as larger and smaller photovoltaic equipment – also feed volatile electricity into the network, which must now also provide transport services. "On the one hand, the system transformation towards renewable energies is creating massive changes in the technical requirements and demands wide-ranging expansion measures, while, on the other hand, network management and operations are becoming more and more complex", observes Heinrich Bittner.

… and consumer behaviour

"However, there is another change – in our customers' behaviour – which primarily involves our local networks. This is a result of the increase in e-mobility and the growing use of heat pumps." Both lead – for different reasons – to demand peaks: "For e-vehicles, that means the charging of several vehicles at the same time, primarily in the evening; for heat pumps, it means additional electrical heating on cold winter days. And our networks must be equipped to handle all this, so there will be no shortages. That requires substantial investments."

Widespread investments

These investments are, in fact, significant: More than EUR 100m flow into the expansion and adaptation of EVN's Lower Austrian electricity network each year. Roughly EUR 30m are directed to the local networks where, as an example, we need twice the number of transformer stations due to the change in consumers' behaviour.

The rest flows into the cross-regional network to support transportation and distribution throughout the supply area. Heinrich Bittner: "Since the generation of wind electricity is concentrated in the eastern regions where the wind is stronger – especially the Weinviertel and Brucker Basin – we must guarantee the transportation and feed into Austria's cross-regional network – and that means we need to make the necessary investments in power lines and transformer stations. We are currently planning, for example, several 110-kV lines which will be linked to the 380-kV power line to Neusiedl an der Zaya that is under construction by the Austrian Power Grid (APG). That will make an important

contribution to realising the Austrian government's expansion targets for renewable energy. Despite the corona crisis, we are continuing to work on the expansion of the transformer station in Bisamberg – a major hub between our network and APG's network – which is part of this major project."

Strict controls

However, investments alone are not enough – network operations are becoming increasingly complex. "Due to the many different generating sources and the change in the network's task profile, we need significantly more measurements for voltage, output, frequency and temperature to determine whether all limits are met", explains Heinrich Bittner. "We must be able to quickly decide whether specific measures are necessary to protect supply security in the required quality." At the same time, the network must be permanently monitored – through inspections or flyovers with helicopters or drones. Even when 90% of the Lower Austrian electricity network is underground, that will remain an important responsibility, particularly near high-voltage lines.

Secure operation of critical infrastructure

This is also a point of interest for the general public: "As an operator of critical infrastructure, we are required by the Federal Ministry for the Interior to comply with specific guidelines and are subject to regular controls", adds Heinrich Bittner. "IT security and the protection against cyberattacks are two key words here." The network is monitored around the clock and managed with state-of-the-art digital tools to make sure energy flows are correctly guided – and remote control plays an important role here. The central responsibility for these tasks is carried by the so-called "system operator", previously referred to as the load dispatcher: Its staff is specially trained, in part through regular exercises for failure scenarios.

"These methods were also very successful during the corona lockdown", explains Heinrich Bittner. "We were well prepared to deal with the restrictions: In fact, we only needed to implement our existing crisis plans – they already cover scenarios like large-scale blackouts, IT attacks and pandemics. Naturally, we had to make some adjustments for the current situation. For example, we set up two system operator teams at separate locations to provide sufficient reserves in the event of a Covid-19 infection in one team. This isolated system operates with access controls that only function at selected EVN locations, which means home office is not possible for these employees. Our technicians were also not in home office, instead they were out in the field throughout the entire supply area during the entire lockdown, naturally under strict safety precautions."

Continuous improvement in team expertise

Non-stop learning and regular practical training are not only essential for the system operator, they are also important for the network planning and operations staff. These men and women cover a wide spectrum of specialist areas and know-how, "which range from power line planning and construction to specific fields like power line protection, control and automation technology, telecontrols, measurement, remote controls and monitoring to inspection, maintenance and trouble shooting. These activities require a broad range of skills and talents. And, of course, we need to keep pace with technical developments. Here we rely on comprehensive internal and external training."

System operator – the "command bridge" for our networks
The system operator directs the energy flows via remote control and, in that way, prevents overloads in the electricity network. IT security and the protection against cyberattacks have long since become part of this daily work.

This rapid technical development is also visible in apprentice training. Together with bfi, EVN is testing the new "information technician" master trade profession – a combination of the traditional education in electrotechnology and the increasingly important components of control and information technology. Heinrich Bittner: "This reflects our understanding that IT has become a key element of our work and will continue to increase in importance. Our employees' know-how must remain in step with the times so we can guarantee the expected supply security. Because that is our most important promise to customers."

24/7 IN SERVICE FOR OUR CUSTOMERS: EVN'S 24-HOUR EMERGENCY SERVICE

EVN has a well structured, efficient emergency service which is available to provide fast help in the event of a breakdown. Disruptions can be reported to regional call centres at any time of the day or night, and the operator will contact the technicians on call. They can be easily reached via cell phone or mobile transmitter and will start out immediately to remedy the problem. Their well-equipped vehicles hold all the necessary materials and tools. Roughly 10,000 disruptions in EVN's electricity and natural gas network – most of them minor – are repaired quickly and unbureaucratically each year.

Average Interruption Duration Index (SAIDI), equalled 20.10 minutes in 2019 (previous year: 23.99 minutes) and was again lower than the Austrian average[2] of 36.79 minutes (previous year: 31.47 minutes). Information is not provided on the SAIDI and SAIFI at EVN's locations in Bulgaria and North Macedonia because a clear database is not available for the necessary calculations.

1) Source: Netz Niederösterreich GmbH, breakdown and disruption statistics for 2018 and 2019
2) Source: Energie-Control Austria, breakdown and disruption statistics for 2018 and 2019

△ GRI indicators: GRI EU28, GRI EU29

High availability of our power plants and sustainable use of locations

The table on page 46 shows the scheduled and unscheduled periods in 2019/20 when our operational thermal power plants and wind parks were not available. Not included are those parts of the capacity in the Theiss thermal power plant which are not held as reserve capacity. In 2019/20, 430 MW at the gas-fired power plant in Theiss were under contract as reserve capacity for the Austrian transmission network operator.

Despite the early termination of electricity production at

EVN power generation capacities

	30.09.2020		30.09.2019		30.09.2018	
	MW	%	MW	%	MW	%
Renewable energy	**720**	**42.3**	**719**	**42.2**	**673**	**27.5**
thereof hydropower[1]	307	18.0	307	18.0	306	12.5
thereof wind power	367	21.5	367	21.5	318	13.0
thereof photovoltaics	7	0.4	6	0.3	5	0.2
thereof biomass	13	0.7	13	0.7	18	0.7
thereof other renewables[2]	26	1.5	26	1.5	26	1.1
Thermal energy[3]	**985**	**57.8**	**985**	**57.8**	**1,771**	**72.5**
thereof natural gas[4]	583	34.2	583	34.2	1,037	42.4
thereof hard coal[5]	355	20.8	355	20.8	734	30.0
thereof energy hub Dürnrohr[6]	47	2.7	46	2.7	–	–
Total	**1,706**	**100.0**	**1,704**	**100.0**	**2,444**	**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 not under contract as reserve capacity has been conserved since 1 October 2018 and is therefore no longer included beginning in 2018/19.
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 co-generation from thermal waste utilisation in Zwentendorf/Dürnrohr.

our Dürnrohr hard coal-fired power plant in August 2019, this location remains a central and innovative energy hub. Together with our energy and drinking water supply plants and telecommunications facilities, we continue to view this thermal waste utilisation plant as part of our critical infrastructure. Most of the residual household waste in Lower Austria is converted into electricity, district heating and process steam at incineration temperatures over 1,000 °C. The process steam is used, for example, by the nearby AGRANA plant to make bioethanol, an important starting product for the production of disinfectants. Sewage sludge in Lower Austria will also be recycled into electricity and heat at Dürnrohr in the future. Our plans for this power plant location also include preparations for construction of one of the largest photovoltaic plants in Austria with a capacity of over 25 MW. The available network infrastructure and sealed free areas provide the ideal basis for this project.

For more information on AGRANA, see page 57

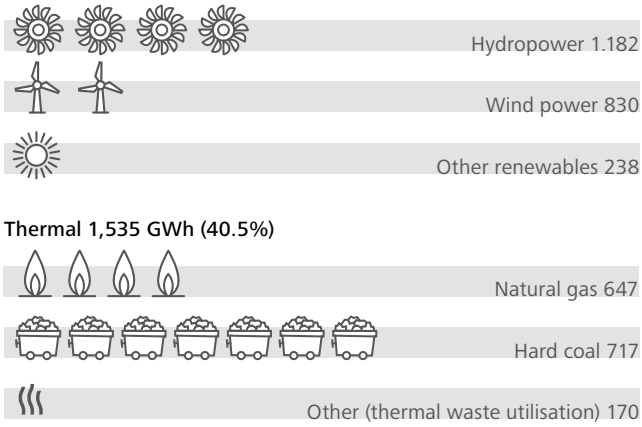
GRI indicator: GRI EU30

Average non-availability of power plants 2019/20

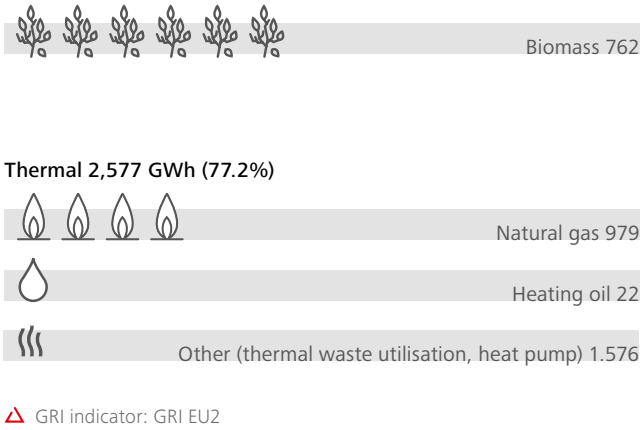
		Planned		Unplanned	
		Hours	%[1]	Hours	%[1]
Wind power plants[2]	Austria	104.9	1.2	395.6	4.5
Small hydropower plants	Austria	127.1	1.5	552.5	6.3
Pump storage plants	Austria	592.8	6.8	292.7	3.3
Natural gas-fired power plant Theiss[3]	Austria	2,016.0	23.0	113.8	1.3
Hard coal-fired power plant Walsum 10	Germany	646.6	7.4	401.3	4.6

1) Reference value: 8,760 operating hours per year (standard operational capacity)
2) Average value per wind turbine
3) The 430 MW from the Theiss power plant which contractually serve as reserve capacity.

Electricity generation by energy source (GWh)



Heat generation by energy source (GWh)



GRI indicator: GRI EU2

RELIABILITY FOR GENERATIONS

Energy supplies have undergone fundamental changes in recent decades. And they are still changing in giant steps. Our grandparents may have marvelled at the connection of municipalities to the electricity network 50 or 60 years ago, but today's younger generation sees this as normal. And approaches, solutions and products which were inconceivable only a short time ago are becoming reality. But one thing has not changed: EVN's commitment to reliable supplies based on state-of-the-art technology and in the best possible quality.

Tracing EVN's history we visited the Lackner family where we – together with three generations: Georg, his daughter Elisabeth and her son Maximilian – looked back at the changes in energy supplies for Lower Austria over the past decades. We met at the Weinviertel farm which has been run by the family for several generations.

Electrical household appliances appear on the scene and **make everyday life easier**

Can you remember when your town was connected to the electricity network?

Georg: Of course, the start of electricity supplies was an important event that really changed our life. That must have been around 1950. Before that time, our evenings were spent with petroleum lamps or with gas mantles and candles. That may sound romantic but was, of course, difficult. But, then again, we all went to bed earlier. Electricity changed a lot. Just turn the switch – and the light came on. Soon we had a radio, that was also new. I was a child at that time, and all this seemed like a miracle. The first modern household appliances appeared not long after that. An electric iron replaced the old, coal-heated one, and sometime later, the first electrically operated refrigerator stood in the pantry. Electricity also changed a lot for our farm operations.

And all that worked from day one without any problems?

Georg: No, that took some time. The electricity worked,

Uniform, reliable supplies across the entire country,

but we didn't have a lot of appliances. We had to reinforce the connections for the electric stove and washing machine. Our neighbours also couldn't buy all the appliances at once that you find in most houses today. Later on, we changed over to gas for cooking and heat-

ing because our town was connected to the natural gas network in the the late 1970s. Natural gas supplies in the countryside? At that time it was only possible in Lower Austria.

Elisabeth: Even I can remember that. Mama was really impressed because it made cooking so much easier.

The first television was quite an event …

Georg: Right. It opened up a whole new world for us. Or, to put it differently: We were suddenly able to look into the big wide world. But that also didn't always work at the beginning. Voltage was a problem in the early years, and we had to buy a so-called "television voltage amplifier". That helped, and the television worked fine. The voltage drops we had nearly every day in the country are now history.

Maximilian: That would have been a real nuisance with sensitive equipment like today's computers, I don't even want to imagine what it must have been like with different systems or volatility in the network. Today we get annoyed when a charging cable doesn't fit every device. Electricity is something we take for granted, just like the Internet.

Comprehensive **support and energy advising for customers**

For that reason, supply reliability has top priority in EVN's target hierarchy. That was also obvious during the corona lockdown …

Maximilian: Absolutely, it's impossible to imagine how home office for so many people or online schooling and lectures would have been possible.

Georg: Even when we have a thunderstorm or something else unexpected happens, the electricity is back again quickly. Remember the heavy snowfall in the winter the year before last, it also hit a number of power lines. These types of interruptions are, in fact, repaired immediately. The EVN people were always there in the past, but today everything is faster.

That shouldn't only be true for disruptions. What about customer service?

Elisabeth: Actually, everything works very quickly, customer service is also easy to reach for all other types of problems. Here you can see the general trend towards a service society, and digitalisation is an added help. Today I really consider myself a customer and can enjoy all-inclusive service – the world has changed a lot in this respect.

Georg: EVN recognised early only that that their business doesn't only involve energy supplies, but much, much more. I remember the first energy advisers who gave energy savings tips even before environmental protection became popular. I was really young then, that must have been in the 70s. And even before, when we got the electric stove, there was advice on cooking.

Today the advising is focused, above all, on energy savings – or energy efficiency. How do you see that?

Maximilian: We even learned about that in school. An EVN school advisor explained the basics of energy supply to my class and told us that this also involves resource conservation and opportunities to use energy economically at home. I think it's good when a large utility company also looks after the responsible use of its products. In the end, that's part of its responsibility.

Centre stage for **resource conservation and climate protection**

Georg: Anyway, EVN did a lot of things early on. For example, look back to the 1990s when biomass became part of district heating supplies. That wasn't only a CO_2-neutral fuel, it was a local fuel and also benefitted the farmers. At that time, our forestry collective also concluded a timber delivery contract.

Elisabeth: Or water supplies: In the past, individual communities or smaller regions often had their own supply networks, today EVN takes care of everything. The quality was always good, but the connection of the individual networks has made supplies naturally more reliable. And now they are also building natural filter plants which will save us chemical softening.

Maximilian: I'm happy we won't need any more salt tablets, and I won't miss the work. And it's also better for the environment.

Speaking of the environment, what do you think about the expansion of renewable energy generation, specifically wind and solar energy?

Georg: It's definitely better for the environment. However, it is not easy to get used to the wind turbines that are popping up everywhere. But it would be dumb not to use the free energy generated by the wind. It's good to see this trend gaining ground.

Maximilian: The same is true for the sun. That's why I find it cool that EVN offers a package like joulie, for

example, where a private person can operate his own small photovoltaic equipment and be self-sufficient. I'm also happy to see EVN building charging stations for e-vehicles and giving customers the opportunity to purchase only green electricity. Julia, my girlfriend, told me that her parents installed joulie equipment on their roof last year and are very happy with the results. That is the future, and we should also do the same here on our house. Less large power plants and, instead, more small, environmentally friendly generation equipment that lets people become self-sufficient and also feed electricity into the network. Hopefully, that will help to stop climate change.

Renewable energies, **innovative concepts**

Georg: The trend is moving in this direction, which is something no one would have dreamed of only a few decades ago. I recall the start of operations at the Dürnrohr power plant in 1986 – we were all amazed to see this modern flue gas cleaning equipment from Japan. I was very impressed that a relatively small regional supplier was the first in Europe. And now EVN has closed the power plant because it would rather generate electricity from the wind and sun and has the technology to do this even better.

Maximilian: Things are really changing. Somehow, everything is in a state of transformation, but EVN is changing with the times and driving development with innovations. I like that because my children will also be able to rely on EVN.


24/7

AT WORK FOR OUR CUSTOMERS

FOCUS ON THE CUSTOMER

The central goal of our activities is to provide our customers with reliable supplies of energy products and services, high-quality drinking water and cable TV and telecommunication services. The basic requirement for all this is an efficiently functioning infrastructure, whose supply represents most of our work. It is a fact that things which are taken for granted – like supplies of electricity, natural gas, heat and water – involve a great deal of effort that generally takes place behind the scenes. On the other side, we have the direct contact with our customers – through our emergency service or advising on various subjects. And here, we also place the highest demands on our employees.

Particularly high commitment is expected from the employees in our emergency service. Immediate action is required to quickly restore supplies of these essential services to the involved households, also when a disruption or technical breakdown occurs outside normal business hours.

Top professionalism and maximum customer closeness also define our services and advising. Extensive know-how is required here because the range of our products and services is just as large as our customers' concerns. These communications involve basic issues – such as the registration and

cancellation of services, assistance with tariffs or questions on invoices – as well as special questions on energy advising or in connection with energy efficient products and energy services.

Our foremost goal is to provide all our customers with the best possible, individual support. Intensive personal contact plays an important role in steadily increasing the satisfaction with our products and services. For our customers in Austria, Bulgaria, North Macedonia and Croatia, 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 80

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 and the regular analysis through sampling of e-mail answers to optimise the quality of our advising. As a source of inspiration, we also draw on best practice examples and innovative approaches from other economic sectors – such as telecommunication and banking – and adapt them to optimally meet our objectives.

Active complaint management is also one of our top priorities. We document and evaluate all reports from unsatisfied customers and analyse them monthly to develop specific measures for improvement. This structured quality assurance cycle makes an important contribution to improving the quality of our services.

EFFICIENT AND CUSTOMER-FRIENDLY INTRODUCTION OF SMART METERS

The premises underlying "customer satisfaction" as an area of activity on EVN's materiality matrix also apply to the introduction of smart meters in Lower Austria. The project to replace existing electricity meters with intelligent measurement devices only started after the software and hardware had undergone extensive testing. One major criterion was compliance with basic data protection principles, above all the individual encryption of data, as well as protection for the privacy of our network customers. The detailed planning for the smart meter project also included initial, transparent and comprehensive information for our customers. This information dealt with issues involving the legal foundation, functionality, technical possibilities, data protection and rollout. A separate service telephone was also installed for questions related to smart meters.

The comprehensive rollout of this new technology started in September 2020, and the first 10,000 meters had been installed by the end of the month. New smart meters will replace roughly 800,000 old electricity meters throughout the entire Lower Austrian network area. Legal requirements call for the installation rate to reach at least 95% by the end of 2022. All new functions, e. g. the in-time query of electricity consumption data via a web portal, will be available for our customers beginning in summer 2021.

To further improve our performance at the interfaces with our customers, we organise events every two years to give our customer service staffs from Austria, Bulgaria and North Macedonia an opportunity to exchange their experiences. These events create a platform for the discussion of specific content and requirements, which then form the basis for the development of Group-wide measures.

These quality assurance measures are reinforced by our high priority on focused

CUSTOMER SERVICE DURING THE LOCKDOWN

The technicians in EVN's emergency service were also available 24/7 during the Covid-19-related lockdown. They were the guarantee for maintaining critical infrastructure operations and repairing local disruptions, this time while also observing comprehensive safety precautions.

Our customer relations team was available without limitation for our customers via telephone, e-mail and chat during the entire lockdown. The employees responsible for these assignments were – based on the required safety precautions – at their regular workplaces or in home office. And they were particularly challenged because the service staff registered an increase of nearly 30% in customer calls during the lockdown.

In this exceptional situation, we were also particularly responsive to our customers' problems. We waived issuing reminders and terminating services for delayed payments up to the end of June 2020. Moreover, we expressly asked customers in high-risk groups not to make in-bank payment transfers to avoid the increased risk of infection. Another special concern was to support persons who lost their income due to the pandemic with payment deferrals and interest-free instalment arrangements.

EVN's Service Centres remained closed from mid-March to the beginning of May 2020 due to government-ordered measures and reopened under strict safety and hygiene measures to protect employees as well as customers.

modules and training programmes for the customer relations team. A concentrated, three-month training programme for new employees in this area starts four times each year and combines intensive training with practical experience. Other recurring training programmes cover specific topics and knowledge checks as well as team-building seminars. EVN's customer service team leaders have also received special training and certification for conducting voice coaching courses.

ISO certification for EVN's customer service

As one of the first Austrian companies, EVN received certification under the international standard ISO 18295-1 for its customer service in November 2018. This strict, global standard replaced the certification under EN 15838. The extensive audit under the ISO standard covered a detailed examination of employee recruiting, training, communication forms, data security and many other aspects. Every two years – and for the first time in November 2020 – our customer service staff will take part in the required re-auditing process.

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. This information is used to define concrete approaches for improvement measures.

In Austria, we also evaluate the satisfaction of our customers with various aspects of their business relations with EVN based on a customer loyalty index which was specially designed to meet our requirements. The underlying indicators support the monthly monitoring and measurement of customer loyalty, while the index allows us to swiftly identify and react quickly to changes in customer behaviour. On a very positive note, the index value has remained stable at a high level in recent years.

Customer health and safety

We minimise the potential negative effects from our products on the health and safety of our customers through careful, responsible actions along our entire value chain. The protection of our customers has top priority, above all in energy supplies and network operations. Ongoing controls are designed to avoid interruptions and, moreover, prevent any danger to our customers.

THE EVN CUSTOMER ADVISORY BOARD – NEW IMPULSES AND FRESH IDEAS

Customer closeness is not just a slogan for EVN but an integral part of our corporate strategy – because we can only succeed in the sustainable development of our company when we are able to exactly meet the needs and expectations of our customers. That is why we consciously rely on their ideas and suggestions for improvement.

Electromobility, decentralised energy supplies, digital communication – the world is changing rapidly. And with it, people's demands and needs. As a service company, we must address these changes and continuously expand, update and adapt our portfolio.

A central driver for this continuous change is the EVN Customer Advisory Board, a consulting body which was initially established in Austria in spring 2011. Its 24 members are elected every two years from the various customer segments. In biannual meetings, they discuss new market trends with EVN experts and participate in the development of products, services and communication strategies.

One of these members for the 2019/20 term of office is Reinhard Bauer from Lower Austria. "The Customer Advisory Board brings people with completely different attitudes and concerns together. And the opinions and recommendations on the subjects discussed at the meetings are just as diverse. This gives EVN a very detailed look into its customer base." Reinhard Bauer summarises his previous experience with the comment: "Of course, the members also find it exciting to help design the discussion process of a major energy corporation".

The range of subjects handled by the Advisory Board is diverse and covers general feedback on customer satisfaction and communications on the introduction of new products as well as the design of invoices and EVN's public appearance.

The Advisory Board meetings generally open with relevant news from EVN. In small groups, the members prepare their feedback and develop ideas and recommendations which are then discussed directly with the staff from various EVN specialist departments. Many of the Advisory Board's recommendations have been implemented since its establishment in 2011. For example, they flowed into the communication strategy for a new product by kabelplus and in the design of the EVN Bonus World. Feedback from the Customer Advisory Board was also used to adjust the design of the EVN website.

The Advisory Board meeting in May 2020 was unable to take place as scheduled due to the corona-related restrictions. As an alternative, the members were interviewed via telephone. One focal point was EVN's online presence. Especially in this area, Reinhard Bauer sees opportunities to optimise user-friendliness: "The website contains an enormous amount of important content, but some of this information can only be located after numerous clicks. Widgets could help to improve this situation by allowing the visitor to personalise the content according to his or her own needs." And Reinhard Bauer offers another idea that should be interesting, above all for private operators of photovoltaic equipment: "Many photovoltaic equipment owners want to put their surplus electricity to reasonable use – for neighbours, friends and relatives." EVN has already picked up the idea and is evaluating possible solutions.

Constructive recommendations like this are what make the EVN Customer Advisory Board so valuable for us and which led to the establishment of a Customer Advisory Board in Bulgaria during 2013. We now also benefit in this market from new impulses and fresh ideas from one of EVN's most important stakeholder groups: our customers.

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

GRI indicator: GRI 102-43

» When you're looking for a wide range of products or services – **EVN knows just what its customers want.** «

Felix Recht,
boat builder

The prerequisite for safe supplies of electricity lies in compliance with high safety standards for customers' network connections, including the careful installation of the prescribed safety equipment. In our daily operations, measures to prevent defects protect the availability of energy supplies and prevent potential hazards in the event of technical malfunctions. Potential dangers are always increased when customers or external persons work near our power lines and equipment. We have therefore prepared special protection concepts and safety standards to deal with these situations.

The inspections of gas pipelines are an important focal point of our activities and are carried out by our specialists in accordance with legal requirements and at pre-defined intervals. In addition to the inspection of the pipelines with highly sensitive equipment, the pressure in the natural gas network is monitored constantly. At the same time, the pipeline routes are screened for possible changes, e. g. from tree roots. We also have regular natural gas tracking teams in the field which control the local pipelines with special measurement equipment and probes for the early localisation of any leaky spots. In addition to all these measures for the regular inspection of the pipelines, the Natural Gas Safety Act requires the examination of all natural gas equipment (natural gas safety check) at least every twelve years.

In addition to these specific protective measures for electricity and natural gas network operations, EVN's quality management plays a central role by defining the highest standards for all relevant product-related activities and processes. Ongoing quality assurance as part of our overall responsibility ensures that our products and services meet all applicable requirements for the health, satisfaction and safety of our customers. These requirements are deeply anchored

in EVN's value hierarchy. Examples of our quality management initiatives include 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.

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

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

BIOETHANOL PRODUCTION, POWERED BY EVN

In certain constellations, our efforts to develop tailor-made solutions lead to very special customer relations. One of them, without a doubt, is our energy partnership with AGRANA which has existed for more than ten years. This food and industrial products corporation in the Lower Austrian village of Pischelsdorf – which is near our thermal waste utilisation plant in Zwentendorf/Dürnrohr – operates a biorefinery for the production of bioethanol, wheat starch and wheat gluten. We supply this plant with industrial steam through two pipelines, each of which is roughly 3 km long, from the energy generated by our thermal waste treatment.

» We can always rely on EVN as **a partner** and as an energy supplier. «

Josef Schuberth, plant manager
AGRANA biorefinery in Pischelsdorf

Supply security and reliability are also essential for us in this partnership because AGRANA uses our industrial steam, in turn, to produce steady supplies of bioethanol and wheat starch. For this reason, we have also installed a natural gas-fired steam boiler (90 MW output) to serve as reserve capacity. This also guarantees our steam deliveries when utilisation is temporarily halted, for example during routine maintenance.

Our industrial partnership with AGRANA took on a very special meaning during the corona crisis: The bioethanol produced in Pischelsdorf was previously used as fuel, but can now also be used for disinfection products – which were in short supply in Austria during the pandemic.

PRODUCT LABELLING

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 electricity
- → Proof that 100% of the electricity originates entirely from Austrian sources
- → An offering of tariffs for every customer segment (household, commercial, industrial and municipalities) in two forms: electricity from 100% renewable sources and 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. The data for electricity labelling in 2020 show – from the ecological viewpoint – a very encouraging trend: CO_2 emissions from the electricity delivered by EVN KG to its end customers were cut by more than half from 86.61 g/kWh in the previous year to 39.01 g/kWh in 2020, after significant reductions had been achieved in earlier years (electricity labelling 2018: 103.69 g/kWh; 2017: 192.67 g/kWh). This reduction was made possible by a substantial cutback in the share of electricity generated with natural gas – its share in the supply mix equalled only 0.91% in 2019 (2018: 23.3%; 2017: 27.2%). The share of electricity generated from hard coal, which is included in EVN's electricity labelling for the last time following the termination of electricity production at the Dürnrohr in August 2019, remained low at 2.98% (2017 and 2018: 0.3%).

In addition to the review of electricity labelling by an auditor, our product offering is also evaluated and certified by TÜV Austria. This certification confirms completely CO_2-free generation for all our electricity deliveries from 100% renewable sources in Austria.

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 page 36
Also see www.evn.at/Herkunft (available in German only)
GRI indicator: GRI 417-1

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.

We are aware of the trust our customers place in EVN 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. All complaints involving the failure to protect personal data – whether they come from the Data Protection Authority or an involved person – are recorded and processed quickly to allow for the fast implementation of any necessary corrective measures.

In 2019/20, we received eight requests from the Data Protection Authority to submit comments. One of these proceedings has since been concluded. After a complaint over the allowable storage period for a customer document was judged to be justified, we corrected the situation in agreement with the related official notice. With regard to the remaining seven cases, we have submitted our statements and are now waiting for actions by the authority.

Four cases related to the possible loss of customer data were identified. Internal investigations in three of these cases were unable to completely exclude a risk for the rights and freedoms of the involved persons, therefore a report was filed with the Data Protection Authority as well as the involved persons. The related proceedings were closed by the authority.

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

» We are **extremely careful** in handling data, especially **personal data.** «

Martin Haas, EVN data protection officer

GRI indicator: GRI 418-1


24/7

FAIR, CONSIDERATE AND FLEXIBLE

OUR EMPLOYEES – THE BASIS FOR OUR SUCCESS

The EVN Group had an average of 7,007 employees on a full-time equivalent basis in 2019/20 and 7,428 employees (headcount) as of 30 September 2020. 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.

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 countries in all our markets (approximately 90%). In particular the strengthening of local management capacity represents an important aspect of our corporate strategy. The focus on and advancement of diversity among our workforce is not only important in connection with human rights, it also represents one of the main principles of our corporate culture.

In addition to our own staff, 145 leased employees, representing 2.0% of our total workforce, also worked for the EVN Group as of 30 September 2020. 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 environment.

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 2019/20, the ratio of the highest salary and average salary[1] at EVN in Austria equalled approximately 8.0:1.

1) The calculation was based on the average value.

As of 30 September 2020, our workforce included 1,717 women (23.1%) and 5,711 men (76.9%). 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

EMPLOYEE SATISFACTION AS A KEY CONCERN

EVN's high regard for its employees is currently reflected in two initiatives: the "mood barometer" and "employer branding".

The **"mood barometer"** is a pilot project that is intended to improve internal communications and cooperation in selected corporate departments and, in that way, make human resources work more measurable. Participating employees are asked to complete an online questionnaire once each quarter. It contains seven general questions involving satisfaction, commitment, stress, personal resources and management as well as three individual questions on different subject areas. The survey results are discussed at team meetings which are accompanied by the human resources staff or an external trainer. The goals of the "mood barometer", on the one hand, are to support regular exchanges with management and, on the other hand, to identify the team's mood and allow for the rapid implementation of necessary changes in cooperation to improve overall employee satisfaction. The roll-out of this concept to other areas is currently under evaluation.

The **"employer branding"** project focuses on the core issues which make us an attractive and safe employer. They include the optimal use of resources – energy and the environment as well as our employees' skills – together with a wide variety of professional opportunities and the creation of an attractive work climate that includes meaningful activities with responsibility. Part of this project includes the production of short videos explaining the work and personal stories of various EVN employees. The first films of these different professional groups and subjects have already been completed and published on social networks like Facebook, Instagram and Youtube as well as on the EVN website. We believe that showing the commitment and satisfaction of our employees in real videos is an ideal way to attract qualified employees to EVN in the future.

RESPONSIBLE EMPLOYER – ALSO, AND ESPECIALLY, IN TIMES OF COVID-19

EVN experienced the concrete threats of the coronavirus for the company and its workforce directly and early on through an employee at the thermal waste utilisation plant in Dürnrohr. On 5 March, a good ten days before the lockdown in Austria, the employee showed symptoms of a corona infection – which he had contracted in his private surroundings – that led to sick leave and home quarantine. By 30 September 2020, 72 employees had fallen ill as a result of Covid-19. Unfortunately, the coronavirus was also responsible for several deaths among our staff: one in Lower Austria, one in Bulgaria and three in North Macedonia.

An extensive bundle of measures for the entire Group
As a result of previously prepared emergency plans, in particular the "Pandemic Preparation", EVN was able to quickly develop a package of measures to deal with the corona crisis at an early stage. Two key goals that are still valid today were decisive for the crisis staff that was installed immediately: the protection of vital – also classified as "critical" by the authorities – infrastructure and supplies for the population and economy – and maximum protection for employees. Under the challenging conditions of the lockdown, EVN consciously focused on its responsibility as an employer for nearly 7,000 men and women in its home market of Lower Austria, just the same as in Bulgaria, North Macedonia and Croatia and in the international project business.

Mobile work across the board …
A broad range of measures and offers underscores this concern throughout the entire Group. An unlimited home office option was quickly and unbureaucratically created for all employees whose work is not necessarily connected with their usual location to minimise the danger of a Covid-19 infection. The fast changeover to home office was made significantly easier because most employees already had been equipped with a company mobile phone and laptop, and Skype4Business had previously been rolled out to the entire company. Nearly 1,500 men and women, representing more than 56% of all employees in Austria, took advantage of this opportunity. Even activities such as customer service could, in large parts, be mastered from home.

The opportunities to reduce holiday and compensatory time-off were expanded and outfitted with added incentives to create greater flexibility for the company and employees – above all, employees with family and caregiving responsibilities. EVN also granted special care time for children below 14 years of age in view of the nationwide home schooling.

… as well as strict distance and hygiene rules
Strict safety instructions were issued for the employees whose work required actual presence in the workplace, such as the staff in the emergency call centre, the power plant team and the system operator staff. These instructions ranged from separate offices and the minimisation of social contacts up to personal protective equipment. All internal events and training courses were cancelled or changed to electronic trainings, and the EVN cafeteria was closed. Particularly strict rules applied to the system operators, whose work is indispensable for network operations: Operating activities were separated from all other areas, parts of the team were moved to a second location, contacts with other employees were minimised and the shifts equally staffed. Daily fever controls and quarantine preparations rounded out the package of measures. Special protection rules also applied for employees belonging to a risk group.

Active information, high transparency
Ongoing, up-to-date information and the publication of behavioural and hygiene rules via the Intranet and email accompanied these measures and are intended to offset the reduction in direct contact between employees that is connected with mobile working. Tips for "virtual cooperation" and video messages from the Executive Board and head of human resources as well as podcasts with members of the crisis staff were part of these efforts. Employees were given the opportunity to submit questions on Covid-19 via email or to directly contact a member of the crisis staff. A special postbox in the human resources department was also set up for this purpose.

Despite the very difficult conditions, employees throughout the entire EVN Group did an excellent job during the many weeks of the lockdown. Regular operations continued without interruption and work proceeded on important construction projects, including the natural gas supply networks in several Croatian communities and the Bisamberg transformer station in the southern Weinviertel. All our employees deserve our many thanks!

Return to the "new normal"
The crisis staff is closely monitoring the cautious return to normal operations. The EVN Service Centres reopened in May, and the other employees gradually returned to their regular locations. However, the rule limiting the occupancy in offices to 50% remains in effect. Personal customer contacts have also resumed, but in accordance with strict hygiene rules and social distancing.

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.

For information on diversity and the diversity concept for the Supervisory Board and Executive Board, see the corporate governance report on page 128f

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

Principles and models for our employee relations

In addition to national laws and international guidelines such as the Universal Declaration of Human Rights as well as 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 90% of our employees in Austria. In these discussions, employees receive feedback once each year on their performance and a framework for development planning. 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 are also taking a proactive approach to the current transformation of our working culture through digitalisation, networking and the energy revolution to create an optimal and flexible work environment for our employees. The "EVN Working World" project was carried out in recent years to meet these goals. It involves the further opening of workspace and an increase in the information and communication flows between employees through numerous technical improvements and the introduction of new technologies and digital equipment. The use of digital tools, in particular, is changing the way we work and the design of our working world – and, not least, the Covid-19 pandemic has revolutionised our daily working routine. A follow-up project in the EVN Working World is currently in preparation under the title "Working World 2.0" and is intended

> » We owe **a great deal of gratitude** to all our employees for **their commitment and cautiousness** since the first corona lockdown. «
>
> **Stefan Szyszkowitz,**
> spokesman of the Executive Board

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

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

Diversity of employees 2019/20[1)]

GENDER

1,717 women		5,711 men	
Austria	533	Austria	2,127
Bulgaria	589	Bulgaria	1,705
North Macedonia	456	North Macedonia	1,528
Other countries	139	Other countries	351

TYPE OF EMPLOYMENT[2)]

173 workers		7,255 employees	
Austria	54	Austria	2,606
Bulgaria	–	Bulgaria	2,294
North Macedonia	–	North Macedonia	1,984
Other countries	119	Other countries	371

to utilise further opportunities for optimisation created by the ongoing changes in our working methods. The motto "more sustainable, more digital, more efficient" forms the basis for all our future measures in this area.

△ GRI indicator: GRI 102-16

Equal treatment and equal opportunity

In agreement with the Universal Declaration of Human Rights, the principles of the UN Global Compact and the guidelines of the International Labour Organisation, all EVN employees are treated equally regardless of 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 the 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 124 persons with special needs in 2019/20, representing 1.7% of the total workforce.

△ GRI indicator: GRI 102-16

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. Another measure implemented in recent years as part of the EVN Working World gives employees the option of working up to 100 hours each year at a location of their choice. 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. A growing number of our male employees are also deciding in favour of parental leave for childcare.

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.

In 2019/20, 41 women and 18 men were on parental leave in Austria, and all mothers and fathers return to EVN after that time (return rate: 100.0% for men and women). There were no resignations after parental leave in 2019/20; of the employees who returned from parental leave in the previous year, all were employed by EVN after twelve months.

PART-TIME EMPLOYEES[3]

464 total		340 women	
Austria	280	Austria	207
Bulgaria	12	Bulgaria	2
North Macedonia	133	North Macedonia	93
Other countries	39	Other countries	38

1) As of 30 September 2020
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.
4) In relation to total workforce as of 30 September 2020

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

△ GRI indicator: GRI 401-3

Occupational safety

Accidents not only endanger our employees' well-being, but can also lead to material damage, supply interruptions and long downtime. Protecting the safety and health of the many men and women who work for EVN is therefore a central element of our corporate culture. 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 areas. 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. EVN Safety Days were held in 2018 and 2019. They dealt with special issues involving occupational safety to increase awareness and provide specific training for safety officers, works council representatives and managers. Future plans include the organisation of a Safety Day each year to focus on current aspects of occupational safety.

The occupational safety department, the unit responsible for occupational safety at EVN, was reorganised in spring 2020. The staff was integrated into the corporate function "administration and construction" and a representative was appointed who now reports directly to the Executive Board.

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 in an occupational safety committee meeting at EVN AG. In other Austrian companies as well as in the subsidiaries in other countries, this exchange takes place voluntarily within a corresponding framework. Representatives of our works council are also involved in all workplace, health and safety issues. We are one of the safest employers in our industry in Austria, and virtually no accidents with our electricity, natural gas, heat or drinking water have occurred in recent years. Our accident analysis is based on specific events and was expanded to include the routine investigation of "near-miss" incidents and accidents by contract firms. Most of the accidents occur in connection with secondary activities like excavation or transport. Nearly one-third of all work accidents involve tripping, stumbling and twisted ankles, followed by physical strain during work procedures, falls, cuts and stab wounds. A series of initiatives, for example the ideas competition started in 2018, was introduced to address these points, and a near-miss recording system is currently under develop-

Newly hired employees 2019/20		Austria	Bulgaria	North Macedonia	Other countries	Total Nominal	Total %[1]
<30 years		**79**	**53**	**55**	**8**	**195**	**2.6**
thereof women	Number	20	11	12	3	46	0.6
thereof men	Number	59	42	43	5	149	2.0
30–50 years		**74**	**76**	**18**	**45**	**213**	**2.9**
thereof women	Number	17	30	6	9	62	0.8
thereof men	Number	57	46	12	36	151	2.0
>50 years		**11**	**3**	**2**	**9**	**25**	**0.3**
thereof women	Number	3	3	0	2	8	0.1
thereof men	Number	8	0	2	7	17	0.2
Total		**164**	**132**	**75**	**62**	**433**	**5.8**
thereof women	Number	40	44	18	14	116	1.6
thereof men	Number	124	88	57	48	317	4.3

1) In relation to total workforce as of 30 September 2020

GRI indicator: GRI 401-1

ment to prevent work accidents. The efforts to create a greater awareness among employees for the importance of occupational safety also include e-learning modules, videoclips, articles in the employee magazine and the EVN Intranet, specialist seminars and regular information on accident-free days. The EVN occupational safety team also presents an annual "Oscar for Occupational Safety" to the departments and organisational units that completed an accident-free year. 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.

Managers have been increasingly integrated in this issue since 2019/20 through training courses and safety meetings. The continous purchase of state-of-the-art protective clothing and equipment as well as modern tools, multimeters to measure gas concentration and training for the involved employees supplement the preventive measures in the specific working environments.

Occupational safety in the project business

Health and occupational safety also have high priority for WTE Wassertechnik, especially in the international project business. The underlying principle is the clear commitment of the EVN Group to preserve and protect human rights. Our German subsidiary also carries special responsibility

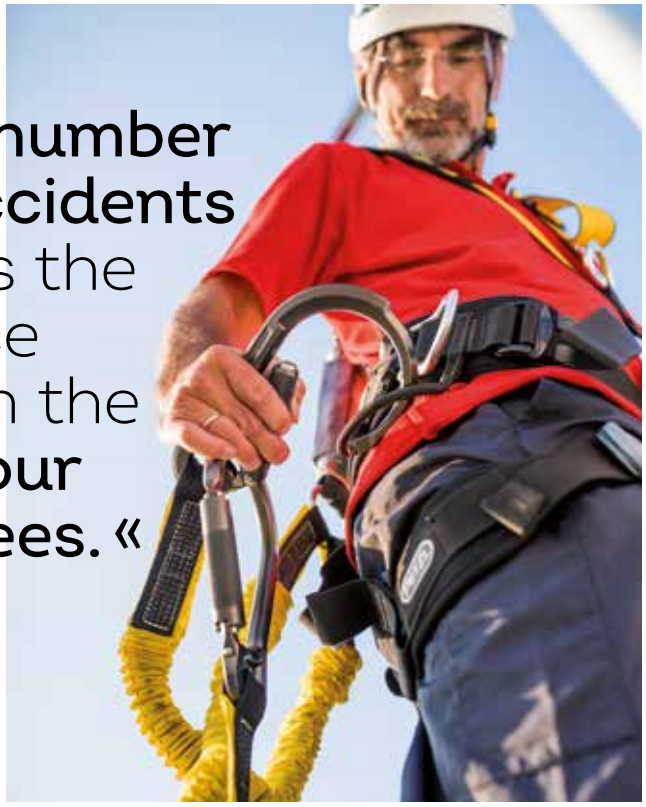
in this respect and, in its role as a general contractor for plant construction, is required to comply with the applicable standards for the protection of the health and safety of the persons involved in its projects (including subcontractors' employees). A health and safety manager is designated for each project to monitor compliance with these standards and to provide regular reports to the respective customer.

The wastewater treatment plant project in Kuwait, which started in 2019/20, is required to comply with extremely strict requirements for the protection of all involved employees – due to the prevailing climatic conditions as well as for cultural reasons. WTE Wassertechnik is therefore required to guarantee and monitor compliance with these standards – also at the subcontractor level – through the implementation of appropriate measures and rules. The health and safety manager is also responsible for regular reporting on this project. Compliance with the applicable standards is also monitored by the financing banks and their consultants, and frequent unannounced controls by the responsible ministries and authorities are common practice in Kuwait.

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

» The **low number of work accidents** shows the importance placed on the **safety of our employees.** «

Edwin Lizar,
senior safety officer at EVN



Occupational healthcare

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.

Group guidelines are in force at all subsidiaries – including the "EVN Pandemic Prevention" which is in place since 2009 and provided the basis for steps taken in reaction to the outbreak of Covid-19 in March 2020.

In addition to company-sponsored measures, the EVN culture and sports club offers employees a wide range of activities to support health protection and strengthen the sense of community.

⚠ 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, i. e. Austria, Bulgaria and North Macedonia. Most of our employees in Austria are covered by the collective agreement for

Accident and lost days statistics	2019/20	2018/19	2017/18
Deaths after work-related injuries	–	2	–
Ratio of deaths (%)	–	0.2	–
Occupational accidents[1) 2)]	64	85	100
thereof severe accidents with lost days >6 months	–	–	5
Ratio of severe accidents with lost days >6 months (%)	–	–	0.4
Staff sick days[2)]	1,477	2,376	3,535
LTIF[3)]	2.8	4.3	4.8
Number of LTIF-relevant occupational accidents[4)]	35	53	58
Lost days/employees	10	10	11

1) 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

salaried employees in electricity companies, which was revised by the participating social partners in 2019/20 and adapted for the future.

Transparency is an integral part of our major business decisions, in line with our managerial mission statement, applicable legal regulations and the Universal Declaration of Human Rights. The employee representatives – in addition to EVN AG, other companies in our Group also have these types of designated representatives – are informed of important business decisions on a regular and timely basis or, respectively, are involved in the decision processes. This approach applies to strategic decisions as well as changes and adjustments involving employees. We provide our employees and employee representatives with information at regularly scheduled meetings and, in the event of operational changes, always comply with the legally required notification periods.

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. The issues addressed by the European works council range from occupational safety and employee benefits to transnational initiatives in culture and sport.

One of our central concerns in the past, when confronted with social or economic challenges, was to develop and carry out necessary restructuring measures in a socially acceptable manner and in agreement with the trade unions and/or works council – and we intend to follow this procedure with similar cases in the future. This productive cooperation forms the basis for socially acceptable solutions for the involved employees through their internal reassignment or additional training and transfer to other EVN units as far as possible.

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 job vacancies, job advertisements are also first posted on our 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 299.1 per employee in continuous training and education during 2019/20 (previous year: EUR 356.8), which represents a total of EUR 2.1m (previous year: EUR 2.5m). Each employee spent an average of 27.45 hours (previous year: 34.05 hours) on these programmes. The year-on-year decline resulted from the cancellation of most on-site training programmes due to the Covid-19 pandemic. Alternative e-learning mod-

ules and webinars were used where necessary and feasible. This offering has been substantially expanded since April 2020 and covers various topics for different target groups. For example: The module "corona safety instructions" was completed by nearly 3,000 employees and 13 modules with various focal points were available on occupational safety, while other issues involved compliance, cyber security awareness and technical training. New and existing training courses are regularly evaluated for their suitability as webinars or e-learning modules as a means of increasing digitalisation also in the training area.

Our human resources activities also 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 qualified employees is rising as many of our current employees retire, and we are working to address the situation with specifically designed training programmes and measures to support the transfer of know-how between older and younger employees. Apprentice training has also always had high priority for EVN. As of 30 September 2020, 93 apprentices were employed at EVN.

In order to 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. We have already established cooperation programmes with various schools and training institutions in Bulgaria and North Macedonia. These EVN initiatives have not only become very popular locally, resulting in great willingness to cooperate, but have also received international recognition. Our apprenticeship training programme received the Award for Vocational Education and Training Excellence in 2018 as Europe's best practice example of vocational training and is now being used in North Macedonia as a blueprint for a wide-ranging educational reform by the Ministry of Education. A total of 120 schoolchildren at two schools have taken part in this three-year programme since 2017. The first cycle ended in 2020, and all participants joined EVN as specialist employees.

GRI indicators: GRI 404-2, GRI 403-5

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:

OCCUPATIONAL SAFETY IN A NUTSHELL

The second "EVN Safety Day" was held in October 2019. Under the guiding theme "Behaviour Based Safety (BBS)", methods and approaches were presented to make a further important step towards greater occupational safety. This Safety Day at EVN headquarters included all safety officers and works council representatives for EVN and its subsidiaries in Lower Austria as well as colleagues from the occupational safety staff in Bulgaria.

EVN generally follows three approaches to increase employee protection – a technical, an organisational and a personal approach. The analysis of accidents at EVN shows that we have reached a very high technical and organisational level, but indicates that there is room for improvement at the personal level. Most of the accidents in the Group are the result of behavioural errors, and a special focus will now be placed on BBS. With the support of representatives from the consultancy firm SHEQ Consult, the Safety Day participants were provided with basic information on the means and possibilities of BBS. The programme also included practical exercises on perception, movement control and an increase in safety awareness. Measures to create a greater awareness will now be implemented at all levels in the Group, and additional training for mangers is planned.

→ **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

→ **Pensions benefits:** 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 2019/20 equalled at least 2% of each eligible employee's monthly gross remuneration. Contributions by employees are voluntary, whereby roughly 40% of the workforce in Austria took advantage of this offer in 2019/20. 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, 448 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.

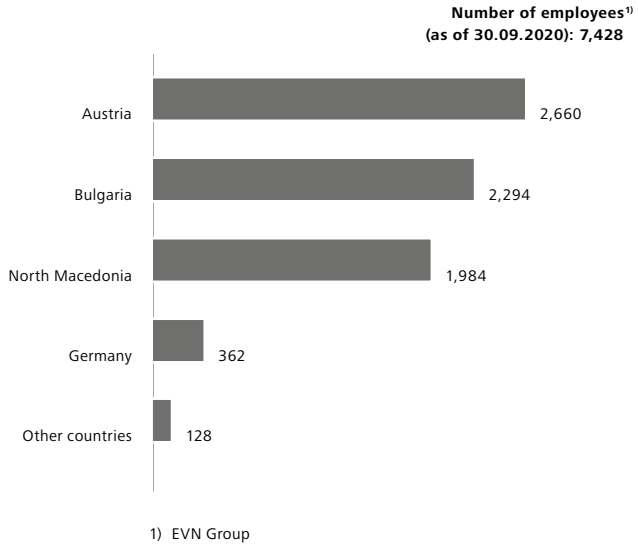
Employee benefits

We spent a total of EUR 14.6m (previous year: EUR 17.5m) on employee benefits (pension contributions, other employee benefits) in 2019/20, which represents 4.2% (previous year: 5.2%) of personnel expenses.

GRI indicator: GRI 401-2

Employees per operating location 2019/20

Number

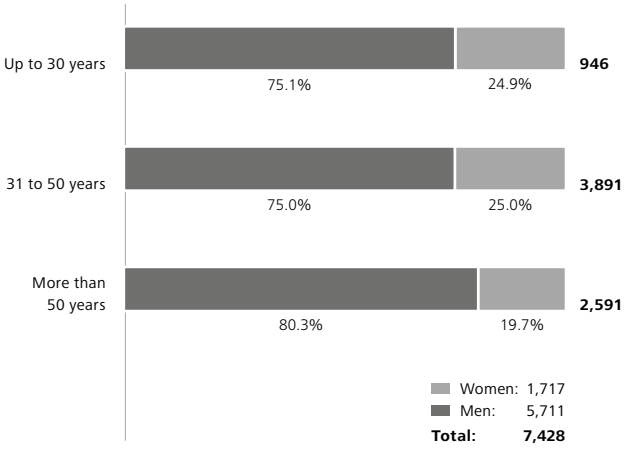


1) EVN Group

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

Age structure of employees 2019/20

%, total: number



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

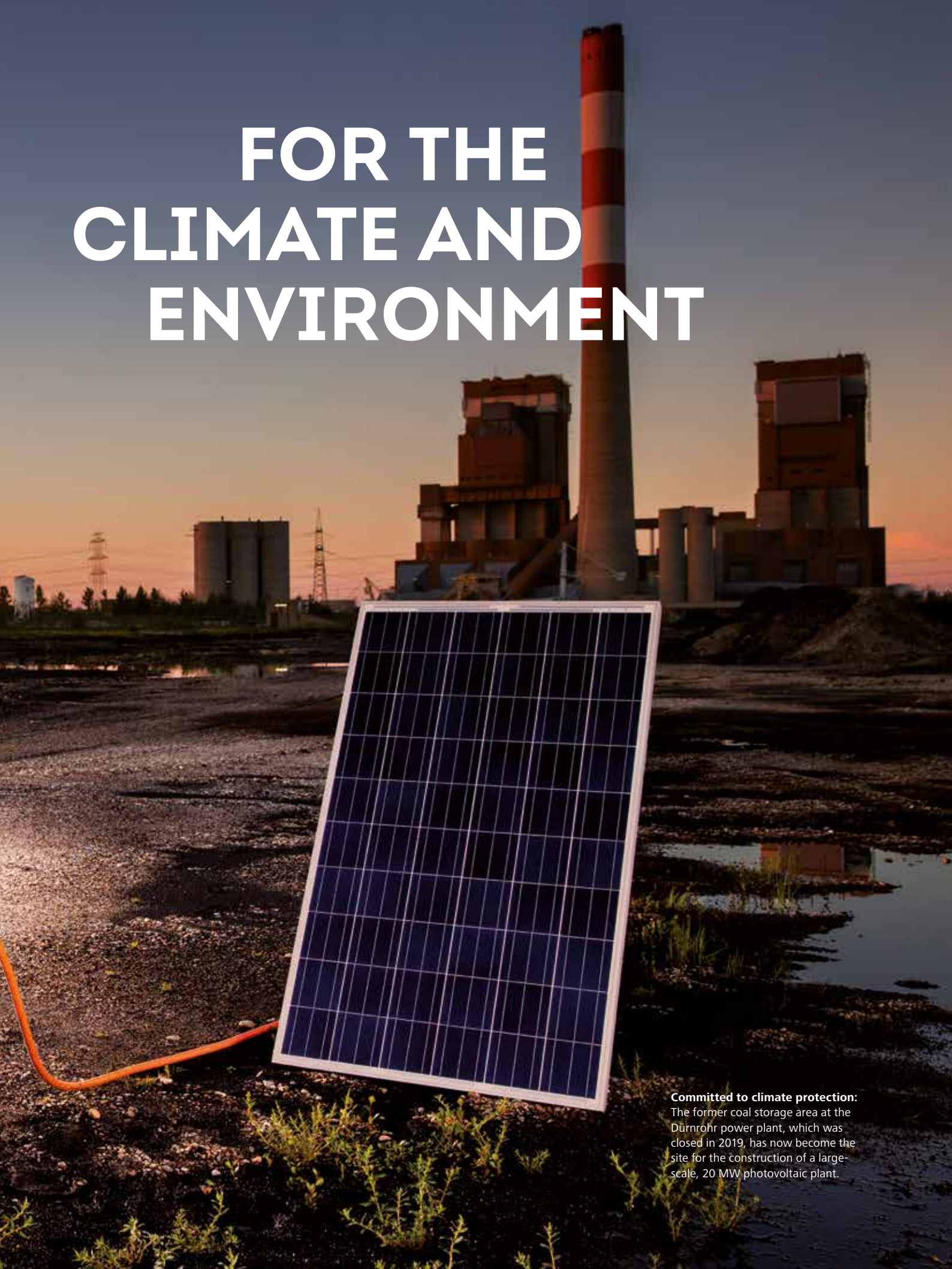
Employee fluctuation – persons leaving 2019/20[1]		Austria	Bulgaria	North Macedonia	Other countries	Nominal	Total %[2]
<30 years		24	11	16	5	56	0.8
thereof women	Number	11	5	5	1	22	0.3
thereof men	Number	13	6	11	4	34	0.5
30–50 years		49	22	32	22	125	1.7
thereof women	Number	15	11	6	6	38	0.5
thereof men	Number	34	11	26	16	87	1.2
>50 years		11	23	37	9	80	1.1
thereof women	Number	4	9	11	3	27	0.4
thereof men	Number	7	14	26	6	53	0.7
Total	Number	84	56	85	36	261	3.5
thereof women	Number	30	25	22	10	87	1.2
thereof men	Number	54	31	63	26	174	2.3

1) This table 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 2020

△ GRI indicator: GRI 401-1


24/7
EVN

FOR THE CLIMATE AND ENVIRONMENT



Committed to climate protection: The former coal storage area at the Dürnrohr power plant, which was closed in 2019, has now become the site for the construction of a large-scale, 20 MW photovoltaic plant.

CONSERVE RESOURCES, MINIMISE EMISSIONS

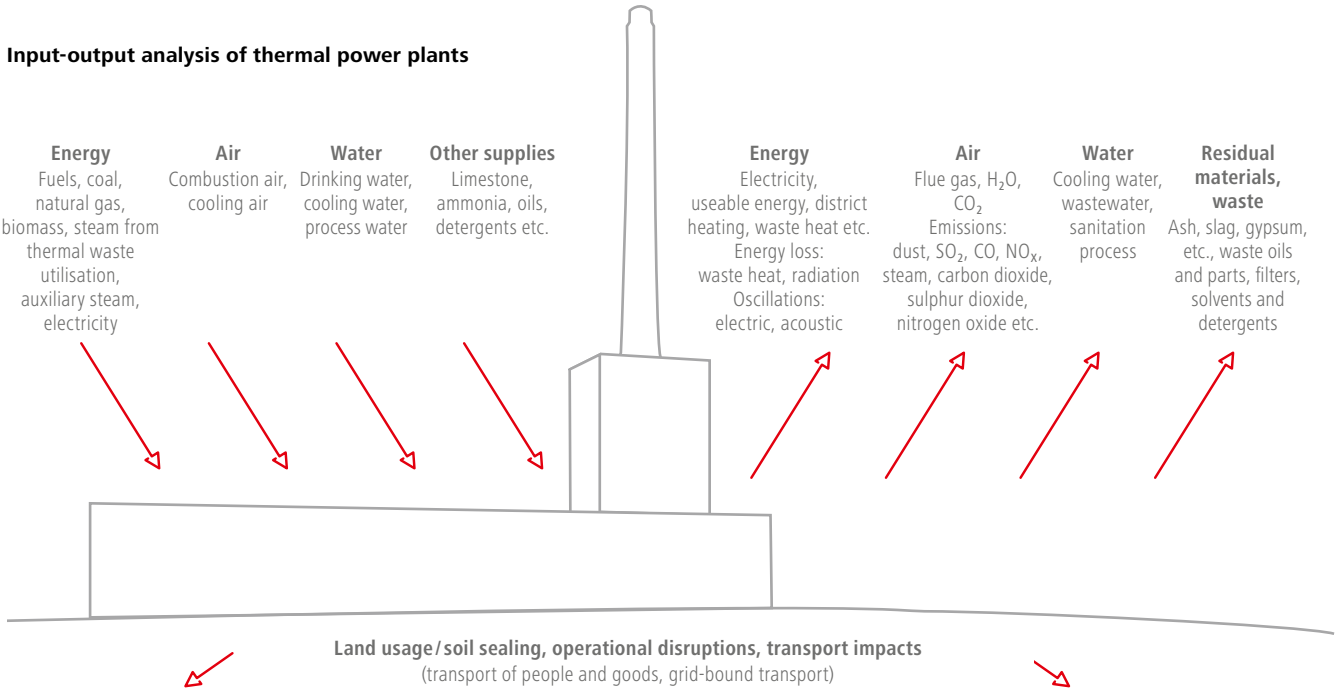
The minimisation of our natural resource consumption and emissions is an integral part of our strategy for EVN's sustainable success. This is also reflected in our materiality matrix, which defines "environmental protection" and "climate protection" as priority areas of activity. Where climate and environmental protection are involved, we engage in careful and conscious actions throughout all areas of our company. This chapter initially presents the facts and figures relating to both of these areas of activity and then follows with details on climate and environmental protection at EVN.

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

Our fundamental goals and values for the protection of the environment and climate are anchored in EVN's environmental policy statement. The environmental protection guidelines cover the minimisation of our environmental impact, the responsible use of resources, protection for the natural habitats of plants and animals in the areas surrounding our plants and projects and the management of waste in an environmentally friendly manner. The climate protection guidelines focus on the gradual system transformation towards climate-neutral energy generation combined with the protection of supply security.

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 the standards for environmental protection. The EMAS regulations require, among

Input-output analysis of thermal power plants



others, the definition of measurable environmental goals. 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 64 heat generation plants and three 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 greatest possible 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

○ 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.

□ For information on the impact of business activities on society, the environment and the economy, also see page 23ff
○ Also see www.evn.at/Environmental-council
△ GRI indicator: GRI 102-31

Climate and 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 during disruptions and assesses their environmental relevance as well as opportunities for improvement.

Direct 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-

REDUCTION BY HALF IN SPECIFIC CO_2 EMISSIONS FROM ELECTRICITY GENERATION BY 2030

The focus of political and social discussions has increasingly turned to climate protection in recent years. This has led to more ambitious climate goals and targets to fundamentally transform the European energy system. We are also committed to continuously questioning and updating our strategy for this area. This commitment to make an active contribution to reducing greenhouse gas emissions and containing global warming is underscored by our Strategy 2030 as well as by measures we have implemented in the past.

As an integrated energy supply company, one of our business fields is the generation of electricity. The key issue in connection with climate policy therefore involves the reduction of the resulting emissions:

- In Lower Austria, we are keeping operations at the Theiss gas-fired power plant going with 485 MW. 430 MW thereof are under contract as reserve capacity for the Austrian transmission network operator. The power plant will only be used as required to maintain network stability. The remaining capacity in the Theiss power plant (280 MW) and the Korneuburg gas-fired power plant (150 MW) were deactivated and conserved in October 2018 – and had a positive impact on our CO_2 balance.
- The other EVN plants which operate with natural gas include cogeneration and combined heat and power plants in Austria (18.5 MW) and Bulgaria (80 MW).
- In August 2019, electricity production at the hard coal-fired power plant in Dürnrohr was terminated before the end of its technical useful life in 2025. This will prevent roughly 3.6m t of CO_2 emissions.
- In Germany, we hold an investment of 49% in the Walsum 10 hard coal-fired power plant. The remaining 51% are held by STEAG, which is also responsible for power plant operations. Walsum 10 was commissioned in 2013 and is therefore one of the newest and most efficient power plants of this type in Germany. The law passed in Germany during 2020 which mandates the exit from coal-fired energy generation ("Kohleausstiegsgesetz") requires the shutdown of all coal-fired power plants by 2038. The shutdown of Walsum 10 before 2038 is an issue to be discussed jointly with our project partner STEAG. Based on EVN's consolidated revenue, the share of Walsum 10 is less than 3%.
- In line with our Strategy 2030, we intend to make massive investments in the further expansion of our renewable generation capacity during the coming decade. Our interim goal for wind power is to increase our capacity to roughly 500 MW by the end of 2023. We are also planning to substantially increase our photovoltaic capacity in our core markets of Austria, Bulgaria and North Macedonia over the near term.

These measures are expected to reduce the specific CO_2 emissions from electricity production by half below the 2005 level by 2030.

For information on the Strategy 2030, see page 19ff

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 and coarse ash 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 and at the required discharge temperature. 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.

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 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

Responsible use of energy and resources

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

EVN's energy intensity[1] totalled 16.96 MWh of primary energy for each gigawatt hour of electricity sold in 2019/20 (previous year: 25.72 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

Measures to improve energy efficiency

Many different measures help us to continuously improve our own energy efficiency and, at the same time, reduce the emissions from our production and energy procurement activities and the use of energy by our customers. 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 2019 calendar year was 45.4 GWh, which we met with a wide variety of measures such as the replacement of old heating equipment with new, more efficient heating systems and the installation of photovoltaic equipment.

GRI indicator: GRI 302-5

EVN's direct and indirect own energy consumption by primary energy sources		2019/20	2018/19	2017/18
Non-renewable energy carriers	MWh	5,347	5,516	5,817
thereof natural gas	MWh	4,947	5,198	5,295
thereof heating oil[1]	MWh	400	317	522
Renewable energy carriers	MWh	–	–	–
Electricity, heating and cooling energy	MWh	367,463	516,817	505,035
Total	MWh	372,810	522,333	510,852

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

Material and other supplies – used in energy generation, wastewater treatment, thermal waste incineration		2019/20	2018/19	2017/18
Renewable energy carriers				
Biomass[1]	terajoule[2]	4,357	5,991	6,077
Non-renewable energy carriers				
Fossil fuels[3]	terajoule[2]	15,199	30,646	31,327
Non-renewable materials				
Limestone	t	15,552	27,491	27,303
Lime hydrate	t	419	340	343
Ammonia	t	243	897	957
Ammonia water	t	1,856	2,136	2,235
Demineralised water	m³	156,147	175,937	219,133
Lubricating oils	t	4	7	2
Hydrochloric acid	t	199	219	217
Sodium hydroxide	t	90	67	113
Dosing media	t	9	10	9
Rock salt	t	106	131	101
Precipitants	t	1,558	1,645	1,631
Flocculating agents	t	385	404	386
Urea	t	1	15	15
Other energy carriers				
Waste[4]	terajoule[2]	5,501	5,581	5,635

1) Adjustment of prior year information due to a re-validation of the lower caloric value and a change in the calculations relating to dry fuel for improved comparability in the 2019/20 financial year.
2) Information provided in terajoules because of the different fuel qualities
3) Natural gas, hard coal, heating oil
4) For incineration by the thermal waste utilisation plant in Dürnrohr/Zwentendorf

Material utilisation – network construction in Lower Austria[1]		2019/20	2018/19	2017/18
Additional power lines	km	334	251	356
Additional/less natural gas pipelines	km	–30	25	10
Additional heating lines	km	10	14	18

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

Measures to reduce energy consumption

The installation of a more efficient distance heating pump in Dürnrohr and the construction of a photovoltaic plant in Tulln reduced our direct energy consumption by roughly 260 MWh in 2019/20, which represents annual savings of nearly 90 t CO_2. In North Macedonia, photovoltaic equipment was installed at five district administrative centres during the reporting period. In total, they will save approximately 72 t of CO_2 each year.

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.

Energy consumption outside the organisation totalled 27,091 MWh in 2019/20 (previous year: 27,224 GWh).

△ GRI indicators: GRI 301-1, GRI 302-1, GRI 302-2, GRI 302-4

OUR INFLUENCE ON THE CLIMATE AND OUR PROTECTIVE MEASURES

Emissions

As an energy company and environmental services provider, we see it as our responsibility to make a substantial contribution to the fight against climate change. This contribution involves, above all, the minimisation of 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 and photovoltaic capacity.

Also see our core strategies on page 20f

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 1,343,529 t CO_2 in 2019/20, which represents a year-on-year reduction of 49.9% (previous year: 2,694,528 t CO_2).

GRI indicators: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-7

Scope 1 – Direct GHG emissions[1) 2)]		2019/20	2018/19	2017/18
Austria	t CO_2e	571,257	1,447,646	1,526,667
Germany	t CO_2e	611,621	1,074,850	902,962
Bulgaria	t CO_2e	157,900	169,211	144,591
North Macedonia	t CO_2e	2,068	2,148	2,325
Croatia	t CO_2e	58	65	73
Russia	t CO_2e	626	608	682
Total	t CO_2e	**1,343,529**	**2,694,528**	**2,577,301**
	t CO_2e/GWh	**223.49**	**306.06**	**290.31**

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).

Scope 2 (location-based) – Indirect GHG emissions[1) 2)]		2019/20	2018/19	2017/18
Austria	t CO_2e	156,574	158,490	163,097
Germany	t CO_2e	6,419	6,483	6,768
Bulgaria	t CO_2e	211,958	237,627	252,836
North Macedonia	t CO_2e	690,743	723,909	714,066
Croatia	t CO_2e	7,832	7,765	7,834
Russia	t CO_2e	11,464	15,162	15,790
Other countries[3)]	t CO_2e	4,212	4,347	4,205
Total	t CO_2e	**1,089,202**	**1,153,781**	**1,164,595**
	t CO_2e/GWh	**54.97**	**57.91**	**63.25**

1) 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.
3) Includes Cyprus and Slovenia

Scope 2 (market-based) – Indirect GHG emissions[1) 2)]		2019/20	2018/19	2017/18
Austria	t CO_2e	17,925	40,111	49,346
Germany	t CO_2e	6,419	6,483	6,768
Bulgaria	t CO_2e	315,188	370,428	403,696
North Macedonia	t CO_2e	690,743	723,909	714,066
Croatia	t CO_2e	7,832	7,765	7,834
Russia	t CO_2e	11,464	15,162	15,739
Other countries[3)]	t CO_2e	4,212	4,347	4,205
Total	t CO_2e	**1,053,783**	**1,168,203**	**1,201,654**
	t CO_2e/GWh	**53.18**	**58.63**	**65.26**

1) 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.
3) Includes Cyprus and Slovenia

Other indirect GHG emissions (Scope 3)[1) 2)]		2019/20	2018/19	2017/18
Total	t CO_2e	**8,570,126**	**9,589,886**	**9,352,980**
	t CO_2e/GWh	**317.93**	**352.51**	**362.37**

1) 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)]		2019/20	2018/19	2017/18
Total CO_2 emissions	t CO_2e/GWh	**406.86**	**494.50**	**508.78**

1) Total specific emissions from Scope 1–3 in relation to the sales volumes of electricity and natural gas (19,813 GWh of electricity and 4,957 GWh of natural gas for 2019/20)
2) Upstream CO_2 effects from the primary energy carriers, calculated on the basis of the UNFCCC factors

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 and photovoltaics. The installed capacity of 367 MW in our wind parks was responsible for annual CO_2 savings (Scope 1) of approximately 460,300 t in 2019/20.

Electricity production at the hard coal-fired power plant in Dürnrohr was terminated earlier than originally planned in August 2019. 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) and thereby make an important contribution to climate protection in Austria.

GRI indicator: GRI 305-5

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.

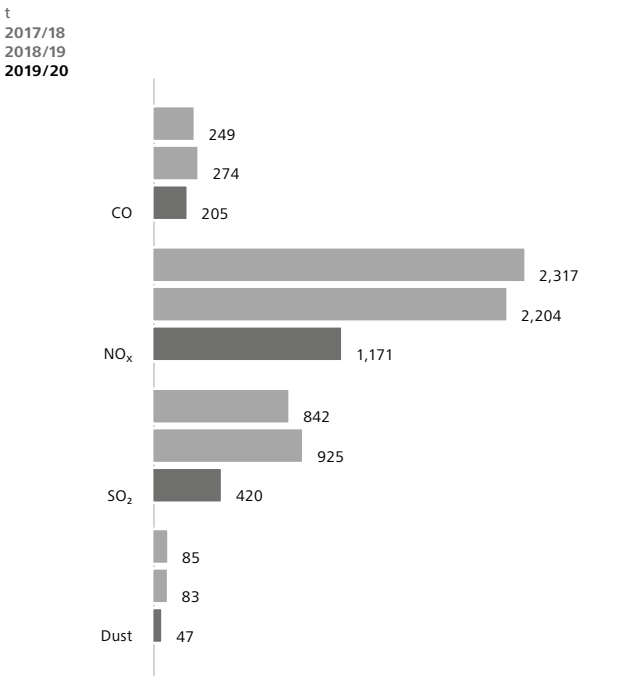
The gas-fired power plant in Theiss was under contract during the 2019/20 financial year as reserve capacity for the Austrian transmission network operator, but at a maximum volume of only 430 MW. We therefore conserved the thermal power plant capacity in Theiss and Korneuburg which was not covered by contracts as of 1 October 2018. Electricity production at the hard coal-fired power plant in Dürnrohr was also terminated earlier than planned in August 2019. CO_2 emission certificates were, as a result, only required in 2019/20 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 49.0% investment). We purchase all the required emission certificates on the wholesale market as required by the applicable regulations. This is confirmed by external auditors.

The required certificates for heat production are purchased on the wholesale market through EnergieAllianz Austria.

EVN needed 866,000 CO_2 emission certificates in 2019/20, whereby 11% were allocated free of charge based on the pre-defined CO_2 emissions for each plant.

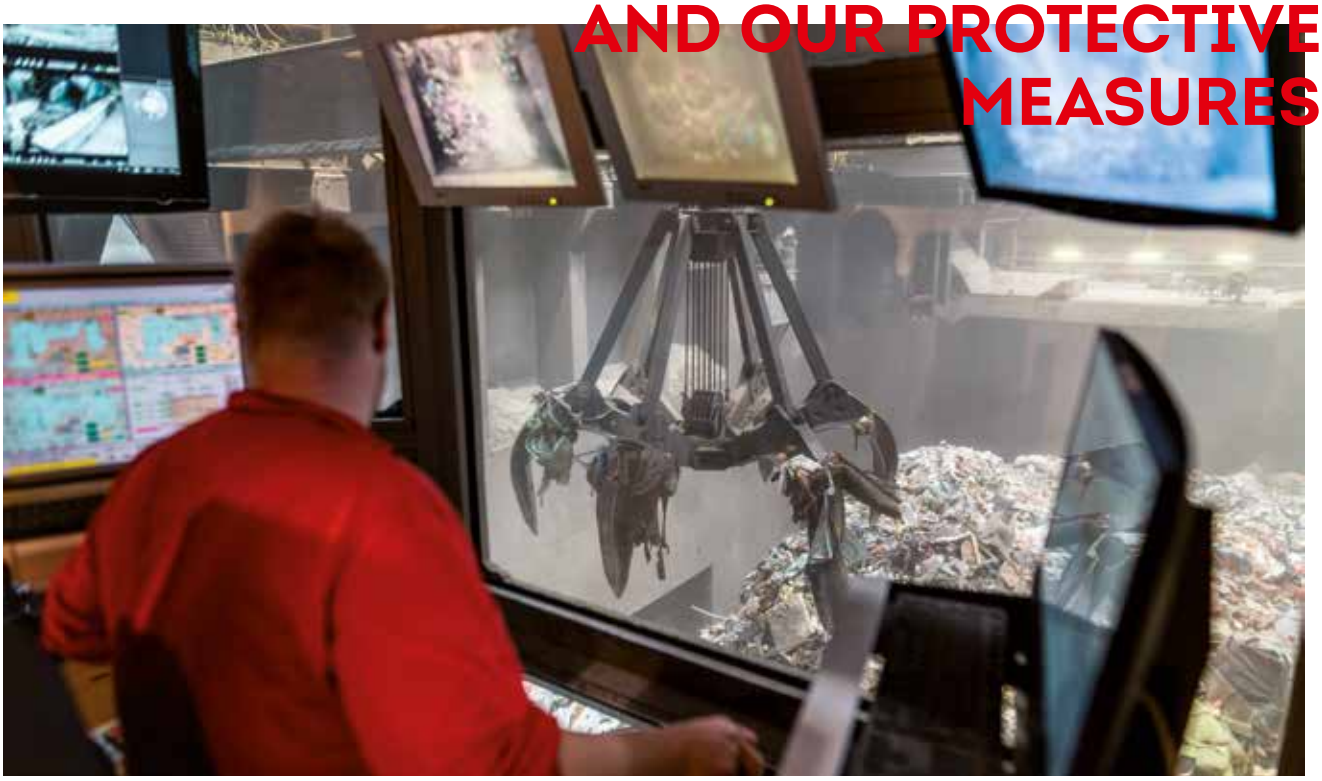
GRI indicator: GRI EU5

Further significant air emission quantities by EVN[1)]



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

OUR INFLUENCE ON THE ENVIRONMENT AND OUR PROTECTIVE MEASURES



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, our material and equipment suppliers as well as disposal partners are selected according to 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 2019/20.

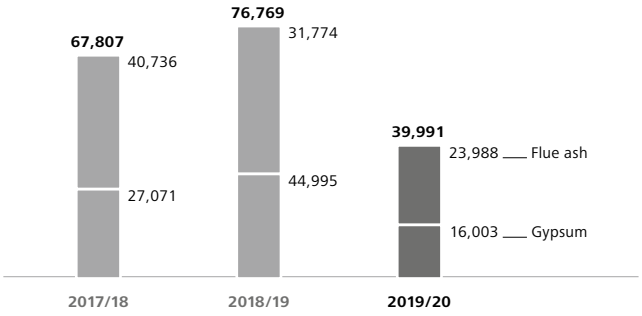
We utilise all flue ash and coarse ash from the coal-fired power plants, while roughly one-half of the biomass ash from district heat production is transferred to disposal firms and then utilised. The remaining amounts are deposited in a landfill in accordance with the applicable regulations. All environmentally 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 2019/20: A transformer was damaged during its set-up, which led to the leakage of roughly 900 l of transformer oil. The contaminated soil and any still fluid oil were removed – under the supervision and control measurements of a specialist institution – and correctly disposed.

Development of waste quantities[1]		2019/20	2018/19	2017/18
Hazardous waste and residual materials	t	17,107	19,604	19,348
Non-hazardous waste and residual materials	t	261,541	237,346	267,224
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 – Walsum 10 power plant

t/year



1) Due to the early termination of electricity generation from coal at the Dürnrohr power plant at the beginning of August 2019, there have been no more power plant by-products in Austria since 2019/20.

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

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. More than 98% of 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 2019/20, the cooling water flow rate at our Lower Austrian thermal power plants totalled 153.1m m³ (previous year: 256.5m m³). This corresponds to 0.26% of the average annual volume of the Danube recorded at the Korneuburg gauge[1] (measuring point number 207241), which amounted to 59,581m m³ and remains clearly below the allowed threshold of 5%.

1) Source: "Austrian Hydrographical Annual 2017", Federal Ministry for Sustainability and Tourism

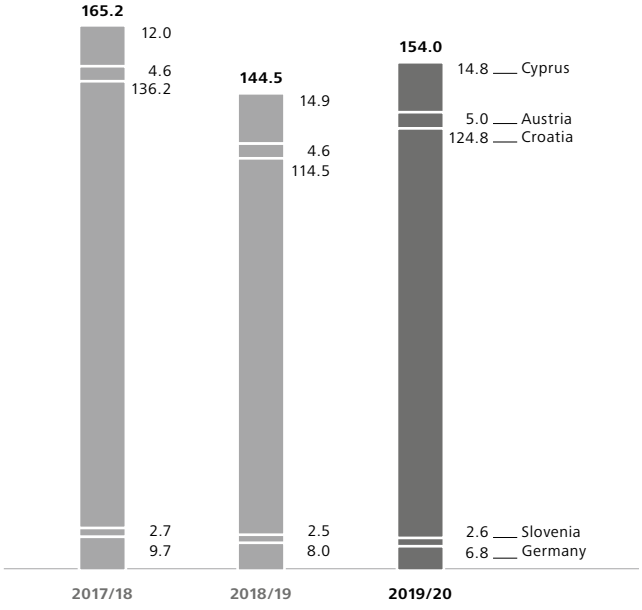
In cases where the type or quantity of a wastewater stream at one of our locations differs from ordinary household wastewater, we conclude contracts with sewage treatment plant operators based on the indirect discharge ordinance. These contracts contain detailed provisions for the allowable amount of 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 comply with all requirements defined by various public authorities for cooling water discharge temperatures.

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

In the area of wastewater disposal, WTE Wassertechnik treated 154.0m m³ of wastewater in its plants during 2019/20 with a mean purification performance of 72.1%[1] (previous year: 87.5%; 144.5m m³). The resulting sewage sludge is used partly for agricultural

Wastewater treated

m m³



Water[1] m m³			2019/20	2018/19	2017/18
Water withdrawn[2]	**Total**		**191.0**	**294.4**	**314.3**
	thereof by source	Surface water	155.1	259.7	279.0
		Groundwater	35.6	34.3	35.0
		Delivered water	0.3	0.3	0.4
Water released[2]	**Total**		**157.6**	**262.2**	**281.7**
	thereof by destination	Surface water	155.2	259.7	279.0
		Water released to third parties (municipal wastewater treatment)	2.4	2.5	2.7
	thereof by treatment	No treatment	155.2	259.7	279.0
		Treatment level – wastewater purification (municipalities)	0.2	0.2	0.3
		Treatment level – wastewater purification (EVN Group)	2.2	2.3	2.4
Water consumption[3]	**Total**		**33.4**	**32.2**	**32.6**

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

purposes and compost production and partly deposited in landfills or used to generate heat.

1) 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

Successful project acquisitions for thermal sludge utilisation

EVN's long-standing experience in wastewater treatment and thermal waste utilisation, which ranges from planning and construction to the operation of these plants, has created a strategic advantage for us in a new field of business: sewage sludge utilisation. Through the construction of efficient and ecologically compatible plants for the thermal utilisation of sewage sludge, we want to close the circle of our activities in wastewater management and, in the future, make a contribution to removing harmful substances like microplastic, hormones, antibiotics and other drug residues contained in sewage sludge and, at the same time, recover valuable phosphorous. A recent legal requirement in Germany addresses these two utilisation aspects and has created a demand for projects involving sewage sludge utilisation.

We are working to develop these market opportunities and acquired several projects in Germany during 2019/20. WTE Wassertechnik was commissioned to construct a thermal sewage sludge utilisation plant in Berlin-Waßmannsdorf. The customer Berliner Wasserbetriebe is responsible for drinking water supplies and wastewater disposal for Berlin and parts of Brandenburg. With a contract volume of approximately EUR 190m, the project covers the planning and turnkey construction of the plant. The share of WTE Wassertechnik in the project volume amounts to roughly 50%. Construction is expected to start in autumn 2021, and the commissioning is scheduled for 2025. Two other contracts in this business field were awarded to sludge2energy, a 50:50 joint venture between WTE Wassertechnik and Huber SE. These general contractor assignments in Hanover and Straubing have a volume of approximately EUR 40m and EUR 50m, respectively. In addition to these new orders, WTE Wassertechnik is working on the realisation of further projects in this area, specifically in Halle-Lochau in Germany, in Utena in Lithuania and in Tubli in Bahrain. We are also planning to construct and operate a thermal sewage sludge utilisation plant at our Lower Austrian energy location in Dürnrohr.

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
- → Operation of online monitoring equipment to regularly test the water quality at various levels in the Ottenstein reservoir

WITH EXPERTISE, EXPERIENCE AND COMPETITIVE ABILITY TO ONE OF THE MOST MODERN SEWAGE SLUDGE UTILISATION PLANTS IN EUROPE

Susanna Zapreva, CEO of enercity AG, a municipal energy supply and service company headquartered in Hanover, in a discussion on the thermal sewage sludge treatment plant which will be built by sludge2energy, a 50:50 joint venture by WTE Wassertechnik and Huber SE, as the general contractor.

Mrs. Zapreva, how would you judge the importance of the project for the construction of a thermal sewage sludge treatment plant for enercity AG and for the Hannover region?

Susanna Zapreva: enercity supports cities and municipalities in the environmentally friendly utilisation of their sewage sludge. The plant in Hanover will have a capacity to utilise the roughly 130,000 t of sewage sludge each year which results from the nearly 1.2m residents in the Hanover region. That means sewage sludge will be treated at the point of origin, in other words, without long transport routes. To protect the soil and groundwater, sewage sludge can no longer be used as fertilizer on agricultural areas. We see it as our obligation to create alternatives for the municipalities.

What goals is enercity AG following with this project?

In addition to solving the problem of sewage sludge for our communities, the project will also generate district heating. We are faced, here in Germany, with the challenge of ending the use of coal in the heating sector. And that means we need renewable heat. The project will contribute to meeting this goal. By 2030 we want enercity to generate roughly 75% of the district heating in Hanover from renewable energy.

What contribution will this project make to reaching regional climate and environmental protection goals?

We use sewage sludge from treated municipal wastewater as a renewable energy carrier in resource-friendly production. In the design of the plant, we are giving top priority to the overall energetic efficiency. The plant will not only generate climate-friendly electricity for our own needs, but also feed roughly 50m kWh of heat each year into the city's district heating network. In addition, the plant is a large-scale incineration facility which means we will also be able to recover phosphorous from the ash in the future.

What were your reasons for deciding in favour of the cooperation with sludge2energy?

It was an important objective to combine high district heating supplies with electrical self-sufficiency in this plant. That is why we decided to rely on a modern concept created by an experienced power plant operator. Through its network, sludge2energy has substantial know-how in sewage sludge drying and treatment. The decisive criteria in summary: expertise, experience and competitive ability. We look forward to a successful and goal-oriented cooperation to realise one of the most modern sewage sludge utilisation plants in Europe.

Susanna Zapreva,
CEO of enercity AG

»The protection of natural habitats and biodiversity has always been one of our top priorities.«

Stefan Zach,
head of information and communication

→ 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
→ Project to protect snakes by using ultrasonic devices for rodent prevention in network infrastructure plants in North Macedonia
→ Participation in the LIFE EUROKITE project to protect the red kite in the northern region of Lower Austria

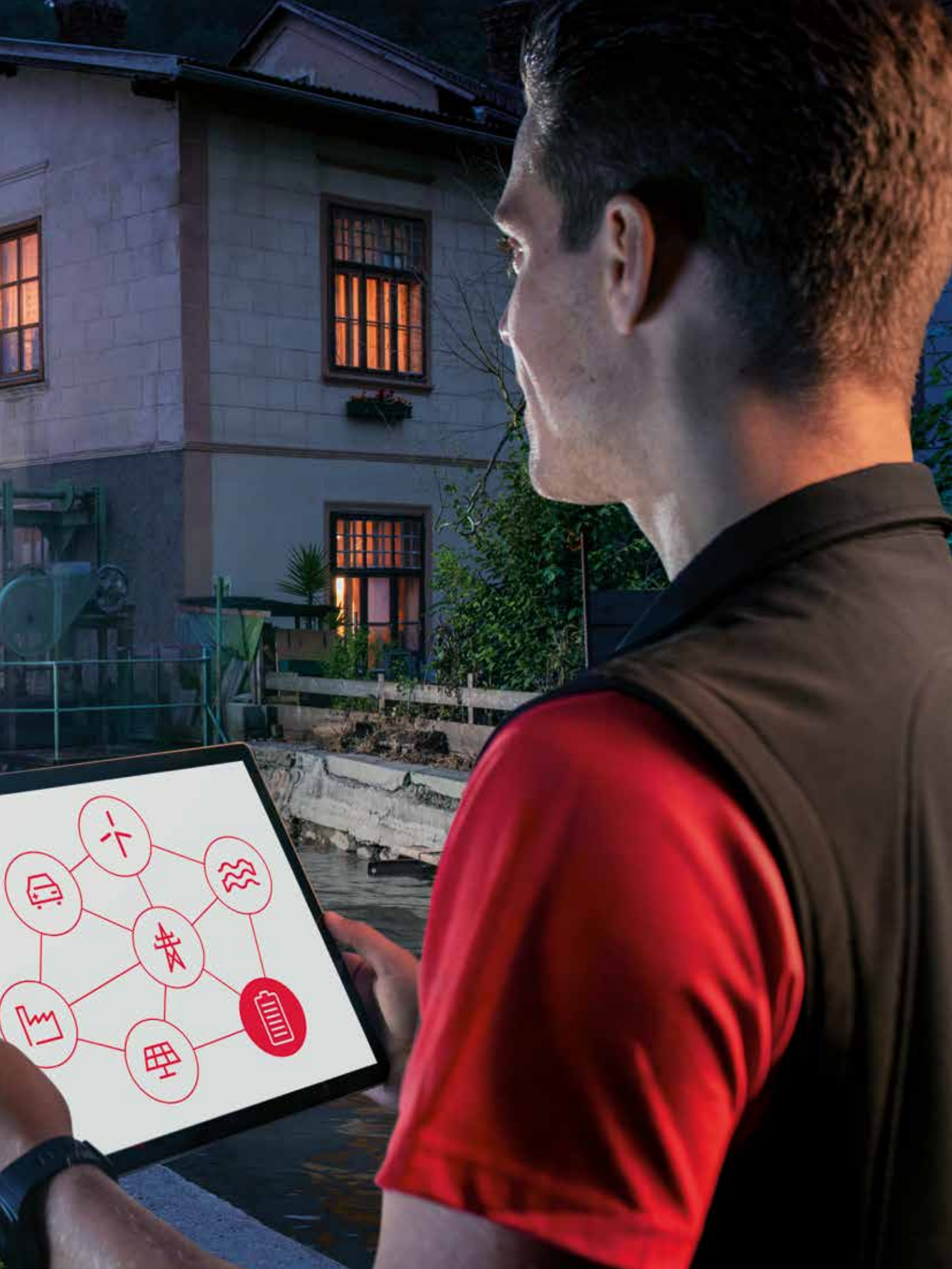
△ GRI indicator: GRI 304-4

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	53	7
Endangered	80	19
Vulnerable	150	25
Near threatened	154	18
Least concern	1,395	704
Total	**1,832**	**773**

Regional energy supplies: The pilot project "Energy future Gölsental" supplies residents with electricity directly from the local small hydropower plant. For more information see page 97f

EYES ON THE FUTURE



INNOVATIVE APPROACHES FOR THE ENERGY FUTURE

Whether our activities involve the improvement of applications and services to increase customer benefits through the use of smart technologies, the implementation of new technologies to make our network operations more efficient and stable or new approaches to electricity storage: Innovation and digitalisation are always practically orientated and designed to increase EVN's competitive ability over the long term. As an innovative energy and environmental services provider, we therefore proactively test new solutions and concepts in our core business at an early stage. The projects are always selected with a view towards our major areas of activity, in other words supply security, customer orientation and environmental and climate protection.

These principles are clearly reflected in our recent projects: Examples include tests on the potential use of a large storage battery at a wind park, research projects to evaluate the effects of e-mobility on the low-voltage network and trials of innovative technologies to stabilise the distribution network. Our award-winning development joulie was introduced to the market and represents the heart of our product line of intelligent, digitally supported individual energy solutions. joulie makes it possible for private customers to plan and optimise their individual, decentralised electricity generation (photovoltaic equipment, battery, heat pump, warm water and e-mobility) online and also make money on the energy trading market. Their equipment becomes part of a virtual power plant and thereby makes an active contribution to the energy transition. joulie is directed to technically oriented prosumers and can be easily managed via smartphone app or web portal. Customers have full control over their systems at all times through a real-time overview of all key equipment data, components and energy flows (generation, consumption, battery charge level, grid feed-in, self-supply level).

Innovation and digitalisation play a central role in EVN's Strategy 2030. Consequently, the strengthening of the end customer business through steady digitalisation is one of our core strategies for the coming decade. In order to guarantee the successful realisation of these core strategies, the Executive Board and management meet several times each year at all-day innovation conferences to develop concrete measures and to assign and monitor specific task packages. The environment and climate as well as their implications for strategic measures are also regularly part of the agenda for these management conferences.

People always form the focal points for the development and realisation of innovation projects at EVN. Our design-thinking process therefore combines technological feasibility, economic marketability and consumer appeal and evaluates these factors together. A cooperative approach is an important part of this work: The Executive Board and mid-level management are key partners in the innovation process and the most important mentors and

EXPENDITURES FOR INNOVATION, RESEARCH AND DEVELOPMENT PROJECTS

In 2019/20 we spent EUR 2.0m (of which 17.3% was financed through public subsidies; previous year: EUR 1.2m) on innovation, research and development projects.

Also see page 143

supporters for the implementation of innovative solutions. This process operates in two directions by unifying the top-down inputs from the management level with the bottom-up solution approaches supplied by employees. The staff department for innovation, sustainability and environmental protection, which reports directly to the Executive Board and serves as the anchor for innovation management in the EVN Group, regularly collects inputs on specific areas of action from the management level and, through various innovation instruments, makes it possible for employees to actively participate in the innovation process and contribute to the company's development.

In addition to the interdepartmental teamwork between experts from various specialist areas and disciplines, cooperation with external research and scientific partners, e. g. from the academic sector, has proven to be a success factor for many projects. The following section provides a selection of our current activities and projects:

Green Energy Lab

EVN is a founding member and active participant in the Green Energy Lab, Austria's largest innovation project to date for green energy. More than 200 participating partners from research, science and the public sector – together with four energy supply companies, including EVN – are developing customer- and demand-oriented scalable solutions from the prototype up to market maturity. These solutions can then be tested by the energy companies' five million customers. The Green Energy Lab has a budget of EUR 150m, and EVN is currently responsible for two major projects:

Regional renewable energy cells

The European research project R2EC (Regional Renewable Energy Cells), which includes partner organisations from Norway, Belgium and Austria, was established to simulate decentralised, renewable energy-based energy cells and to test relevant technologies. Three sample energy regions in Austria were selected for this project: Real consumption data will be collected at these locations and the contribution made by regional energy cells to a successful energy transformation will then be examined.

The project is directed to increasing the share of renewable energy in local energy collectives. The goal is to provide the regions with autonomous supplies of local renewables, which, at the same time, contribute to covering consumption in other regions. In other words: Electrical energy should be used where it is generated, and it should be used when it is available in sufficient supply. In order to reach this goal, available flexibility must be used more intensively, and additional flexibility must be created with the help of storage. This approach will create regions that can be supplied up to 100% with renewable energy.

The first step in the project is to maximise the use of renewable energies at the local and regional levels through the targeted interaction of generation, storage and consumption. At the cross-regional level, the intelligent coordination of regional energy cells can also make a sustainable contribution to optimising and increasing the resilience of the entire system. This will underscore the role of users, who are increasingly electricity producers as well as consumers in the renewable energy landscape, as an active part of the value chain.

Entirely in the sense of the energy future and the European Union's new guidelines from the Green Energy Package, the project is attempting to measure and analyse these energy cells in a first step and, later, to implement suitable measures to reach the above-mentioned goals. These measures include, for example, the creation of suitable generation and consumption equipment as well as targeted load management.

"WE ARE CONTINUOUSLY RECHARGING OUR PRODUCTS WITH NEW BENEFITS FOR OUR CUSTOMERS."

kabelplus GmbH has become one of the leading providers of Internet, TV and telecommunication solutions in Lower Austria and Burgenland since its founding in 1978. The decisive factors for this success are the company's high innovative strength and commitment to uncompromising quality.

Providing supplies of elementary resources like energy and water form the core of EVN's business. However, another product essential for everyday life has joined this group over the past four decades and is becoming more and more important: digital supplies of Internet, telephone services and TV for households and companies. The expectations on these services are rising steadily because new technologies like streaming, Internet telephony and cloud solutions as well as the growing number of end devices require constantly increasing bandwidths.

Consequently, a central responsibility of kabelplus is to provide high-performance infrastructure. This EVN subsidiary invested roughly EUR 21m alone in 2019/20 in glass fibre technology and the expansion and optimisation of its networks. "A solid infrastructure from the backbone to our customers' living rooms is the basis for our success on the market", explains Gerhard Haidvogel, managing director of kabelplus. "When we promise a customer a certain bandwidth, that is exactly what he gets."

kabelplus currently services roughly 110,000 television customers, 90,000 Internet customers and 70,000 telephony customers in Lower Austria and Burgenland. Included here are numerous companies which are provided with specially designed Internet and telecommunication solutions by kabelplus.

Wolfgang Schäffer, managing director of kabelplus, explains: "From Voice over IP to virtual telephone equipment as well as highly secure corporate networks and the required hardware, we compile an individual package for each of our business customers to meet their special requirements." The company's outstanding technical support has also proven to be extremely valuable, not least during the corona-related lockdown: On very short notice, the kabelplus technicians adjusted the bandwidths to meet the new demands created by home office – and helped their customers continue with smooth communications.

kabelplus private customers also benefit from the high demands on customer service and specially designed products. Customer benefits are also the focus here and are reflected in the steady stream of new products, expanded applications and improved performance provided by kabelplus. "Each of our customers can select from a variety of offers, most of which can be purchased online or directly via their TV set", adds managing director Wolfgang Schäffer. "From cable television, telephone services and the Internet to the installation of a WLAN network at home, we deliver everything on request from a single hand."

The continuous development of the portfolio to the newest standards allows kabelplus to protect its state-of-the-art technology. That is a positive factor for new customer acquisition and also creates long-term ties between the company and its existing customers.

» **High-performance, cable-linked Internet** will also remain part of our **daily lives in the future.** «

Wolfgang Schäffer and Gerhard Haidvogel,
managing directors of kabelplus

Innovative television offerings are also part of this portfolio. Magic TV, for example, allows customers to view the programmes on 90 TV stations for seven days. "With this and many other exclusive offerings, we are continuously recharging our products with new benefits for our customers", remarks Wolfgang Schäffer. And managing director Gerhard Haidvogel adds this comment with a view to the future: "The corona crisis and the resulting lockdown underscored the importance of a high-performance, cable-based Internet. The demands on our network will increase steadily in the coming years. And only when we continue to develop can we meet these demands – now and in the future."

EVN's specific responsibility is the design, testing and measurement of a renewable energy cell in the Tulln region together with selected end customers and prosumers who utilise their own decentralised generation equipment. All participants were supplied with the joulie optimisation assistant, which represents a key element for the integration of local renewable generation. Electricity can then be primarily consumed, consistent with local flexibility, when renewable generation is possible within the energy cell. This will balance generation and consumption and, in turn, improve supply security.

Open Data Platform

The Open Data Platform (open data platform for research in the energy sector) is a central interface in the Green Energy Lab – as such, it represents the collecting point for all project results. It provides users with easy access to comprehensive relevant data from the energy sector.

The project's goal is to consolidate findings and insights on connections in the energy systems. Users from households, small and medium-sized businesses, in particular, will benefit from this project in the future. The data collected from end users provides information on equipment with high energy consumption (e. g. heat pump systems, warm water boilers or e-charging stations) which creates a better understanding for energy costs. Efficiency data from photovoltaic equipment is also collected. The analysis of the user's consumption patterns and load flows also serves as the basis for developing forecast models, which represents an important step to better address the flexible needs of end users in the future.

Another focal point of the Open Data Platform is the development and testing of methods to increase the acceptance of innovative technologies. This will involve the active and gradual integration of end customers in the digitalisation of the energy system. The information gained from this project will be condensed into specific recommendations for the various players in the energy sector.

EVN, as the only industrial partner in this project, is the central interface for the individual participants. Each of them receives a joulie optimisation assistant which visualises the energy flows from the locally generated energy in the individual users' households, increases the own consumption rate and makes it possible for participants to operate on the energy market.

In the Open Data Platform project, we place particular importance on interaction with the participating customers to ensure the customer-friendly design of the systems required for the increasing integration of renewable energies and to make a further contribution to sustainable supply security.

» With our know-how as a network operator, we are the **ideal partner for the development of decentralised energy generation.** «

Dominik Jarmer,
EVN project manager "Energy Future Gölsental"

Pilot project for regional green electricity generation

In the southern region of Lower Austria, we are currently realising a pilot project to test the future of regional green electricity supplies. This approach coincides with the future vision that is also pursued by the European Union in its energy and climate policy and is anchored as a concrete measure under the term "renewable energy collectives". These collectives are intended to facilitate the direct use of regionally generated energy and, in doing so, support the decentralised expansion of renewable energy. Consequently, this concept is also included in the Austrian federal government's draft of the Renewable Energy Expansion Act which is expected to take effect in January 2021. The principle of origin and the regional short supply chain principle, which have already been fully established for many ecologically sustainable products like food, will now be applied to the energy sector and support the attainment of European and national climate goals.

The initial basis for our pilot project involves the extensive modernisation of the Steinwandleiten small hydropower plant near St. Veit an der Gölsen, which was built in 1893. Starting in November 2020, roughly 160 households which are located directly near this hydropower plant and therefore part of the same local network, will be able to meet their energy requirements directly with locally generated, CO_2-free electricity. Using electricity in this manner, directly from the source, is also expected to create monetary advantages for the energy collective: Network fees and charges can be saved because there

NATURAL GAS GOES GREEN

In today's transformation of the energy system, gas plays a much more important role than frequently assumed. Green hydrogen has long been hyped as a solution for the storage of surplus wind and solar energy, and green natural gas is also becoming increasingly popular. RAG Austria AG, an EVN subsidiary, has been one of the leaders in the development and testing of the technology required for the generation and storage of green gases for many years.

"The use of gas is no longer viewed as a bridge technology, but as an essential element of the future energy system", explains Markus Mitteregger, CEO of RAG. The company – which started as a crude oil and natural gas producer – has been active, above all, in gas storage for more than two decades. "In other words, widespread supplies of gas are not an outdated but a future-oriented model. The only thing that will change is the composition of the gas. And that is very good news for both RAG and EVN."

Markus Mitteregger, CEO of RAG

Green hydrogen, …

One important building block in this transformation is hydrogen, which is produced by electrolysis from water with the help of wind or solar electricity that is currently not used (power-to-gas). Electricity is extremely difficult to store in larger quantities at the present time, but this is an easy task for hydrogen. And this also solves the most important open question of the energy transformation, namely compensation for the volatile generation of energy from the wind and sun which often fails to match the demand for electricity. The stored gas can be converted back into electricity when it is needed or fed into the existing natural gas network. These gas storage facilities are, so to speak, the country's "batteries".

… stored in depleted reservoirs, …

"We have stored natural gas underground in depleted reservoirs since 1995, and it was convenient to also try this procedure with hydrogen", explains Markus Mitteregger. "After several years of intensive preparations, we opened 'Underground Sun Storage', our first pilot plant north of Vöcklabruck, in 2013. The project proved to be a full success because it demonstrated that a 10% share of hydrogen could be stored in RAG's natural gas facilities without any technical problems."

… and green natural gas

This pilot project also led to another conclusion: "We discovered that the microorganisms living in the pore space of the sandstone reservoirs can produce green methane from hydrogen in connection with CO_2 – green because the CO_2 comes from the atmosphere or from industrial processes and the resulting gas is therefore CO_2-neutral." A second RAG pilot plant, which is focused on gas conversion, started operations in Upper Austria in 2018 under the name "Underground Sun Conversion". Leading universities and major energy companies are involved in both research projects.

The world's first pure hydrogen storage facility

The positive results from these projects formed the basis for RAG's current realisation of "Sun Storage 2030", the world's first pure hydrogen storage facility with a capacity of 1.6m m³, in the Upper Austrian municipality of Gampern. That represents a storage volume of roughly 5 GWh. Markus Mitteregger: "The project is scheduled to start full operations in 2025 after a test phase and includes EVN together with other companies like Verbund and voestalpine. They all share a natural interest in innovative solutions for tomorrow's environmentally friendly energy supplies."

RAG Austria AG

With roughly 6.3bn m³ of storage capacity, RAG, which was founded in 1935, is the largest natural gas storage company in Austria and the fourth largest in Europe. EVN acquired its investment in RAG in 1992 and now holds a share of 50.03%. The company, which was originally involved in crude oil and natural gas exploration and production, built its first natural gas storage facility in the Upper Austrian municipality of Puchkirchen in 1982 and has expanded this business area steadily since that time. Its customers include EVN, Wien Energie, Salzburg AG and Linz AG as well as numerous international customers.

Active innovation …
The same also applies to the EU, which is planning substantial investments in the development of hydrogen technologies as part of its Green Deal to make Europe a forerunner in this area. RAG, which enjoys a reputation as a pioneer in the branch due to its successful pilot projects, plans to present a number of ideas and projects.

… and continued expansion
RAG's vision, parallel to the further expansion of renewable electricity generation in Austria and Europe, is to make hydrogen storage marketable. "That could exceed 4bn m³", comments Markus Mitteregger. "The increase in wind and solar energy will create added storage requirements. Our continued success as an independent storage company depends on our remaining on the cutting edge of technology and protecting our leading position in capacity. Because the storage of large volumes is the central success factor for hydrogen."

If the available volume of green hydrogen increases, it could soon be added to the gas in the general supply network – which is not really a new idea. Markus Mitteregger: "Natural gas supplies in major population centres started exactly that way in the 19th century: The "city gas" used at that time consisted of hydrogen combined with methane, carbon monoxide and CO_2. That worked well and will do so once again. And it will allow us to use the available gas infrastructure over the long term."

The progress made with hydrogen also opens new, more environmentally friendly ways for the use of conventional, fossil natural gas: Natural gas can be split emission-free into carbon and hydrogen through so-called pyrolysis which, in turn, can be used for CO_2-free energy generation. Moreover, carbon is a valuable component of many modern materials – and that closes the circle.

Markus Mitteregger: "Our concentration on these future-oriented technologies exactly fits with our traditional role: Through innovative gas technologies and intelligent storage, RAG makes sure its customers and, in turn, also their customers are supplied with gas exactly when it is needed. And the nice part of all this: It's not a future vision but lived reality."

is no need to transport the electricity over cross-regional power lines. This procedure is also simulated in the project. If the small hydropower plant is unable to completely cover electricity requirements on individual days, we make sure the required supplies can be delivered, as usual, over our cross-regional distribution network. And the members of the energy collective Gölsental can access the details on their electricity consumption at any time via our online portal and receive a transparent overview of the share of their electricity consumption generated locally by the small hydropower plant.

Comfort and efficiency gains through digital applications

When we speak about innovation and digitalisation, another important objective is to make the various aspects of business relationships with our customers more up-to-date and easier to understand and use. The interdisciplinary project "digital new connection" digitalised the process for new electricity connections and developed a more modern, customer-friendly process. Customers can now enter the relevant data for their network connection contract directly via the online customer portal operated by Netz Niederösterreich GmbH. They are supported in this process by input assistance, Google Maps and an intuitive user interface.

We also accompanied and implemented a further digitalisation project in line with the principle of human-centred innovation: digital inspection results for natural gas. Here, we were also able to realise a substantial improvement in efficiency with the digital implementation: Up to 25,000 of these legally required inspections will now be processed digitally each year. Tools, training videos and FAQs for the newly developed app have been prepared for interested consumers and future users. This will substantially reduce the effort for Netz Niederösterreich GmbH.

△ Company-specific additional indicator

TRANSPARENT AND DIALOGUE-ORIENTED

Successful project communication in Klosterneuburg: Jochen Förster-Kugler (EVN), Stefan Schmuckenschlager (mayor of Klosterneuburg), Johann Birnbauer (EVN). For more information see page 103

PROACTIVE INCLUSION OF OUR STAKEHOLDERS

We view the social acceptance of our work as a basic requirement for EVN's sustainable, long-term success and positive perception by the public. The overriding principle in this context is 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 guideline for stakeholder management ensures the regular involvement of the various interest groups at the strategic level. We realign our corporate strategy with the concerns of our stakeholders as part of the three-year cycle for updating our materiality matrix. Based on the respective areas of activity, we analyse the potential social, ecological and economic impact of our business activity. Various stakeholder groups were also involved in the preparation of this full report, for example the Supervisory Board, Executive Board, employees, customers and a representative of EVN's Customer Advisory Board.

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

GRI indicator: GRI 102-43

Project-related stakeholder dialogue

We maintain an open and intensive exchange with relevant NGOs and interest groups, also to develop trusting and sustainable long-term relations with organisations that are sometimes critical of EVN's projects and activities. A good discussion climate supports mutual understanding and is an important factor for the joint development of alternative solutions to projects that involve conflicting interests. Apart from 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. Ecological and social aspects are included in the development of all our projects from the very beginning.

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	+	+	+	+	+

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

STAKEHOLDER MANAGEMENT WITH INSTINCT

At the end of October 2020, EVN commissioned a new biomass heating plant in Klosterneuburg which will supply up to 14,000 households with "green heat" from regional raw materials. The development of the necessary distribution infrastructure involved extensive construction and, consequently, substantial complications for the local population. And the construction of a heating plant also doesn't always enjoy wide-ranging acceptance. However, cooperation with citizens' groups and active communications helped EVN win over residents for this project.

The construction of a biomass heating plant in Klosterneuburg is a project with special challenges. Strictly speaking, two major infrastructure projects are involved: On the one hand, the heating plant itself, which was built in the Klosterneuburg commercial zone and commissioned at the end of October 2020. On the other hand, EVN is installing a pipeline network that will extend to the neighbouring community Maria Gugging after it is completed in 2023 and which requires extensive excavation at a depth of at least 80 cm over the entire length of 16 km directly through Klosterneuburg. "Of course, these types of construction projects are also an endurance test for Klosterneuburg residents and for the motorists faced with large detours", explains mayor Stefan Schmuckenschlager. "Together with EVN, we communicated the benefits of this future-oriented project early on – we will be saving at least 10,000 t of CO_2 per year – and our residents were prepared to accept the inconveniences from the very beginning."

Before the local population was informed of the construction project, EVN organised extensive presentations for the responsible community board and the Klosterneuburg community council in autumn 2016. Stefan Schmuckenschlager: "We successfully convinced the community representatives of the long-term benefits of the heating plant for the entire region. In the end, all parties supported the project." With the necessary political backing, EVN then proceeded to inform the public. On two dates – one before the start of pipeline construction and the second prior to preparations for the heating plant – extensive, easily understood information was provided on the project. EVN employees and external experts were available to answer questions and address residents' concerns in detail and personally through one-on-one discussions.

The success of this active stakeholder dialogue in Klosterneuburg was also reflected in one very special feature for a major project of this type – not a single objection was raised during the approval process for the project.

In addition to the openness to dialogue, EVN's regional roots also played a role in the project communication, emphasises Stefan Schmuckenschlager: "Both EVN's project manager Johann Birnbauer and Andreas Ducho from Netz Niederösterreich GmbH have worked in this region for many years. They not only know the active players in the community, but also have a feeling for the local population's concerns."

The communication measures were, and still are, accompanied by up-to-date information that is regularly published in various regional media – for example in the local newspaper, the community's website, the official gazette or a community newsletter. That is also important – good information for involved residents is key to maintaining a positive attitude towards the project. "When you want someone to understand something, you must first make sure he or she feels understood", summarises Jochen Förster-Kugler, EVN's project communication manager, on the principle of good stakeholder communications.

Construction of a biomass heating plant in Klosterneuburg

Responsible handling of local stakeholder interests

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

- → Early identification of the expectations and requirements of the various interest groups
- → Professional, structured and proactive communications with all local stakeholders
- → Transparent and extensive presentation of all relevant project information with the use of modern communication formats
- → Coordination of communications with political decision-makers, 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 efforts. 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 at our operations in Bulgaria and North Macedonia.

△ GRI indicator: GRI 402-2

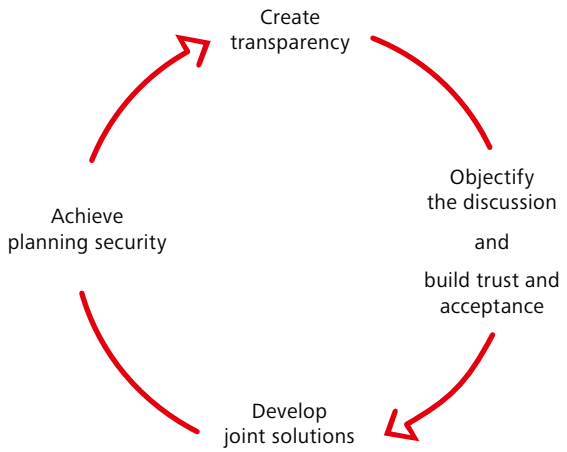
Support for interest groups and initiatives

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

Our premises for successful project communication



Social commitment

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

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

Youth and school platform: One focal point of our social responsibility is 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 for children and young people.

In cooperation with the EVN School Service, kabelplus introduced free-of-charge workshops for schools in March 2020. External experts take these opportunities to explain the safe use of digital media and, in this way, strengthen the students' digital competence. The offering covers four workshops on the following subjects:

- Safe navigating on the Internet
- Netiquette and cyberbullying
- Fake news
- Online behaviour and energy use

Also see www.young.evn.at and www.kabelplus.at/onlinesicher

We spent a total of TEUR 659.6 in these three countries during 2019/20 to finance activities for the EVN School Service (above all for the purchase and preparation of learning and teaching materials as well as experiment kits).

Bonus points for a good cause: In the EVN Bonus World, our customers can take advantage of various offers to use the bonus points they collect with their energy purchases or the use of other EVN services. Bonus points can be used as financial compensation through the payment of the customer's bills or as a contribution to various projects. Recent campaigns involved donations, among others, for families particularly hard hit by the corona crisis and for volunteer fire-fighting brigades.

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 2019/20, the fund supported 17 projects with a total of TEUR 129.1.

Also see www.evn.at/social-fund

Charitable initiatives in South East Europe: In Bulgaria, we provide regular support for the realisation of projects in the general interest, for example through contributions to outfit classrooms in schools or donations to the Bulgarian Ministry of Health to better master the crisis caused by Covid-19.

We also support the healthcare sector in North Macedonia with donations in kind, for example in the form of medical equipment. In view of the corona pandemic, support for hospitals was a recent focus of our activities.

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

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

Also see www.evn-sammlung.at

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: 19.1% own coverage in 2019/20 (previous year: 28.1%)

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 (2019: 20.10 minutes; 2018: 23.99 minutes – Austrian average 2019: 36.79 minutes; 2018: 31.47 minutes)

For information on electricity disruptions, also see pages 42 and 45

Climate protection

Target: expansion of wind power capacity to 500 MW by 2023
→ Status: installed capacity of 367 MW as of 30 September 2020 (previous year: 367 MW)

Target: increase in renewable generation to 50% of total electricity production
→ Status: 59.5% of energy generation from renewable sources in 2019/20 (previous year: 41.4%)

Attractive employer

Target: continuous reduction of the Lost Time Injury Frequency Index (LTIF); attainment of a very good level in industry comparison
→ Status: LTIF in 2019/20: 2.8 (previous year: 4.3)

Target: digitalisation measures for crisis-proof jobs with a reliable and stable employer
→ Status:
- Further development of mobile working hour model in 2021
- Digitalisation of training and educational programmes through e-learning modules and webinars; 25 e-learning courses (previous year: 7) and five webinars (previous year: 3) were held in 2019/20.

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 2020	Sustainable Development Goals (SDG)
Supply security				
→ Supply security for customers in electricity, natural gas, heat and water	→ Regular monitoring of networks to protect supply security → Adequate dimensioning and quality assurance for network expansion to safeguard long-term supply security	Annual investments of roughly EUR 200m in network infrastructure by Netz Niederösterreich GmbH	→ Ongoing	→ SDG 9 Industry, innovation and infrastructure
→ Protection of drinking water quality	→ Quality improvement through water softening	Continued focus on construction of natural filter plants to reduce the water hardness by natural means	→ Construction of natural filter plant in Petronell-Carnuntum in January 2020	→ SDG 6 Clean water and sanitation (6.3)
→ Protection of supply security during system conversion to renewable energy	→ Investments in network expansion to integrate renewable generation	Continuity in investment strategy – continuation of investment offensive for network infrastructure	→ Continued strong focus on maximum availability of supplies and services	→ SDG 7 Affordable and clean energy (7.1, 7.2)
	→ Expansion and new construction of cross-regional drinking water networks to cover demand peaks	→ Expansion of cross-regional drinking water networks – investments of EUR 165m; roughly 300 km of additional transport pipelines (by 2030) → Start of construction in 2020 on a 60 km transport pipeline from Krems to Zwettl	→ Ongoing	→ SDG 6 Clean water and sanitation (6.3)
	→ Integration of additional decentralised generation capacity for network stabilisation	Continuity in investment strategy – continuation of investment offensive for network infrastructure	→ Ongoing	→ SDG 9 Industry, innovation and infrastructure (9.4)
Environmental protection				
→ Protection of the red kite in Weinviertel region	→ Participation in LIFE EUROKITE project → Underground installation of power lines in areas inhabited by red kites	Project start: summer 2020	→ First project meeting in 2020	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Protection for sea eagles during breeding season in Carnuntum nature reserve	→ Early completion of construction on expansion of Petronell-Carnuntum pipeline to protect the sea eagles' breeding season in the nature reserve	Construction completed in January 2020	→ Completed	→ SDG 12 Responsible consumption and production → SDG 15 Life on land

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
→ Protection of endangered bird species in the region surrounding Burgas, Bulgaria	→ Application to participate in an EU-LIFE project for the protection of endangered bird species through the installation of underground power lines	Decision on subsidy in 2021	→ Project application filed	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of fossil energy carriers	→ Purchase of electrical slag feeder robot (to replace diesel-driven equipment) for the thermal waste utilisation plant in Dürnrohr		→ Installation in 2019/20	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Protection of environment during network expansion		Ongoing measure	→ Ongoing	→ SDG 12 Responsible consumption and production
→ Recycling of material excavated during network expansion → Detailed restoration of surface area after construction	→ Correct disposal of surplus material	Ongoing measures	→ Ongoing	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Efficiency improvement at thermal waste utilisation plant in Dürnrohr	→ Improvement in plant efficiency through continuous process optimisation	Continuous process optimisation	→ Ongoing	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Focus on environmental management systems	→ Certified environmental management systems in generation units → Internal environmental management in other areas	Continuation (expansion in heat business, continuation in power plants despite operational interruption)	→ Ongoing	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of emissions at thermal waste utilisation plant in Dürnrohr	→ Upgrading to improve separation of heavy metals at the wastewater treatment plant in view of future technical regulations → Optimisation of firing control system		→ Implemented in 2019/20	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of emissions by the heating plants	→ Installation of primary recirculation equipment in Hagenbrunn, Leopoldsdorf and Korneuburg		→ In planning	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of dust emissions at the thermal waste utilisation plant in Dürnrohr	→ Modification of ash loading at silos 1 and 2; additional dust filter for ash loading and exchange of discharge screw conveyor in silos 1 and 2		→ Implemented in 2019/20	→ SDG 12 Responsible consumption and production → SDG 15 Life on land
→ Reduction of emissions from household sector	→ Reduction of emissions from household sector through construction of new heating plant by EVN Wärme	Cogeneration plant Krems power plant, Klosterneuburg heat and district heating plants, Langenlebarn district heating plant in planning	→ In planning	→ SDG 12 Responsible consumption and production → SDG 15 Life on land

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Climate protection				
→ Medium-term increase in wind power capacity from current level of 367 MW to 500 MW by 2023	→ Construction of wind parks	Construction of wind park in Kettlasbrunn, further wind power projects in preparation	→ Ongoing	→ SDG 7 Affordable and clean energy
→ Wide-ranging installation of conventional and non-conventional photovoltaic capacity	→ Implementation of EVN Solar Initiative: introduction of a photovoltaic contracting model for municipalities as a contribution to a renewable energy future → Planned testing of floating photovoltaics as part of a research project → Development of a photovoltaic citizens' participation model	34 plants already constructed; citizens' participation model developed in 2020	→ 18 additional plants in planning	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 11 Sustainable cities and communities → SDG 13 Climate action
→ Revitalisation of small hydropower plants	→ Revitalisation of Brandstatt power plant → Threefold increase in generation capacity of small hydropower plant in Scheibbs	Start of construction in April 2020	→ Commissioning planned for October 2021	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 11 Sustainable cities and communities → SDG 13 Climate action
→ Support for emission-free mobility	→ Development of broad-based Austrian charging station system with many regional energy suppliers → Increased cooperation with Austrian Federal Association for Electric Mobility → Gradual conversion of EVN motor pool to e-mobility	→ Over 400 EVN loading stations with 1,100 online loading points in operation – and the trend is increasing → Use of over 6,400 online loading points at more than 2,000 locations with the EVN fuel card – and the trend is increasing → 67 e-vehicles in EVN motor pool → Six additional e-cars planned for 2020/21	→ Ongoing	→ SDG 13 Climate action → SDG 17 Partnerships for the goals

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
→ Energy efficiency measures at EVN Wärme – Coverage of own electricity requirements with photovoltaics – Improved use of heat in district heating plants – Reduction in pump current	→ CO_2-free coverage of own electricity requirements through construction of a photovoltaic plant (183 KWp, electricity production of 185 MWh/a) at the Tulln district heating plant → Adjustment of the transformer stations in Mödling and Baden → Network optimisation at district heating plants in Mödling and Baden → Reduction of return flow temperature → Network optimisation in Mödling and Baden → Differential pressure measurements in Mödling and Baden		→ In planning	→ SDG 9 Industry, innovation and infrastructure → SDG 15 Life on land
→ Installation of photovoltaic equipment at the heat power plant locations to increase energy efficiency	→ Construction of a photovoltaic plant on the former coal storage area at the Dürnrohr power plant → Construction of a photovoltaic plant on the landfill area and the expansion of equipment at the Theiss power plant		→ Completion planned for 31 December 2021	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 15 Life on land

Sustainable increase in corporate value

→ Create greater awareness for compliance issues throughout the EVN Group	→ Organisation of a Group-wide digital Compliance Cup → Revision of Group-wide compliance guideline → Development of a medium-term plan for compliance measures	Group-wide implementation in June 2020; programme runs up to 31 December 2020; implementation by 31 December 2020	→ Start of second phase of Compliance Cup	→ SDG 16 Peace, justice and strong institutions
→ Focus of all EVN procurement processes on sustainability	→ Further development of EVN procurement portal	Publication of all tenders > EUR 10,000 in the procurement portal	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Dividend policy directed to holding the absolute amount of the ordinary dividend at least constant at EUR 0.49 per share				
→ Sustainable financing of projects for the transformation of the energy system to renewable generation	→ Registered bond or private placement in bond format; fixed interest rate, annual interest payment, bullet repayment	Green promissory note loan placed with institutional investors to support the expansion/transport of renewable generation	→ Autumn 2020	→ SDG 7 Affordable and clean energy

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Innovation and digitalisation				
→ Further development of business model to integrate digitalisation	→ Gradual introduction of automated controls for internal and external equipment		→ Ongoing	→ SDG 9 Industry, innovation and infrastructure
→ Focus of R&D activities on digital innovations for the system transformation towards renewable energies	→ Development of a networking and integrating approach for several thousand decentralised users, producers and storage facilities who/which will be linked and interact bidirectionally and interchangingly through the virtual power plant that will be increasingly dominated by renewable energies in the future	Implementation through projects "GEL Open Data Platform" and "Regional Renewable Energy Cells R2EC"	→ GEL Open Data Platform in implementation from October 2018 to October 2021 → R2EC in implementation from May 2019 to May 2022	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure
→ Establishment and further development of flagship region Green Energy Lab	→ Establishment of the flagship region with a cross-national and cross-branch innovation laboratory of over 100 participants from industry and research → Annual planning and realisation of interdisciplinary R&D projects with a focus on sustainable energy systems		→ Ongoing	→ SDG 7 Affordable and clean energy → SDG 9 Industry, innovation and infrastructure → SDG 17 Partnerships for the goals
→ Digitalisation for end customers and external partners	→ Optimisation and/or redesign of key customer processes based on customer-centred innovation	Realisation of projects "digital new connections" and "digital inspection results natural gas"	→ In implementation	→ SDG 9 Industry, innovation and infrastructure
→ Increase in internal digital expertise	→ Establishment and further development of an interdisciplinary data lab and a data science community	Development of a process to implement data-based projects in April 2020	→ Ongoing	→ SDG 9 Industry, innovation and infrastructure
→ Increase in customers' digital expertise	→ Development of an online course for the "safe use of the Internet" by kabelplus	Implementation in May 2020	→ Completed	→ SDG 9 Industry, innovation and infrastructure
→ Activities to increase digital expertise of schoolchildren in Lower Austria	→ Organisation of workshop "Online@Sicher" with kabelplus for young people covering "safe use of the Internet", "netiquette and cyber-mobbing", "fake news", "Internet use and energy consumption"	Start at Lower Austrian schools in March 2020	→ Expansion to Burgenland planned	→ SDG 9 Industry, innovation and infrastructure → SDG 17 Partnerships for the goals

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Customer orientation				
→ Continuation of EVN's customer orientation programme	→ Development and implementation of a wide variety of measures → Create greater awareness among all employees for the content of EVN's customer orientation → Redesign, content-related survey and presentation of the KPI card for customer orientation at EVN as part of customer satisfaction analysis	Organisation of customer service week in October 2019	→ Third meeting of Customer Advisory Board held in the form of qualitative telephone interviews on current customer-related issues due to the Covid-19 pandemic	→ SDG 17 Partnerships for the goals
→ Focus on data protection for all activities in customer contact management	→ Documentation of permissions and legal basis → Explanation of consumer rights where required → Use of customer contact management for campaigns		→ Ongoing	→ SDG 17 Partnerships for the goals
→ Multi-stage quality evaluation as part of customer satisfaction analysis	→ Ongoing development of measures based on complaint management → Evaluation of quality as part of customer satisfaction analyses and installation of quality circle → Measurements based on IQS, voice coaching and regular training for employees with customer contacts → Implementation of a project for the further development of knowledge management		→ Ongoing	→ SDG 17 Partnerships for the goals
Stakeholder dialogue				
→ EVN Social Fund	→ Support for projects directed to children and young people in Lower Austrian institutions as part of the EVN Social Fund (annual endowment: roughly EUR 10,000)		→ Ongoing	→ SDG 17 Partnerships for the goals
→ Redesign of EVN stakeholder dialogue on sustainability	→ Further development of existing stakeholder dialogue for the external evaluation of EVN's areas of activity	External evaluation of the significance of the areas of activity in July 2020	→ EVN materiality matrix updated as of 30 September 2020	→ SDG 17 Partnerships for the goals
→ Deferred payment terms for customers during the Covid-19 pandemic	→ No service terminations during Covid-19 pandemic and continued availability of deferred payment terms	2020	→ Implemented	→ SDG 7 Affordable and clean energy

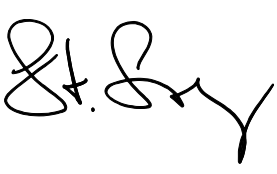
Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
Attractive employer				
→ Measures to support families → Women@EVN programme	→ Mobile working times → Mentoring programme to prepare women for management positions	Further development of mobile working time models in 2021	→ Implemented	→ SDG 5 Gender equality → SDG 8 Decent work and economic growth
→ Digitalisation of training and continuing education programmes	→ Focus on e-learning → Platform to coordinate learning programmes and seminars	2020	→ Implemented	→ SDG 8 Decent work and economic growth
→ Prevention of work accidents	→ Replacement of scrapped containers with more suitable items	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth
→ Fire protection	→ Installation of additional snuffer boxes below the grates of lines 1 and 2 at the thermal waste utilisation plant in Dürnrohr	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth
→ Protective clothing	→ Changeover to new work safety clothing (cleaning, high visibility)	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth
→ Improvement of occupational safety	→ Analysis of pollutants and impurities at Korneuburg power plant	Analysis of potential problem substances for safe work in old building sections	→ Carried out on 31 May 2020	→ SDG 8 Decent work and economic growth
→ Reorganisation of occupational safety department	→ Anchoring of this department in corporate function "administration and construction" and appointment of an officer in charge	1 April 2020	→ Completed	→ SDG 8 Decent work and economic growth
→ Greater involvement of management	→ Management training, safety conferences	Started in 2020	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Prevention of work accidents	→ Development of a near-miss recording system, initial information as "breaking news", infoboard on "accident-free days" → Video clips, articles (employee newsletter, Intranet), technical seminars, safety mirror	2020/21	→ Further development in 2021	→ SDG 8 Decent work and economic growth
→ Protective clothing, work equipment	→ State-of-the-art procurement	2020	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Safe working in tanks (at evn wasser)	→ Multi-meters to measure gas concentration / lack of oxygen	2019/20	→ Implemented in 2019/20	→ SDG 8 Decent work and economic growth

Project target	Measures	Milestone Deadline	Status as of 30 September 2020	Sustainable Development Goals (SDG)
→ Regulation for electro-magnetic fields	→ Measurements and preparation of a zone plan	Started in 2019	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Safety barriers	→ Protective equipment and training for involved employees	2019	→ Ongoing	→ SSDG 8 Decent work and economic growth
→ Occupational safety during the Covid-19 pandemic	→ Adaptation of rules and reorganisation of crisis staff	2020	→ Ongoing	→ SDG 8 Decent work and economic growth
→ Digitalisation measures for crisis-safe working environment	→ Further development of mobile working time model → Introduction of EVN mood barometer	2020	→ Implemented	→ SDG 8 Decent work and economic growth

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, 16 November 2020

EVN AG
The Executive Board



Stefan Szyszkowitz, MBA
Spokesman of the Executive Board

Franz Mittermayer
Member of the Executive Board

INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL REPORTING 2019/20

To
the board of
EVN AG,
Maria Enzersdorf

This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

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

We have performed an independent limited assurance engagement on the consolidated non-financial report according to § 267a UGB ("NFI report") for the financial year 2019/20, which has been published as Non-financial report in the Full Report 2019/20 of

EVN AG,
Maria Enzersdorf,
(referred to as "EVN" or "the Company").

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies 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" as reporting criteria.

The Company's management is responsibile for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report 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 of the scope of the audit due to the integrated NFI reporting in the Full Report: Our audit covered the following area of the Full Report:

→ Non-financial report in the Full Report 2019/20

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require 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 ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance enagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

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

- → Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- → A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;
- → Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
- → Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of 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 the local data collection, validation and reporting processes as well as the reliability of the reported data through a sample survey of the site in Northern Macedonia
- → Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- → Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the GRI Standards, Option "Core" to disclosures and indicators of the NFI report, which apply to the Company;
- → Evaluation of the overall presentation of the disclosures by critically reading 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 of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company. Disclosures audited within the scope of the annual financial statement were assessed for correct presentation (no content examination).

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report 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.

Restriction on use

We agree to the publication of our audit certificate together with the NFI report. Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims.

General Conditions of Contract

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.

Vienna, 17 November 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Rainer Hassler
Wirtschaftsprüfer (Austrian Chartered Accountant)