

Our responsibility for the future

The EVN Group's sustainability guideline

As a listed, international company for energy, water and environmental services, EVN has made a vital contribution to improve the quality of life for its customers and to support a functioning economy for over 100 years. It also holds a special responsibility for designing the energy future.

Preserving a liveable world for future generations and driving the transformation to a sustainable society is the central challenge of our times. The necessary transformation of climate policies, the energy sector and society will require continuous and wide-ranging changes, investments and innovation in many areas over the coming years.

EVN joined the UN Global Compact already in 2005 and, in doing so, committed to comply with the global principles of ethical and ecological business activities. Since 2012, EVN has also been represented on the Steering Committee of the Austrian Global Compact Network. A similar regional network in Bulgaria also includes EVN as a member.

Sustainable management – meaning the integration of all relevant environmental (“E”), social (“S”) and governance (“G”) aspects of sustainability in our daily work – has been deeply anchored in our corporate culture for many years. The activities we have developed – and update annually – in line with these guidelines involve all areas of the company and include specific measures to reach our goals. The regular exchange of viewpoints with our stakeholders and the resulting strategic priorities determine the framework for our entrepreneurial actions. Their implementation is based on a clearly defined set of values that equally reflects the justifiably high expectations of all our stakeholders.

We see it as our obligation and a challenge to make concrete contributions to realising the goals of Austrian and European energy and climate policy as well as the Sustainable Development Goals (SDG) of the United Nations. As an energy provider, EVN with its sustainably oriented management can make a significant contribution, in particular, to meeting the following SDGs:



Rules, instructions and guidelines help our employees to implement these demanding principles in their everyday work. To make this an integral part of our corporate culture, they apply to all employees at all levels throughout the Group. Regular communication and training also serve to sustainably anchor these beliefs in our organisation.

Our high commitment to transparency is reflected in the publication of these policies and guidelines as part of the non-financial section of our annual **Full Report** and – classified according to **environment, social** and **corporate governance** – also on our website.

We have followed the development of the EU Taxonomy from the very beginning and reported on the respective indicators. For all major investments by our Group, not only the economic feasibility but also taxonomy alignment is an important decision criteria.

Climate protection is anchored in all our activities as part of our **Strategy 2030**. Concrete measures, goals and projects are developed on the basis of this strategy and, in the 2020/21 financial year, we introduced the **EVN Climate Initiative**, which is based on the following three elements:

- Reduction goals for our greenhouse gas emissions (agreed science-based goals in accordance with the Science Based Targets Initiative (SBTi))
- Climate neutrality in selected subsidiaries
- Research and development projects in support of climate protection

1 Environmental guideline

1.1 Climate change

We are committed to making an active contribution to reducing greenhouse gas emissions and to the containment of global warming. The **EVN Climate Initiative** is focused on a gradual system transformation towards climate-neutral energy generation and, together with the goals agreed with SBTi, is designed to reduce our greenhouse gas emissions. The primary objective is to expand CO₂-free generation capacity for wind power and photovoltaics while, at the same time, protecting supply security. A balanced mix of optimal supply security and minimal environmental impact is decisive here. Efficiency improvements and innovation initiatives also make an important contribution. Provided the appropriate framework conditions are in place, we plan to increase our wind power and photovoltaic capacity to over 770 MW, respectively to 300 MWp by 2030.

Through the use of renewable energy sources, efficiency improvements and extensive advising to help our customers reduce their energy consumption, we make an important contribution to reaching the climate goals set by the European Union, the Republic of Austria, the province of Lower Austria and our core markets in Bulgaria and North Macedonia. We have always placed great value on efficient and customer-oriented energy advising and include economic as well as ecological aspects. Energy saving is one of the most important aspects of our consulting activities.

1.2 Environmental protection

Our goal is to minimise the impact of our activities on the air, water and soil and to use natural resources as effectively and responsibly as possible. Environmentally compatible waste management and the preservation of the natural habitats of plants and animals in the areas surrounding our plants and projects are an integral part of all our activities.

Respect for the landscape is an essential part of our energy production and distribution. Through network cabling and route optimisation, we help to maintain the appearance of local communities and the surrounding areas.

Our production facilities are constructed in accordance with the latest environmental engineering standards. Special emphasis is placed on the modernisation of existing plants or new construction at existing locations. State-of-the-art systems ensure compliance with all legal requirements and obligations. Above and beyond this, we are committed to continuously improving our environmental performance.

We have operated environmental management systems on a voluntary basis since 1995 in accordance with the Eco Management and Audit Scheme (EMAS) in defined business areas. All EVN energy generation and utilisation plants with significant emissions are certified under EMAS and ISO 14001 and are subject to annual external audits.

1.3 Water resources

Sustainable and climate-neutral water management that is designed to preserving the natural water cycle is an important requirement for protecting high-quality water reserves for future generations. Our objectives are to safeguard the water quality, ensure a balance between the water supply and use, prevent pipeline losses, and return purified wastewater to the water cycle. All wastewater from our facilities is cleaned and quality tested before it is released into surface water.

EVN locations in water stress areas are subject to additional analyses, which form the basis for the development of measures to prevent any negative effects on the regional water supply.

1.4 Biological diversity and ecosystems

We are committed to the protection and restoration as well as the careful handling and sustainable use of biological diversity (biodiversity) to preserve the benefits of ecosystems for people and animals. This is reflected in our efforts to analyse the effects of our activities on biodiversity and ecosystems, above all in biodiversity-sensitive areas, and is accompanied by the creation of compensation areas and by environmental impact assessments.

New construction gives preference, as far as possible, to land recycling, whereby brownfield sites and former industrial districts take precedence over rezoned farmland or natural areas. We also support numerous initiatives and programmes in our sphere of influence to protect habitats and endangered species, frequently in close cooperation with external experts from NGOs and public authorities. This close cooperation with environmental and animal protection experts makes it possible to integrate the needs of animals and plants in the conception phase of our projects. In this way, adverse effects can be held as low as possible.

1.5 Resource use and the circular economy

Our aim is to ensure a liveable environment for future generations, and the protection and responsible handling of natural resources have always defined our actions. We are well aware that resources are limited and work to minimise their consumption and maximise the efficiency of their use.

The flow of materials and goods in our company is precisely tracked and directed towards reuse, recycling and other forms of utilisation. Our waste management system undergoes regular optimisation in support of the circular economy. We also select our material and product suppliers and our disposal partners according to ecological criteria. They are all reviewed, initially and afterwards, according to ESG criteria.

2 Social guideline

2.1 Employees, human rights, equal treatment and occupational safety

Country-specific legal regulations and international directives like the Universal Declaration of Human Rights together with our **Human Rights Policy** and the basic rules in our **Code of Conduct** form the guiding principles for EVN's corporate culture in dealing with our employees. Additional binding documents on our corporate and management culture, for example our managerial mission statement, define and substantiate the principles and guidelines for our daily interaction.

These standards are equally valid in all countries where we are active. We also defined the **EVN Key Values** – which apply to the entire Group – several years ago:

- ensure
- encourage
- enable

Dealings with our employees are based not only on legal obligations but also include a range of additional voluntary benefits which reflect our responsibility as a fair employer. The following fundamental principles influence the EVN corporate culture:

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

In agreement with the Universal Declaration of Human Rights, the principles of the UN Global Compact and the guidelines of the International Labour Organization, all EVN employees are treated equally regardless of gender, age, ethnic origin, skin colour, sexual orientation, religion, ideology or any impairment. We expressly reject any form of discrimination in hiring, training, career development, working conditions and compensation for employees with the same professional and personal qualifications.

As an attractive employer, EVN offers modern working worlds and a variety of career and training opportunities. That makes our employees fit for the future. We see it as our responsibility to react quickly to challenges and to create an optimal working environment for our employees – an environment in which they can develop and work with a focus towards collective and sustainable success. The widely diverse tasks of a sustainability oriented company can only be fulfilled with well informed and dedicated employees. As a result, we place great emphasis on training and the inclusion of employees from all areas of the business.

To improve our employees' work-life balance we offer a variety of measures for the design of working times, mobile work, childcare and parental leave.

Protecting the health and safety of our employees is another central element of our corporate culture. Our Safety Mission Statement establishes the basis for our comprehensive standards in the area of worker protection. With extensive training, regular evaluations and high-quality equipment, we offer a level of worker protection that exceeds legal requirements. The overriding goal is to prevent accidents, and we provide our employees with the necessary orientation in the form of extensive and readily available health and safety documentation. Employees can then act independently and supervisors are able to serve as role models. Our employees have access to occupational healthcare that covers all issues involving health protection, awareness raising, and the protection of and support for occupational health and safety.

The vast majority of our employees are represented by works councils or unions, and their compensation is protected by collective agreements, tariffs or legal minimum wage regulations. The freedom of association applies to all our Group companies at all locations, and we view this as a fundamental principle of our employment policy.

2.2 The labour force in the value chain

Sustainable procurement is only possible with the integration of all business partners and all employees involved in the value chain. We monitor, survey and analyse potential and actual risks and opportunities for the involved employees and implement suitable measures together with our partners. Our suppliers are also audited on the basis of social criteria, and we ensure the implementation of measures if there are any negative social effects in our supply chain.

2.3 Affected communities

We believe in respecting the economic, social and cultural rights of affected communities and guarantee the exercise of their civil and political rights. To ensure this, we create the necessary framework conditions and monitor their compliance. We view the social acceptance of our work as a basic requirement for EVN's sustainable, long-term success. Our stakeholders receive information on all our projects and are actively involved. The overriding principle in this context is to create and maintain an appropriate and equitable balance between the diverse concerns shared with us by our stakeholder groups. This is reflected in the importance given to regular, proactive and open dialogue with everyone who is interested in our company.

2.4 Consumers and end users

As an energy and environmental service provider who serves end customers in agreement with global sustainability goals, EVN places high priority on reliable supplies for its customers and on other justified interests in its daily business activities. Included here, among others, are issues involving product labelling, safety, health and data protection as well as support for vulnerable customer groups.

We minimise the potential negative effects of 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 with regard to energy supplies and network operations. Regular information, preventive measures and quality management play a central role in this respect.

EVN's values include a clear commitment to social responsibility, which we actively live through various measures and cooperations.

3 Governance Guideline

3.1 Business conduct

We are committed to the concept of sustainable management. As an energy and environmental service provider, EVN places great value on integrity and legally compliant behaviour and follows the rules defined by the Austrian Code of Corporate Governance. Our compliance management system defines a standardised framework for the entire Group which is based on prevention through the creation of awareness and training, the identification of risks and violations, and reaction through information and improvement as well as the introduction of any necessary measures.

Our guiding principle is to create and maintain a fair balance between the concerns of everyone interested in our company. We offer our customers high-quality products and services at competitive prices and our employees attractive working conditions. In all our business relationships, we see our counterparts as equal partners. Social and environmentally relevant criteria are also included in the selection of our suppliers.

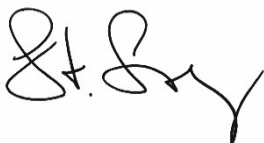
Full compliance with fundamental ethical principles and all legal requirements is a matter of course. These values are conveyed to our employees and managers in regular training programmes and to our suppliers through our mandatory **Code of Conduct** and **Integrity Clause**.

In agreement with the Universal Declaration of Human Rights, the principles of the UN Global Compact and the guidelines of the International Labour Organization, all EVN stakeholders are treated equally regardless of gender, age, ethnic origin, skin colour, sexual orientation, religion, ideology or any impairment. The related principles and measures are summarised in the **EVN Human Rights Policy**.

We are decisively opposed to all types of corruption. In the interest of the general public and our company's reputation, corruption must be eliminated through prevention and control. Integrity and the prevention of corruption are two of the main points in our **Code of Conduct** and an integral part of every compliance training programme. Indications of potential violations of our **Code of Conduct** or legal regulations are processed in a standardised and anonymous **whistle-blower system**. The related reporting channels are open to all customers, employees and suppliers as well as anyone interested in our company.

Our commitment to sustainability does not end with the above content. As a cornerstone of our corporate culture, it is the focal point of continuous evaluation and development to protect EVN's long term success.

The Management Board of EVN AG



Stefan Szyszkowitz
Spokesman of the Executive Board



Stefan Stallinger
Member of the Executive Board



Alexandra Wittmann
Member of the Executive Board