



# Second-Party Opinion E.ON Green Bond Framework

## Evaluation Summary

### Alignment with the Green Bond Principles 2021

Sustainalytics is of the opinion that E.ON’s Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Electricity Networks, Renewable Energy, Energy Efficiency, Clean Transportation – are aligned with those recognized by the Green Bond Principles 2021. Sustainalytics considers that financing of assets in the eligible categories will lead to positive environmental impacts by supporting the uptake of clean energy in Europe and advancing the UN Sustainable Development Goals, specifically SDGs 7, 9 and 11.



**PROJECT EVALUATION / SELECTION** E.ON’s Green Bond Committee, composed of representatives from Sustainability, Energy Networks, Customer Solutions and Group Finance, as well as additional subject matter experts as needed, will evaluate and select projects to be included in the Eligible Green Portfolio. Projects selected for the Portfolio will comply with all of E.ON’s internal policies and guidelines related to environmental and social risk management. Sustainalytics considers the project selection process to be aligned with market practice.



**MANAGEMENT OF PROCEEDS** E.ON will manage proceeds using a portfolio approach, in which it will strive to maintain a level of allocation that matches or exceeds the balance of net proceeds of outstanding bonds. Pending full allocation, proceeds will be held in its treasury liquidity portfolio in cash, cash equivalents, money market funds, or equivalent. E.ON expects to immediately allocate all proceeds of its upcoming issuance. This is aligned with market practice.



**REPORTING** E.ON intends to report on allocation and impact on an annual basis throughout the tenor of the bond. The allocation reporting will include the total amount of assets and capital expenditures in the Green Project Portfolio, the amount of proceeds used for new and/or existing projects, and the balance of the unallocated proceeds. In addition, E.ON is committed to impact reporting using quantitative metrics, to be made available as part of the Company’s green bond report. Sustainalytics views E.ON’s allocation and impact reporting as aligned with market practice.

### Alignment with the EU Taxonomy

Sustainalytics has assessed E.ON’s Green Bond Framework for alignment with the EU Taxonomy, and is of the opinion that, of the Framework’s 12 eligibility criteria (across four use of proceeds categories), which map to 12 EU activities, all 12 align with the applicable Technical Screening Criteria (“TSC”) in the EU Taxonomy, and all 12 are aligned with the Do No Significant Harm Criteria. No categories were determined to be *not aligned*. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy’s Minimum Safeguards.

<b>Evaluation Date</b>	December 1, 2021
<b>Issuer Location</b>	Essen, Germany

#### Report Sections

Introduction .....	2
Sustainalytics’ Opinion.....	4
Appendices.....	12

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## Introduction

E.ON SE (“E.ON”, the “Issuer” or the “Company”) is an energy company and utility based in Essen, Germany, focused on providing energy networks and customers energy solutions. Following the 2019 acquisition of RWE’s 76.8% stake in innogy SE (“innogy”) as part of an extensive asset swap, E.ON received innogy’s grid- and customer solutions businesses, while substantially all of E.ON’s and innogy’s renewables businesses transferred to RWE. Today E.ON operates approximately 1.28 million km of electrical grids and natural gas distribution grids serving 34 million customers.

E.ON has developed the Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future assets that support the energy transition and climate change mitigation. The Framework defines eligibility criteria in four areas:

1. Electricity Networks
2. Renewable Energy
3. Energy Efficiency
4. Clean Transportation

E.ON engaged Sustainalytics to review E.ON’s Green Bond Framework, dated December 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP),<sup>1</sup> and the relevant criteria in the EU Taxonomy.<sup>2</sup> This Framework has been published in a separate document.<sup>3</sup> E.ON’s December 2021 Framework updates and replaces its February 2021 Green Bond Framework, for which Sustainalytics provided a previous Second-Party Opinion.<sup>4</sup> E.ON has confirmed to Sustainalytics that all outstanding bonds issued by E.ON and previously issued by innogy Finance B.V.,<sup>5</sup> as well as all future bonds will be governed by the current Framework.

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent<sup>6</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The Framework’s alignment with the EU Taxonomy;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of E.ON’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. E.ON representatives have confirmed (1) they understand it is the sole responsibility of E.ON to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

<sup>1</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>2</sup> Sustainalytics has assessed E.ON’s Framework against the taxonomy criteria of the Draft Delegated Act published June 4, 2021, available at: [https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)

<sup>3</sup> The E.ON Green Bond Framework is available on E.ON’s website at: <https://www.eon.com/greenbond>

<sup>4</sup> Sustainalytics’ 2019 Second-Party Opinion is available at: <https://www.sustainalytics.com/sustainable-finance/wp-content/uploads/2019/07/E.ON-Green-Bond-Second-Party-Opinion.pdf>.

<sup>5</sup> The green bond initially issued by innogy, following a bond transfer, now is issued by E.ON’s 100% subsidiary E.ON International Finance B.V.

<sup>6</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

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This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and E.ON.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that E.ON has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on E.ON's Green Bond Framework

Sustainalytics has assessed E.ON's Green Bond Framework for its alignment with the Green Bond Principles 2021 and the EU Taxonomy.

#### Alignment with Green Bond Principles 2021

Sustainalytics is of the opinion that E.ON's Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. For detailed information, please refer to Appendix 4: Green Bond/Green Bond Programme External Review Form. Sustainalytics highlights the following elements of E.ON's Green Bond Framework:

- Use of Proceeds:
  - The eligible categories – Electricity Networks, Renewable Energy, Energy Efficiency, Clean Transportation – are aligned with those recognized by the GBP.
  - E.ON's Framework defines as eligible the asset value of all electricity distribution infrastructure and equipment that is part of a grid which either meets (i) over 67% of newly connected generation assets comply with the 100gCO<sub>2</sub>/kWh threshold (over a rolling five-year period) or (ii) an average emissions factor of less than 100gCO<sub>2</sub>/kWh, but excluding infrastructure dedicated to creating or expanding a direct connection of power plants with an intensity greater than 100gCO<sub>2</sub>e/kWh.
    - Sustainalytics recognizes that E.ON's Framework is aligned with the EU Taxonomy, which considers these quantitative thresholds to be one of several approaches by which a grid can qualify as an eligible asset. The EU Taxonomy considers the entirety of the interconnected European System, consisting of the transmission grids of EU member states, along with those of Norway, Switzerland, and the UK, to be eligible.
    - The six countries in which E.ON operates electrical grids<sup>7</sup> have grid emissions intensities ranging from 10 to 443 gCO<sub>2</sub>/kWh.<sup>8</sup> E.ON has disclosed that it expects its grids in Sweden and Germany to qualify for financing at this time.
    - Sustainalytics considers the expansion and maintenance of resilient electricity grids broadly to be supportive of positive environmental outcomes by enabling increases in the use of renewable energy and further electrification of energy systems. Sustainalytics also notes that it has been common practice in the green bond market to finance transmission and distribution assets which are employed predominantly to transmit or enable the use of renewable energy, and that E.ON's efforts to be stricter than required by the EU Taxonomy, by assessing each grid individually, are indicative of its intent to finance environmentally beneficial projects.
    - E.ON's Framework specifies that it will include associated equipment, such as smart meters, to be an eligible part of its electrical networks. Sustainalytics considers infrastructure necessary for the operation of networks, including end-user equipment such as meters, to be an integral part of such networks, while also highlighting the energy efficiency benefits of smart meters themselves.
  - For the "Renewable Energy" category, E.ON intends to finance investments in or expenditures related to, the acquisition, conception, construction, development and installation of renewable energy production and storage, including wind, solar photovoltaic, bioenergy and hydrogen production, storage and distribution infrastructure. Sustainalytics considers these projects well-suited for inclusion in a green bond, noting in particular the following:
    - For bioenergy projects, E.ON intends to finance facilities that utilize agricultural biomass compliant with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001 and forest biomass compliant with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive. The GHG savings from the use of biomass in cogeneration installations are at least 80% in relation to the GHG emission

<sup>7</sup> In order of network length: Germany, Sweden, Hungary, Romania, Czech Republic, and Slovakia.

<sup>8</sup> Based on 2021 European Environment Agency data, see: <https://www.eea.europa.eu/data-and-maps/daviz/sds/co2-emission-intensity-from-electricity-generation-5/@@view>

- saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.<sup>9</sup> Sustainalytics considers these emissions reductions to be in line with market expectations, and notes that the feedstocks cited are aligned with the work of the EU Technical Expert Group (TEG) on Sustainable Finance<sup>10</sup> and, when sourced responsibly, lead to net-positive outcomes when used in biofuels.
- For hydrogen production and storage, the Framework defines as eligible hydrogen production where lifecycle CO<sub>2</sub> emissions from manufacturing are at or below 3 tCO<sub>2</sub>e/t hydrogen. Based on the work of the EU TEG, Sustainalytics views the production of hydrogen subject to these criteria to be environmentally beneficial.<sup>11</sup>
  - Sustainalytics is of the opinion that the storage of energy, either electrically or as hydrogen gas, supports positive environmental outcomes and is aligned with market expectations.
- For the “Energy Efficiency” category, E.ON intends to finance investments in energy efficiency related to on-site business and city energy solutions. These products include on-site energy generation and storage as well as energy efficiency upgrades for municipal and large commercial clients.
    - Sustainalytics notes that these projects have the potential to deliver significant energy savings and contribute to overall environmental and climate goals.<sup>12</sup>
    - Sustainalytics views the use of waste heat to be aligned with market expectations.
    - For geothermal energy, the Framework defines as eligible the Cogeneration Threshold, the combined heat/cool and power threshold, of lower than 100 gCO<sub>2</sub>/kWh per 1 kWh of energy input to the combined generation.
    - Refer to paragraph above for Sustainalytics commentary regarding bioenergy.
  - For the “Clean Transportation” category, E.ON intends to finance investments or expenditure for EV charging stations and supporting infrastructure. Sustainalytics views promoting fully electrified transportation systems as aligned with market expectations.
- Project Evaluation and Selection:
    - E.ON has established the E.ON Green Bond Committee (the “Committee”), consisting of representatives from Sustainability, Energy Networks, Customer Solutions and Group Finance, as well as other relevant subject matter experts. The Committee will be chaired by the Chief Financial Officer (“CFO”) and will meet at least once a year to assess project eligibility in accordance with the Framework.
    - Eligible project will be included in the “Eligible Green Portfolio”. Assets included in the Eligible Green Portfolio will be evaluated and selected based on compliance with the Framework’s eligibility criteria, alignment with E.ON’s strategic sustainability objectives, the EU environmental objectives, the relevant metrics, thresholds and Do No Significant Harm (“DNSH”) criteria of the EU Taxonomy in compliance with applicable national, European and international environmental and social standards and regulations.
    - Based on the establishment of a Green Bond Committee, Sustainalytics considers this process to be aligned with market practice.
  - Management of Proceeds:
    - E.ON will manage the proceeds of the green bonds on a portfolio basis and strive to maintain a level of allocation to the portfolio that matches or exceeds the balance of net proceeds of outstanding bonds within a timeframe of 24 months after issuance. Pending full allocation, proceeds will be held in its treasury liquidity portfolio in cash, cash equivalents, money market

<sup>9</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L2001>

<sup>10</sup> The Final TEG Report, including relevant technical annexes, is accessible at: [https://knowledge4policy.ec.europa.eu/publication/sustainable-finance-teg-final-report-eu-taxonomy\\_en](https://knowledge4policy.ec.europa.eu/publication/sustainable-finance-teg-final-report-eu-taxonomy_en)

<sup>11</sup> Sustainalytics considers the production of hydrogen from natural gas via steam methane reformation with carbon capture and storage (SMR+CCS) to be a transition activity and anticipates that new facilities compliant with the EU Taxonomy threshold will rely on electrolysis technology. E.ON has disclosed its intent to develop facilities producing hydrogen from electrolysis; see: <https://www.powerengineeringint.com/hydrogen/e-on-enel-and-iberdrola-partner-to-meet-growing-hydrogen-demand-in-germany/>

<sup>12</sup> Examples of projects undertaken by E.ON include providing energy efficiency upgrades to a large commercial client that upgraded HVAC and lighting systems as well as installing electrical sub-meters resulting in a 34% energy savings and a residential district which enables 100% of local heating needs to be met by ground-source heat pumps and solar with peak needs being met by electric and/or bio-oil boilers. Sustainalytics considers these projects to be representative of the potential environmental benefits that investments in this use of proceeds category may provide.

- funds, or equivalent. E.ON expects to immediately allocate all proceeds of its upcoming issuance.
- As E.ON's management of proceeds approach is on a portfolio basis, the Company will ensure that its green portfolio matches or exceeds the value of all outstanding bonds. E.ON has further disclosed that its most recent Framework covers all outstanding bonds and future issuances.
    - The Committee will monitor the Eligible Green Portfolio and will remove any project that no longer complies with the Eligibility Criteria or that have been disposed of, and will replace them as soon as reasonably practicable. Sustainalytics views positively this ongoing update of the portfolio, as it prevents double counting of green bond assets by ensuring that newly issued bonds fund new projects.
    - Based on the disclosure, the management approach and the temporary investments, Sustainalytics considers this to be aligned with market practice.
  - Reporting:
    - E.ON will provide allocation and, where feasible, impact reporting on an annual basis as part of the Company's green bond report made available on their corporate website, as well as ongoing updates related to major developments in a timely manner.
    - Allocation reporting will include the total amounts invested on at least a category level; mapping of the EU Environmental Objectives pursued by the assets; the amount or percentage of new and existing projects; the share of financing and refinancing, indicating the amount and percentage of projects in the total Eligible Green Portfolio corresponding respectively to projects disbursed during the reporting year and to projects disbursed during previous reporting years; the geographical distribution of assets; breakdown of the Eligible Green Portfolio by nature of what is being financed (assets, Capex); the balance of unallocated proceeds (if any); and a statement of alignment with the EU Green Bond Standard.
    - Impact reporting may include quantitative indicators as defined in the Framework, such as capacity of renewable energy connected, CO<sub>2</sub> emissions avoided, number of smart grid components installed, and number of electric vehicle charging stations.
    - E.ON intends to appoint an independent verifier to provide a post-issuance review addressing the allocation of net proceeds of issued green bonds on an annual basis until full allocation, or in case of significant changes in the allocation of proceeds.
    - Based on the commitment to allocation reporting, the intention to provide impact reporting using quantitative indicators, and the intention to obtain a post-issuance review from an independent third-party verifier, Sustainalytics considers the Company's reporting process to be in line with market practice.

### Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible green use of proceeds criteria against the relevant criteria in the EU Taxonomy and determined their alignment with each of the Taxonomy's three sets of requirements. The results of this assessment are as follows:

1. Technical Screening Criteria ("TSC")
  - All 12 eligible green criteria in the Framework's four categories that were assessed are aligned with the applicable TSC of the EU Taxonomy.
2. Do No Significant Harm ("DNSH") Criteria
  - Among the Framework's 12 eligible green criteria, all 12 are aligned with the applicable DNSH criteria.
  - The 12 criteria assessed have a total of 44 individual DNSH criteria (across all environmental objectives) applicable to them, and all 44 are aligned with the DNSH criteria.
3. Minimum Safeguards
  - Based on a consideration of the policies and management systems applicable to Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the view that the EU Taxonomy's Minimum Safeguards requirements will be met.
  - For Sustainalytics' assessment of alignment with the Minimum Safeguards see Section 2 below.

**Table 1** provides an overview of the alignment of the E.ON's Framework with the Technical Screening Criteria (TSC) and the Do No Significant Harm (DNSH) criteria for the corresponding NACE activities in the EU Taxonomy.

**Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy**

Framework Criterion	Alignment with Taxonomy Criteria		Alignment per EU Environmental Objective					
	TSC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
Transmission and distribution of electricity	■	■	■	■	-	■	■	■
Electricity generation from wind power	■	■	■	■	-	■	-	■
Electricity generation using solar photovoltaic technology	■	■	■	■	-	■	-	■
Electricity generation from bioenergy	■	■	■	■	■	-	■	■
Manufacture of hydrogen	■	■	■	■	■	-	■	■
Storage of hydrogen	■	■	■	■	-	■	-	■
Transmission and distribution networks for renewable and low-carbon gases	■	■	■	■	■	-	■	■
Production of heat/cool using waste heat	■	■	■	■	-	■	■	■
District heating/cooling distribution	■	■	■	■	■	-	■	■
Cogeneration of heat/cool and power from bioenergy (biomass, biogas and biofuels)	■	■	■	■	■	-	-	■
Cogeneration of heat/cool and power from geothermal energy	■	■	■	■	■	-	■	■
Infrastructure for low carbon transport (land transport)	■	■	■	■	■	■	■	■

Legend	
Aligned	■
Partially aligned	□
Not aligned	⊗
No applicable DNSH criteria for this Objective and/or Activity	-
Grey shading indicates the primary EU Environmental Objective	

\* The EU Taxonomy has not yet defined TSC for EU Environmental Objectives other than Climate Mitigation and Climate Adaptation. In cases where an activity of the Framework has the intent of advancing a different Objective, Sustainability has assessed alignment against the DNSH criteria for all six Objectives.

## Section 2: Sustainability Performance of E.ON

### Contribution of Framework to E.ON's sustainability strategy

E.ON has a strong commitment to sustainability that is rooted in its corporate strategy and organizational culture. In 2018 the Board of Management signed a self-commitment to the SDGs, in which it is stated that at E.ON, "We believe that good corporate governance accompanies and substantially contributes to our long-

term business success”.<sup>13</sup> The statement goes on to outline the Company’s specific goals, which are related to SDGs 7: Affordable and Clean Energy, 11: Sustainable Cities and Communities and 13: Climate Action.<sup>13</sup>

To put this commitment in place, the Company has established targets such as:<sup>14</sup>

- Reduce scope 1 and 2 emissions by 75% by 2030 and by 100% by 2040 (vs. 2019);
- Reduce scope 3 emissions by 50% by 2030 and by 100% by 2050 (vs. 2019);
- Carbon-neutral buildings by 2030;<sup>15</sup>
- The electrification of Company vehicles that are between 3.5 and 7.5 metric tonnes by 2030, where feasible and cost effective<sup>16</sup>

E.ON is committed to advancing the energy transition and increasing the share of renewable energy in the electricity grid. In order to do so, E.ON’s areas of focus include the construction of powerlines and substations, as well facilitating the proliferation of smart grids and smart metering, which can be used to mitigate variable renewable energy output and increase overall grid efficiency. Initiatives to achieve this include the “Smart Grid Hub” developed by Avacon, one of E.ON’s network operators in Germany, which enables the control of grid-connected systems such as PV installations or remote battery storage.<sup>17</sup>

As of 2020, the Company had installed approximately 8.4 million smart meters across Europe,<sup>18</sup> and has a target to roll out a total of roughly 14.5 million in all its markets by year-end 2026.<sup>19</sup> One of E.ON’s material topics is “sustainable customer solutions” which focuses on increasing energy efficiency for business and residential properties, and consists of: “Lower-carbon households,” “More energy-efficient companies,” and “Greener, smarter cities”.<sup>20</sup> The Company is also committed to increasing the availability of plug-in charging stations for electric vehicles, and as part of its Green Bond projects financed, the Company installed 9,500 charging points across Europe as of year-end 2020.<sup>21</sup> E.ON has a robust commitment to transparency and reporting, which is demonstrated in their public sustainability reports.<sup>22</sup>

Sustainalytics views the Use of Proceeds for this Green Bond Framework to be well aligned with E.ON’s sustainability strategy and the broader UN SDGs. For example, the introduction of additional smart grid capacity and interconnections for renewable will support carbon reduction and renewable energy goals, while the sustainable customer solutions and electric vehicle investments will support their internal goals for improving customers’ environmental performance.

### **Well-positioned to address common environmental and social risks associated with the projects**

Sustainalytics recognizes that the net proceeds from the bonds and/or loans issued under the Framework will be directed towards eligible projects that are recognized by the GBP to have an overall positive impact and will contribute to global climate goals. Nevertheless, as with all infrastructure projects, it is important to ensure that there are strong mitigation measures in place to address any environmental and social risks that may arise. For example, the construction of the various projects funded by the bonds can pose challenges to worker health and safety, have an adverse impact on land use and biodiversity, and affect community relations.

E.ON has policies, procedures and certifications in place to mitigate associated risks.<sup>17</sup> Regarding the management of health, safety, and the environment (“HSE”), the Company has a group-wide HSE Risk Management System aligned with standards ISO 45001 (Occupational Health and Safety), ISO 14001 (Environmental Management Systems) or EU Eco-Management and Audit Scheme (EMAS) and/or ISO 50001 (Energy Management Systems). The Company publicly reports all environment-related incidents and has had no “major impact” incidents occur between 2018 and 2020.<sup>23,24</sup> In order to build up a strong health and safety culture, the Company initiated specialized training for senior managers to better assess potential safety

<sup>13</sup> E.ON, “SDG Board Commitment”, (2018) at: [https://www.eon.com/content/dam/eon/eon-com/Documents/en/leitlinien-nachhaltigkeit/Boardcommitment\\_June\\_2018.pdf](https://www.eon.com/content/dam/eon/eon-com/Documents/en/leitlinien-nachhaltigkeit/Boardcommitment_June_2018.pdf).

<sup>14</sup> E.ON, “Sustainability Strategy”, (2020), at: <https://www.eon.com/en/about-us/sustainability/strategy.html>.

<sup>15</sup> E.ON, “Sustainability Report 2020”, at: <https://www.eon.com/en/about-us/sustainability/sustainability-report.html>

<sup>16</sup> Ibid.

<sup>17</sup> E.ON, “Energy Transition in our Networks”, at: <https://www.eon.com/en/about-us/sustainability/energy-transition-networks.html>.

<sup>18</sup> E.ON, “Sustainability Report 2020”, at: <https://www.eon.com/en/about-us/sustainability/sustainability-report.html>.

<sup>19</sup> E.ON, “Sustainability Report 2018”, at: <https://www.eon.com/en/about-us/sustainability/sustainability-report.html>.

<sup>20</sup> E.ON, “Sustainability Report 2020”, at: <https://www.eon.com/en/about-us/sustainability/sustainability-report.html>.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> E.ON’s incident management system classifies environmental events on a 0-to-4 scale, with 0 being no damage and 4 being major. A major impact event is considered to have, for example, “irreparable damage to protected habitats”. A “serious” incident is classified as a 3 on this scale and could be “environmental damage which is expected to last longer than 4 weeks to resolve”.

<sup>24</sup> E.ON, “Sustainability in Figures” (2020), at: <https://www.eon.com/en/about-us/sustainability/facts-and-figures.html>.

hazards.<sup>25</sup> In 2020, the Company reported a 96.3% health rate for employees, which reflects the number of days worked in relation to the agreed working time.<sup>26</sup> Additionally, the Company publicly reports on Total Recordable Injury Frequency and Lost Time Injury Frequency. The low overall rate of injuries, combined with the fact that the frequency of these metrics has remained stable over the past years with 2020 figures dropping compared to the previous year<sup>27</sup> demonstrates E.ON's ongoing commitment to a safe work environment. Further, in 2018 E.ON started a new safety culture initiative, "How We Care", to raise awareness for safe working conditions and behaviours in order to avoid major incidents.<sup>28</sup>

E.ON recognizes the importance of stakeholder engagement and community involvement as part of its risk management strategy. E.ON's Sustainability Council (the "Council"), chaired by the Chief Sustainability Officer ("CSO"), engages with outside stakeholders and seeks external partnerships.<sup>29</sup> Stakeholders are invited to participate throughout the development process and E.ON strives to account for short- and long-term impacts on stakeholder groups. The Sustainability Council advises the Management Board on the involvement of external stakeholders and analyses the trends and expectations of these groups. The Company customizes stakeholder engagement approaches to the specific needs of their regional units and provides a publicly-accessible overview of the internal guidelines, policies and procedures in their annual sustainability report.

Based on the policies, procedures and certification described above, Sustainalytics views E.ON as having robust risk mitigation procedures in place and considers E.ON to be well-placed to mitigate relevant environmental and social risks associated with the projects funded by the green bonds. The Company has demonstrated a clear commitment to transparency in their annual sustainability reports, providing detailed information on each of these issues.

### **Alignment with the EU Taxonomy's Minimum Safeguards**

Alignment with the EU Taxonomy's Minimum Safeguards requires that the Issuer have in place a set of policies or regulations, as well as supporting management systems and processes, that provide assurance that the activities financed by a bond are carried out in a manner that meets OECD and other international guidelines for responsible business conduct.<sup>30</sup> The following are the policies, regulations and commitments made by E.ON to uphold social safeguards pertaining to human and labour rights, and to combating bribery, bribe solicitation and extortion.

### **Human and Labour Rights**

E.ON's Human Rights Policy Statement acknowledges the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation and its fundamental conventions.<sup>31</sup> In its Code of Conduct<sup>32</sup> E.ON pledges to support the Universal Declaration of Human Rights of the United Nations and the European Convention for the Protection of Human Rights and highlights the Company's commitment towards preserving human rights as well as the principle of equal treatment and supporting diversity. E.ON's Slavery & Human Trafficking Statement describes the steps taken by the Company to prevent and combat human rights violations along its supply chain and highlights the Company's commitment towards the UK's Modern Slavery Act 2015.

E.ON is a signatory to the UN Global Compact.<sup>33</sup> Based on the ten principles of the UN Global Compact, the Company has established its own standards and guidelines.<sup>34</sup> Through its commitment to The Luxembourg Declaration (2009) and the Düsseldorf Statement of The Seoul Declaration (2009), E.ON commits to comply with standards for promoting occupational health and safety.<sup>35</sup> E.ON supplier's code of conduct establishes

<sup>25</sup> E.ON, "Sustainability Report 2020", at: <https://www.eon.com/en/about-us/sustainability/sustainability-report.html>

<sup>26</sup> Ibid.

<sup>27</sup> E.ON, "Sustainability in Figures" (2020), at: <https://www.eon.com/en/about-us/sustainability/facts-and-figures.html>

<sup>28</sup> E.ON, "Sustainability Report 2020", at: <https://www.eon.com/en/about-us/sustainability/sustainability-report.html>

<sup>29</sup> Ibid.

<sup>30</sup> The EU Taxonomy's Minimum Safeguards require that eligible activities be carried out in alignment with major international norms and standards for responsible business conduct, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's declaration on Fundamental Rights and Principles at Work.

<sup>31</sup> E.ON, Human Rights Policy Statement, November 2019, at: [https://www.eon.com/content/dam/eon/eon-com/eon-com-archive/content/sustainability/documents/20191119\\_Human%20Rights%20Policy%20Statement.pdf](https://www.eon.com/content/dam/eon/eon-com/eon-com-archive/content/sustainability/documents/20191119_Human%20Rights%20Policy%20Statement.pdf)

<sup>32</sup> E.ON, Code of Conduct - Compliance & Integrity Commitment, 2021, at: [https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/declaration-of-compliance/en/210923\\_EON\\_Code\\_of\\_Conduct.pdf](https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/declaration-of-compliance/en/210923_EON_Code_of_Conduct.pdf)

<sup>33</sup> <https://www.unglobalcompact.org/what-is-gc/participants/3048-E-ON-SE>

<sup>34</sup> E.ON, Our Commitments, accessed in December 2020, at: <https://www.eon.com/en/about-us/sustainability/commitments.html>

<sup>35</sup> Ibid.

social standards that it expects its suppliers to abide by. These social standards promote human rights and the creation of suitable working conditions for employees and society.<sup>36</sup>

#### Anti-bribery and anti-corruption

E.ON's Code of Conduct helps its employees understand and adhere to policies pertaining to anti-corruption and anti-trust, maintaining transparency in donations and sponsorship activities as well as during procurement of goods and services.<sup>37</sup> E.ON's Code of Conduct outlines its compliance with applicable national and international sanctions, embargo regulations and other restrictions of foreign trade legislation to avoid money laundering and ensure compliance with sanctions.<sup>38</sup> E.ON has also established a Code Of Responsible Conduct For Business<sup>39</sup> which encourages its employees and management to conduct business in a fair, responsible and sustainable manner.

Based on the assessment above, Sustainalytics is of the opinion that E.ON's policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

### Section 3: Impact of Use of Proceeds

All four use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

#### Importance of grid investments for the integration of renewables

The development of renewable energy production requires grid access. In Europe, the electricity sector was developed nationally and centralized with large power plants being situated near large-scale industrial areas and metropolitan hubs.<sup>40</sup> Renewable electricity plants generally have a smaller scale of generation and a more diverse geographical spread.<sup>40</sup> As stated in EC Directive 2009/28/EC, "There is a need to support the integration of energy from renewable sources into the transmission and distribution grid and the use of energy storage systems for integrated intermittent production of energy from renewable sources."<sup>41</sup>

Grid connection has been identified as a barrier to investment in utility-scale renewable energy projects, and represents a significant cost in the development of renewable energy projects, presenting a potential barrier to investment.<sup>42</sup> By financing the connection of renewable energy production units to the grid, including powerlines, substations and other infrastructure, and by developing new renewable energy capacity, E.ON's green bonds will help reduce technical bottlenecks for the European renewable energy market.

In addition to physical interconnection, renewable energy sources such as wind and solar are unable to provide a consistent source of energy due to natural variability in weather conditions, and can be characterized as having an intermittent generation profile.<sup>43,44</sup> One of the important technologies for addressing this challenge is smart grids.<sup>45</sup> Smart grids actively monitor energy flows and adjust to changes in supply and demand, through increased communication, more efficient transmission routing, improved demand management, and other technologies.<sup>45</sup> Smart grids can assist in the integration of renewable energy and the EU has set a target for replacing 80% of electricity meters with smart meters by 2020.<sup>45</sup> With has access to approximately 50 million customers across Europe, the Company has demonstrated its ability to improve energy networks and

<sup>36</sup> E.ON, Supplier Code of Conduct, accessed in December 2020, at: <https://www.eon.com/content/dam/eon/eon-com/Procurement/documents/de/Terms-and-conditions/lieferantenkodex/Supplier%20Code%20of%20Conduct%20-%20EN.pdf>

<sup>37</sup> E.ON, Code of Conduct - Compliance & Integrity Commitment, 2021, at: [https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/declaration-of-compliance/en/210923\\_EON\\_Code\\_of\\_Conduct.pdf](https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/declaration-of-compliance/en/210923_EON_Code_of_Conduct.pdf)

<sup>38</sup> Ibid.

<sup>39</sup> E.ON, Code Of Responsible Conduct For Business, 2010, at: [https://www.eon.com/content/dam/eon/eon-com/Documents/en/compliance-and-integrity/documents-guidelines/Code\\_of\\_Responsible\\_Conduct\\_for\\_Business.pdf](https://www.eon.com/content/dam/eon/eon-com/Documents/en/compliance-and-integrity/documents-guidelines/Code_of_Responsible_Conduct_for_Business.pdf)

<sup>40</sup> Ecorys (2008), "Assessment of non-cost barriers to renewable energy growth in EU Member States", accessed (27.2.19) at: [https://ec.europa.eu/energy/sites/ener/files/documents/2010\\_non\\_cost\\_barriers.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/2010_non_cost_barriers.pdf)

<sup>41</sup> Directive 2009/28/EC of the European Parliament and of the Council, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009L0028&from=EN>

<sup>42</sup> Hu, J. et al. (2018) "Barriers to investment in utility-scale variable renewable electricity (VRE) generation projects" accessed (27.2.19) at: <https://dspace.library.uu.nl/bitstream/handle/1874/362463/Barriers.pdf?sequence=1&isAllowed=y>

<sup>43</sup> Union of Concerned Scientists (2015) "How Energy Storage Works" accessed (27.2.19) at: <https://www.ucsusa.org/clean-energy/how-energy-storage-works>

<sup>44</sup> Fares, Robert (2015) "Renewable Energy Intermittency Explained: Challenges, Solutions, and Opportunities" accessed (27.2.19) at: <https://blogs.scientificamerican.com/plugged-in/renewable-energy-intermittency-explained-challenges-solutions-and-opportunities/>

<sup>45</sup> European Commission (2018) "Smart grids and meters" accessed (28.2.19) at: <https://ec.europa.eu/energy/en/topics/market-and-consumers/smart-grids-and-meters>

has a vision for decentralizing the energy sector. By investing in grid modernization, E.ON’s green bonds will support the greater adoption of renewable energy in the markets it serves.

**Impact of energy storage**

Energy storage has been a historical impediment to increasing the capacity and efficiency of renewable energy systems.<sup>46</sup> In response to an intermittent generation profile, energy storage can mitigate volatility in demand and generation by storing excess energy for periods of peak usage.<sup>47</sup> Today, the technology exists for energy storage,<sup>46</sup> but technical hurdles and cost-effectiveness have been cited as two major barriers in the deployment of energy storage systems in Germany and France – the two European countries with the greatest installed storage capacity currently in place.<sup>48</sup> In spite of these barriers, energy storage will play an important role in the achievement of EU climate targets.<sup>47</sup>

To address these issues, the EU implemented project stoRE, which was aimed at assessing the technical, market and regulatory barriers to energy storage and developing recommendations for adaptations of the energy framework and policies in Europe.<sup>49</sup> One of the lessons learned from the project was that, even with a super-grid, there is a need for new energy storage capacity in Europe.<sup>49</sup> As such, there is a clear need for additional support from the market and, as a network operator, E.ON has the knowledge and capacity to contribute to the delivery of greater energy storage capacity.

**Importance of clean transportation in mitigating CO<sub>2</sub> emissions**

It is estimated that passenger vehicles are responsible for 12% of total EU CO<sub>2</sub> emissions.<sup>50</sup> Emissions curbing efforts in recent years have contributed to significant growth in European electric vehicle sales, bringing with it an increased demand for charging infrastructure as well.<sup>51</sup> The European Automobile Manufacturers Association estimates that the current number of 100,000 charging stations across Europe will need to increase by at least 20 times to 2 million by 2025.<sup>52</sup> Currently, about 76% of charging stations in Europe are located in just four countries: the Netherlands, Germany, France and the UK.<sup>52</sup> A 2018 report published by the European Environment Agency noted that investments into vehicle recharging infrastructure are severely lacking and there are not enough EU member states providing economic incentives to address the issue.<sup>53</sup> Given this landscape, by using proceeds of its green bonds to finance the development of new charging stations, E.ON can have a clear and tangible impact on the access and availability of charging stations for plug-in vehicles. Furthermore, if E.ON strategically locates new charging stations in areas of need, they will likely have an even greater impact and can help reduce the disproportionate distribution that currently exists.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Electricity Networks	7. Affordable and Clean Energy	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater

<sup>46</sup> Gibson, P. et al. (2018) “Energy Storage Changes the Playing Field for Renewable Energy” accessed (27.2.19) at: <https://www.renewableenergyworld.com/ugc/articles/2018/09/24/energy-storage-changes-the-playing-field-for-renewable-energy.html>

<sup>47</sup> European Commission (2018) “Energy Storage” accessed (27.2.19) at: <https://ec.europa.eu/energy/en/topics/technology-and-innovation/energy-storage>

<sup>48</sup> Olsthoorn, M. et al. (2018) “Fast-improving energy storage technologies wait for EU market reforms” accessed (27.2.19) at: <https://theconversation.com/fast-improving-energy-storage-technologies-wait-for-eu-market-reforms-105187>

<sup>49</sup> European Commission (2014) “Facilitating energy storage to allow high penetration of intermittent renewable energy (stoRE)” accessed (27.2.19) at: <https://ec.europa.eu/energy/intelligent/projects/en/projects/store>

<sup>50</sup> European Commission (2018) “Reducing CO<sub>2</sub> emissions from passenger cars” accessed (27.2.19) at: [https://ec.europa.eu/clima/policies/transport/vehicles/cars\\_en](https://ec.europa.eu/clima/policies/transport/vehicles/cars_en)

<sup>51</sup> Vaughan, A. (2018) “Electric cars exceed 1m in Europe as sales soar by more than 40%” accessed (27.2.19) at: <https://www.theguardian.com/environment/2018/aug/26/electric-cars-exceed-1m-in-europe-as-sales-soar-by-more-than-40-per-cent>

<sup>52</sup> Kane, M. (2018) “76% of Charging Points in Europe are Concentrated in just 4 countries” accessed (27.2.19) at: <https://insideevs.com/charging-points-europe-concentrated-4-countries/>

<sup>53</sup> ACEA (2018) “Insufficient support for electric vehicle charging infrastructure hampers uptake, new report shows” accessed (27.2.19) at: <https://www.acea.be/press-releases/article/insufficient-support-for-electric-vehicle-charging-infrastructure-hampers-u>

		adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

## Conclusion

E.ON has developed a Green Bond Framework under which it will issue green bonds and the use of proceeds to (re)finance assets and capital expenditures that support energy transition and climate change mitigation. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental impacts.

The Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and includes commitments for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that E.ON’s Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11. Additionally, Sustainalytics is of the opinion that E.ON has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Sustainalytics has assessed E.ON’s Green Bond Framework for alignment with the EU Taxonomy, and is of the opinion that, of the Framework’s 12 eligibility criteria (across four use of proceeds categories), which map to 12 EU activities, 12 *align* with the applicable Technical Screening Criteria (“TSC”) in the EU Taxonomy and that all 12 *align* with the Do No Significant Harm Criteria. No categories were determined to be *not aligned*. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy’s Minimum Safeguards.

Based on the above, Sustainalytics is confident that E.ON SE is well-positioned to issue green bonds and that the Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

## Appendices

### Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

#### Approach to Alignment Assessment

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant NACE<sup>54</sup> activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria. Sustainalytics' assessment involves two steps:

#### 1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable NACE activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one NACE activity and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a NACE activity. In such cases Sustainalytics has mapped to the NACE activity that is most relevant with respect to the primary environmental objective and impacts.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the Taxonomy, and some categories which are traditionally included in green bonds may not be associated with a specific economic activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

*The outcome of Sustainalytics' mapping process for the E.ON's Framework is shown in Table 2 below.*

#### 2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the TSC and DNSH criteria is usually based on the specific criteria contained in the issuer's Framework, and may in many cases (especially DNSH criteria) also be based on management systems and processes and/or regulatory compliance. To assess alignment with the EU Taxonomy's Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds, as well as examining the regulatory context in the geographical location in which the issuer will finance activities and projects. (This assessment is included in Section 2, above.)

In cases where the Framework criteria describe projects which are intended to advance EU environmental objectives other than Climate Mitigation or Climate Adaptation, the Taxonomy does not include relevant TSC. In these cases, Sustainalytics has assessed the activity for alignment with the DNSH criteria across all objectives.

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

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<sup>54</sup> The EU Taxonomy is based on economic activities defined in NACE (Nomenclature des Activités Économiques dans la Communauté Européenne). The Taxonomy currently lists 70 economic activities which have been chosen due to their ability to substantially contribute to climate change mitigation or adaptation.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU / NACE Activity	NACE Code	Primary EU Environmental Objective	Refer to Table
Electricity Networks	- Electrical transmission infrastructure that is part of the interconnected European System, excluding connections of generation > 100gCO <sub>2</sub> /kWh	Transmission and distribution of electricity	D.35.12 D.35.13	Mitigation	Table 3
Renewable Energy	- Investments in or expenditures for the acquisition, conception, construction, development and installation as well of re-powering of renewable energy production and storage unit including: <ul style="list-style-type: none"> <li>o Wind power</li> <li>o Solar PV</li> <li>o Concentrated solar power (CSP)</li> <li>o Bioenergy (Biomass, Biogas and Biofuels)</li> <li>o Hydrogen production, storage and distribution infrastructure</li> </ul>	Electricity generation from wind power	D.35.11 F42.22	Mitigation	Table 4
		Electricity generation using solar photovoltaic technology	D.35.11 F42.22	Mitigation	Table 5
		Electricity generation from bioenergy	D.35.11	Mitigation	Table 6
		Manufacture of hydrogen	C20.11	Mitigation	Table 7
		Storage of hydrogen <sup>55</sup>	No NACE Code	Mitigation	Table 8
		Transmission and distribution networks for renewable and low-carbon gases	D35.22 F42.21 H49.50	Mitigation	Table 9
Energy Efficiency	- Investments in or expenditures for the acquisition, conception, construction, development and installation of integrated on-site business and city energy solutions, EU Taxonomy aligned and including but not limited to the following technologies: <ul style="list-style-type: none"> <li>o Production of heating / cooling from waste heat</li> <li>o District heating</li> <li>o Cogeneration of heating/cooling and electricity from bioenergy, and geothermal energy</li> </ul>	Production of heat/cool using waste heat	D.35.30	Mitigation	Table 10
		District heating/cooling distribution	D.35.30	Mitigation	Table 11
		Cogeneration of heat/cool and power from bioenergy	D.35.11 D.35.30	Mitigation	Table 12
		Cogeneration of heat/cool and power from geothermal energy	D.35.11 D.35.30	Mitigation	Table 13
Clean Transportation	- Investments in or expenditures for the acquisition, conception, construction, development and installation of EV charging stations and supporting infrastructure	Infrastructure enabling low-carbon road transport and public transport	F42.11 F42.13 F71.1 F71.20	Mitigation	Table 14

<sup>55</sup> Sustainalytics has assessed the transportation of hydrogen using the same methodology as the storage of hydrogen.

## Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of E.ON’s Framework criteria with the EU Taxonomy’s TSC and DNSH criteria for the relevant NACE activity.

Table 3

Framework Activity assessed		Electricity Networks	
EU Activity		Transmission and distribution of electricity	
NACE Code		D.35.12 and D.35.13	
		EU Technical Screening Criteria	Alignment with Technical Screening Criteria
Mitigation	<p>The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria:</p> <p>(a) the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;</p> <p>(b) more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;</p> <p>(c) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;</p> <p>Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis is not compliant.</p> <p>Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant.</p>	<p>E.ON’s Framework is aligned with the criteria requirements for the construction and operation of transmission systems that transport the electricity :</p> <ul style="list-style-type: none"> <li>a) over 67% of newly connected generation assets should comply with the 100gCO<sub>2</sub>/kWh threshold (rolling five year period); or</li> <li>b) the grid’s average emissions factor is less than 100gCO<sub>2</sub>/kWh</li> </ul>	Aligned

<i><b>DNSH Criteria</b></i>		<i><b>Alignment with DNSH Criteria</b></i>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Transition to a circular economy	A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation.	E.ON intends to avoid creating waste and, when not feasible, to recycle as much of it as is possible using technical equipment on the market. E.ON units are required to have an environmental management system certified to ISO 14001 or EMAS. 99.93 % of E.ON units have a certified environmental management system, allowing for the efficient handling of waste and increase rate of recycling.	Aligned
Pollution prevention and control	<p>Overground high voltage lines:</p> <p>(a) for construction site activities, activities follow the principles of the IFC General Environmental, Health, and Safety Guidelines.</p> <p>(b) activities respect applicable norms and regulations to limit impact of electromagnetic radiation on human health, including for activities carried out in the Union, the Council recommendation on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz) and for activities carried out in third countries, the 1998 Guidelines of International Commission on Non-Ionizing Radiation Protection (ICNIRP).</p> <p>Activities do not use PCBs polychlorinated biphenyls.</p>	<ul style="list-style-type: none"> <li>• E.ON HSE guidelines and HSE risk management standard ensure that adverse impacts on the environment are prevented and that risks are managed accordingly. E.ON has confirmed that these procedures are in line with the principles of IFC General EHS Guideline.</li> <li>• E.ON has established a policy regarding magnetic fields, and procedures on how to handles the issue from a strategic and practical perspective. In addition to the magnetic field policy, there is an action plan on how the policy should be interpreted. The magnetic field policy can be summarized as follows:                             <ol style="list-style-type: none"> <li>1. E.ON has an open and factual dialogue about magnetic fields and possible risks;</li> <li>2. The Company contribute to the industry’s monitoring of and support for research on magnetic fields;</li> <li>3. E.ON works to an increase their knowledge regarding magnetic fields;</li> <li>4. E.ON follows the authorities’ precautionary principle on low-frequency electric and magnetic fields and in takes into consideration people’s concerns;</li> <li>5. The Company measures, calculates and reports the field level around its facilities.</li> </ol> </li> <li>• In the permit examination that precedes the establishment of new lines, or in the case of re-examination of already existing lines, E.ON calculates and reports magnetic fields next to its lines.</li> </ul>	Aligned

		<ul style="list-style-type: none"> <li>E.ON follows the guidelines that the authorities refer to when, how and where magnetic fields are to be calculated and reported, when in-depth investigations may be required.</li> <li>E.ON has confirmed the avoidance of PCBs Polychlorinated Biphenyls.</li> </ul>	
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 4

<b>Framework Activity assessed</b>	Renewable Energy		
<b>EU Activity</b>	Electricity generation from wind power		
<b>NACE Code</b>	D.35.11 and F42.22		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	The activity generates electricity from wind power.	Eligible by default	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		N/A
Transition to a circular economy	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	At the end of the life of the equipment, the aim is to dismantle it so that all components are recycled, as far as this is possible with technical equipment on the market. This is ensured by corporate	Aligned

		guidelines. The documentation is guaranteed and is provided for in any case. Waste balances are kept.	
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 5

<b>Framework Activity assessed</b>	Renewable Energy		
<b>EU Activity</b>	Electricity generation using solar photovoltaic technology		
<b>NACE Code</b>	D.35.11 and F42.22		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	The activity generates electricity using solar PV technology.	Eligible by default	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Transition to a circular economy	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	<ul style="list-style-type: none"> <li>E.ON has confirmed that assessments on the localization and availability of land are carried out within projects and are subject to applicable laws and regulations.</li> <li>E.ON has disclosed that at the end of the life of the equipment, it intends to dismantle and recycle as many of the components as possible by technical equipment on the market. This is ensured through corporate guidelines, via partners and contractual agreements, and waste balances are recorded.</li> <li>E.ON's supplier of solar panels needs to be compliant with Directive 2012/19/EU on waste electrical and electronic equipment ("WEEE Directive"). E.ON supplier is also a member of PV Cycle, which administers the</li> </ul>	Aligned

		<p>producer responsibility in Europe. The Company also maintains its own procurement, storage and distribution centre for refurbishment.</p> <ul style="list-style-type: none"> <li>E.ON has a service agreements with its customers to ensure the durability of the installation through reparations if needed. This includes yearly check-ups and an alarm system if the system defaults.</li> </ul>	
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 6

<b>Framework criterion assessed</b>		Renewable Energy	
<b>EU Activity</b>		Electricity generation from bioenergy	
<b>NACE Code</b>		D.35.11	
<b>Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	<ul style="list-style-type: none"> <li>Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive.</li> <li>The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</li> </ul>	<p>E.ON's Framework is aligned with the criteria requirements for GHG reduction and feedstock selection.</p> <p>E.ON has confirmed that current projects considered have a total rated thermal input below 100 MW, and the criteria related to thermal input are therefore not applicable.</p>	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Sustainable use and protection of water and	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned

<p>marine resources</p>			
<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> <li>• For installations falling within the scope of Directive 2010/75/EU of the European Parliament and of the Council, emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants. No significant cross-media effects occur.</li> <li>• For combustion plants with thermal input greater than 1 MW but below the thresholds for the BAT conclusions for large combustion plants to apply, emissions are below the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193.</li> <li>• For plants in zones or parts of zones not complying with the air quality limit values laid down in Directive 2008/50/EC, measures are implemented to reduce emission levels taking into account the results of the information exchange(176) which are published by the Commission in accordance with Article 6, paragraphs 9 and 10, of Directive (EU) 2015/2193 .</li> </ul>	<p>E.ON has confirmed that BAT-conclusions in revised BREF-documents are implemented directly into Swedish Regulation (2013:250) and are legally binding 4 years after publication of adequate BREF-document regarding current installations, and 2 years after publications regarding new installations. The installations which are subject to BAT-conclusions are IED installations according to Swedish Regulation (2013:251 and with code that ends with -i). BAT-conclusions relevant to E.ON operations/installations derive from BREF-WT, BREF-WI and BREF-LCP. BAT-conclusions are additional to national legal requirements including requirements within environmental permits.</p>	<p>Aligned</p>
<p>Protection and restoration of biodiversity and ecosystems</p>	<p>The activity complies with the criteria set out in <b>Appendix 3</b>, Table 16.</p>		<p>Aligned</p>

Table 7

Framework Activity assessed		Renewable Energy	
EU Activity		Manufacture of hydrogen	
NACE Code		C20.11	
<i>EU Technical Screening Criteria</i>		<i>Alignment with Technical Screening Criteria</i>	
Mitigation	<p>The activity complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life-cycle GHG emissions lower than 3tCO<sub>2</sub>e/tH<sub>2</sub>] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO<sub>2</sub>e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001.</p> <p>Life-cycle GHG emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067:2018(119) or ISO 14064-1:2018(120).</p> <p>Quantified life-cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party.</p> <p>Where the CO<sub>2</sub> that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO<sub>2</sub> is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of this Annex.</p>	E.ON's Framework is aligned with the criteria requirements for the manufacture of hydrogen.	Aligned
<i>DNSH Criteria</i>		<i>Alignment with DNSH Criteria</i>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned
Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned
Pollution prevention and control	The activity complies with the criteria set out in Appendix C to this Annex.	E.ON's Environmental Management Systems mandates that emission level follow the BAT-AEL ranged. This is mandatory for all of E.ON's units.	Aligned

	<p>Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the relevant best available techniques (BAT) conclusions, including:</p> <p>(a) the best available techniques (BAT) conclusions for the production of chlor-alkali and the best available techniques (BAT) conclusions for common waste water and waste gas treatment/management systems in the chemical sector;                  (b) the best available techniques (BAT) conclusions for the refining of mineral oil and gas.</p> <p>No significant cross-media effects occur.</p>		
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned

Table 8

<b>Framework Activity assessed</b>	Renewable Energy		
<b>EU Activity</b>	Storage of hydrogen		
<b>NACE Code</b>	No NACE Code		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	<p>The activity is one of the following:</p> <p>(a) construction of hydrogen storage facilities;                  (b) conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage;                  (c) operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out in Section 3.10. of this Annex.</p>	The listed taxonomy-eligible hydrogen criteria are met by the use of proceeds eligibility criteria outlined in the Framework.	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Transition to a circular economy	A waste management plan is in place and ensures maximal reuse, remanufacturing or recycling at end of life, including through	At the end of the life of the equipment, E.ON intends to dismantle and recycled as much of the components as possible by technical equipment on the market. This is ensured through corporate	Aligned

	contractual agreements with waste management partners, reflection in financial projections or official project documentation.	guidelines, via partners and contractual agreements, and waste balances are recorded.	
Pollution prevention and control	In the case of storage above five tonnes, the activity complies with Directive 2012/18/EU of the European Parliament and of the Council.	E.ON has confirmed that the storage of hydrogen will not be above five tonnes. <sup>56</sup>	N/A
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 9

<b>Framework Activity assessed</b>	Renewable Energy		
<b>EU Activity</b>	Transmission and distribution networks for renewable and low-carbon gases		
<b>NACE Code</b>	D35.22, F42.21 and H49.50		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	<p>1. The activity consists in one of the following:</p> <p>(a) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases;</p> <p>(b) conversion/repurposing of existing natural gas networks to 100% hydrogen;</p> <p>(c) retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system;</p> <p>2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.</p>	E.ON's Framework contemplates the transmission/distribution of hydrogen, and this activity is therefore eligible by default.	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned

<sup>56</sup> Sustainalytics notes that in the case E.ON plants to store hydrogen above five tonnes and amendment should be sought to verify compliance with the DNSH.

Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned
Pollution prevention and control	Fans, compressors, pumps and other equipment used which is covered by Directive 2009/125/EC of the European Parliament and of the Council comply, where relevant, with the top class requirements of the energy label, and with implementing regulations under that Directive and represent the best available technology.	E.ON requires suppliers to utilize Ecodesign and Energy labels for new pumps and equipment. Regarding revamp and decommissioning of pumps and equipment, the Company performs a cost-benefit-analysis taking into consideration both economical and environmental factors, and it aim to use the already installed equipment as long as is beneficial and resource efficient.	Aligned
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 10

<b>Framework Activity assessed</b>	Energy Efficiency		
<b>EU Activity</b>	Production of heat/cool using waste heat		
<b>NACE Code</b>	D.35.30		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Climate Change Adaptation	The activity produces heat/cool from waste heat.	Eligible by default	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Transition to a circular economy	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	At the end of the life of the equipment, E.ON intends to dismantle and recycled as much of the components as possible by technical equipment on the market. This is ensured through corporate guidelines, via partners and contractual agreements, and waste balances are recorded.	Aligned

Pollution prevention and control	Pumps and the kind of equipment used, which is covered by Ecodesign and Energy labelling comply, where relevant, with the top class requirements of the energy label laid down in Regulation (EU) 2017/1369, and with implementing regulations under Directive 2009/125/EC and represent the best available technology.	E.ON requires suppliers utilize Ecodesign and Energy labels for new pumps and equipment. Regarding revamp and decommissioning of pumps and equipment, the Company performs a cost-benefit-analysis taking into consideration both economical and environmental factors, and it aim to use the already installed equipment as long as is beneficial and resource efficient.	Aligned
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned

Table 11

<b>Framework Activity assessed</b>	Energy Efficiency		
<b>EU Activity</b>	District heating/cooling distribution		
<b>NACE Code</b>	D.35.30		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	<p>The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> <li>for construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU <sup>57</sup>;</li> <li>for refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling laid down in Article 2, point 41, of Directive 2012/27/EU starts within a three year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network.</li> </ul>	The listed EU Taxonomy mitigation criteria are met by the use of proceeds eligibility criteria outlined in the Framework.	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	

<sup>57</sup> Article 2, point 41 of Directive 2012/27/EU states “efficient district heating and cooling” means a district heating or cooling system using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat”. At: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32012L0027>

Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned
Pollution prevention and control	Fans, compressors, pumps and other equipment used which is covered by Directive 2009/125/EC comply, where relevant, with the top class requirements of the energy label, and otherwise comply with implementing regulations under that Directive and represent the best available technology.	E.ON requires suppliers utilize Ecodesign and Energy labels for new pumps and equipment. Regarding revamp and decommissioning of pumps and equipment, the Company performs a cost-benefit-analysis taking into consideration both economical and environmental factors, and it aim to use the already installed equipment as long as is beneficial and resource efficient.	Aligned
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 12

<b>Framework Activity assessed</b>	Energy Efficiency		
<b>EU Activity</b>	Cogeneration of heat/cool and power from bioenergy		
<b>NACE Code</b>	D.35.11 and D.35.30		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	<ul style="list-style-type: none"> <li>Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive.</li> <li>The greenhouse gas emission savings from the use of biomass are at least 80% in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</li> </ul>	E.ON's Framework is aligned with the criteria requirements for GHG reduction and feedstock selection.	Aligned

<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.	Aligned	
Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.	Aligned	
Pollution prevention and control	<p>For installations falling within the scope of Directive 2010/75/EU, emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants(196), ensuring at the same time that no significant cross-media effects occur.</p> <p>For combustion plants with thermal input greater than 1 MW but below the thresholds for the BAT conclusions for large combustion plants to apply, emissions are below the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193.</p> <p>For plants in zones or parts of zones not complying with the air quality limit values laid down in Directive 2008/50/EC, results of the information exchange(197), which are published by the Commission in accordance with Article 6, paragraphs 9 and 10, of Directive (EU) 2015/2193 are taken into account.</p> <p>In case of anaerobic digestion of organic material, where the produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment, it meets the requirements for fertilising materials set out in Component Material Categories (CMC) 4 and 5 in Annex II to Regulation (EU) 2019/1009 or national rules on fertilisers or soil improvers for agricultural use.</p> <p>For anaerobic digestion plants treating over 100 tonnes per day, emissions to air and water are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set for anaerobic treatment of waste in the latest relevant best available techniques (BAT) conclusions, including the best available techniques</p>	<p>E.ON has confirmed that BAT-conclusions in revised BREF-documents are implemented directly into Swedish Regulation (2013:250) and are legally binding 4 years after publication of adequate BREF-document regarding current installations, and 2 years after publications regarding new installations. The installations which are subject to BAT-conclusions are IED installations according to Swedish Regulation (2013:251 and with code that ends with -i). BAT-conclusions relevant to E.ON operations/installations derive from BREF-WT, BREF-WI and BREF-LCP. BAT-conclusions are additional to national legal requirements including requirements within environmental permits.</p>	Aligned

	(BAT) conclusions for waste treatment(198). No significant cross-media effects occur.		
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 13

<b>Framework Activity assessed</b>	Energy Efficiency		
<b>EU Activity</b>	Cogeneration of heat/cool and power from geothermal energy		
<b>NACE Code</b>	D.35.11 and D.35.30		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	<ul style="list-style-type: none"> <li>The life-cycle GHG emissions from the combined generation of heat/cool and power(191) from geothermal energy are lower than 100gCO2e per 1 kWh of energy output from the combined generation.</li> <li>Life-cycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.</li> <li>Quantified life-cycle GHG emissions are verified by an independent third party.</li> </ul>	The listed EU Taxonomy mitigation criteria are met by the use of proceeds eligibility criteria outlined in the Framework. Furthermore, E.ON's units have energy management systems in place, obliging the use to choose energy efficient components and equipment, and E.ON's Framework commits to conducting lifecycle GHG analysis verified by an independent third party.	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 15.		Aligned
Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned
Pollution prevention and control	For the operation of high-enthalpy geothermal energy systems, adequate abatement systems are in place to reduce emission levels in order not to hamper the achievement of air quality limit values set out in Directives 2004/107/EC and 2008/50/EC.	E.ON currently only operates shallow geothermal energy installations. There are no emissions to air other than marginal/non-detectable fugitive emissions/leakages of coolant	Aligned

		(bioethanol or similar) from collectors/tubes concerning shallow geothermal.	
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Table 14

<b>Framework Activity assessed</b>	Clean Transportation		
<b>EU Activity</b>	Infrastructure enabling low-carbon road transport and public transport		
<b>NACE Code</b>	F42.11, F42.13, F71.1 and F71.20		
<b>EU Technical Screening Criteria</b>		<b>Alignment with Technical Screening Criteria</b>	
Mitigation	<p>1. The activity complies with one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS);</li> <li>the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</li> <li>the infrastructure and installations that are dedicated to public passenger transport.</li> </ul> <p>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</p>	The listed EU Taxonomy mitigation criteria are met by the use of proceeds eligibility criteria outlined in the Framework.	Aligned
<b>DNSH Criteria</b>		<b>Alignment with DNSH Criteria</b>	
Climate Change Adaptation	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 16.		Aligned

Sustainable use and protection of water and marine resources	The activity complies with the criteria set out in <b>Appendix 3</b> , Table 17.		Aligned
Transition to a circular economy	<p>At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material defined in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Operators limit waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.</p>	<ul style="list-style-type: none"> <li>• Considering charging stations have a life span expectancy of approximately 10 years, and role has just begun E.ON intends to elaborate plans on reuse and recycling of the Company’s hardware obtained from decommissioning in the following years. Regarding hardware owned by its B2B-customers, there are operator obligations according to e.g. Swedish Waste Regulation (2020:614) in which e.g. requirements on source separation and collection for recycling are set.</li> <li>• E.ON’s practices are centred on the avoidance of waste creation, and when not feasible, to recycle as much as possible using technical equipment on the market to maintain waste disposal to a minimum. This is also applicable to construction and demolition sites, and in 2019 E.ON recovered 98.7% of its non-hazardous waste.<sup>58</sup> If neither avoidance, nor recycling is possible, disposal is kept to an absolute minimum and carried out in an environmentally sound manner. This is also in line with the German law on circular economy (Kreislaufwirtschaftsgesetz), the EU directive on waste (Abfallrahmenrichtlinie)<sup>59</sup> and the German Resource Efficiency Programme, which requires that 70% of non-hazardous construction and demolition waste is prepared for re-use, recycling and other material recovery operations.</li> </ul>	Aligned
Pollution prevention and control	<ul style="list-style-type: none"> <li>• Where relevant, noise and vibrations from use of infrastructure are mitigated by introducing open trenches, wall barriers or other measures and comply with Directive 2002/49/EC.</li> </ul>	These aspects are covered by the Sustainability & HSE Function Policy which requires that all operating units have in place an occupational H&S management system certified to ISO 45001 (“Occupational Health and Safety Management Systems”), as well	Aligned

<sup>58</sup> E.ON, “Sustainability Report 2019”, at: <https://www.eon.com/en/about-us/sustainability/sustainability-report.html>.

<sup>59</sup> Article 11, point 2.(b) of Directive 2008/98/EC states “by 2020, the preparing for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, of non-hazardous construction and demolition waste excluding naturally occurring material defined in category 17 05 04 in the list of waste shall be increased to a minimum of 70 % by weight.”, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0098&from=EN>.

	<ul style="list-style-type: none"> <li>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.</li> </ul>	<p>as an environmental management system certified to ISO 14001 (“Environmental Management System”) or EMAS (“Eco-Management and Audit Scheme”). Under this standard, contractors who work for us are thereby covered by our management systems.</p>	
<p>Protection and restoration of biodiversity and ecosystems</p>	<ul style="list-style-type: none"> <li>An Environmental Impact Assessment (EIA) or screening has been completed, for activities within the Union, in accordance with Directive 2011/92/EU. For activities in third countries, an EIA has been completed in accordance with equivalent national provisions or international standards.</li> <li>Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.</li> <li>For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</li> <li>Where relevant, maintenance of vegetation along road transport infrastructure ensures that invasive species do not spread.</li> <li>Mitigation measures have been implemented to avoid wildlife collisions.</li> </ul>	<ul style="list-style-type: none"> <li>E.ON maintains an HSE Management System according to the standards ISO 45001 (“Occupational Health and Safety Management Systems”), ISO 14001 (“Environmental Management System”) or EMAS (“Eco-Management and Audit Scheme”), and/or ISO 50001 (“Energy Management Systems”). This is supported by a group-wide HSE Risk Management Standard which defines the minimum requirements in relation to the identification, analysis, evaluation, treatment and monitoring of HSE risks and opportunities as well as roles and responsibilities.</li> <li>E.ON has confirmed that an EIA is performed during the development stages to obtain planning or regulatory consent in projects such as new power lines, gas pipelines, and other large industrial projects.</li> <li>Besides environmental consequences, regulatory, reputational and financial ramifications are also considered. Risks are listed in the business risk register, which is reviewed on a regular basis. Risk evaluation provides the basis for deciding on the treatment (course of action) required. Further HSE guidelines and policies include:             <ul style="list-style-type: none"> <li>HSE Risk Management Standard</li> <li>HSE Policy Statement<sup>60</sup></li> <li>Function Policy Sustainability and HSE</li> <li>HSE-Dach-Managementhandbuch</li> </ul> </li> <li>The installation of EV charging infrastructure, as contemplated by the Framework, is not exposed to the risks related to road corridors described in the criteria, such as invasive species and wildlife collisions</li> </ul>	<p>Aligned</p>

<sup>60</sup> E.ON “HSE Policy Statement”, at: [https://www.eon.com/content/dam/eon/eon-com/Documents/en/compliance-and-integrity/documents-guidelines/E.ON\\_HSE\\_Policy\\_Statement\\_2014.pdf](https://www.eon.com/content/dam/eon/eon-com/Documents/en/compliance-and-integrity/documents-guidelines/E.ON_HSE_Policy_Statement_2014.pdf).

## Appendix 3: Criteria for Do No Significant Harm (“DNSH”) to Climate Change Adaptation and Protection and Restoration of Biodiversity and Ecosystems

Table 15

Criteria for DNSH to Climate Change Adaptation		
<i><b>DNSH Criteria</b></i>	<i><b>Alignment with DNSH Criteria</b></i>	
<p>The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of this Appendix by performing a robust climate risk and vulnerability assessment with the following steps:</p> <p>(a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime;</p> <p>(b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II of this Appendix, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;</p> <p>(c) an assessment of adaptation solutions that can reduce the identified physical climate risk.</p> <p>The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:</p> <p>(i) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;</p> <p>(ii) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.</p> <p>The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.</p>	<p>E.ON uses a multistep process to identify, evaluate, simulate, and classify risks and opportunities. Risks and opportunities are generally reported on the basis of objective evaluations. When not possible, the Company uses internal estimates elaborated by subject matter experts. E.ON then evaluates the likelihood of occurrence of all quantifiable risks and opportunities.</p> <p>E.ON continually monitors and assesses its sustainability, climate, and other non-financial risks and opportunities, and their potential impact in the short, medium, and long term. In 2018 the Company began to integrate the assessment and management of these risks more systematically into its overall risk management. This process is ongoing and, from 2020 onward, it incorporated the TCFD’s recommendations. The status of this process is presented to the E.ON Group Risk Committee on a regular basis. E.ON’s analysis encompassed physical risks (such as extreme weather and rising temperatures) as well as transitional risks (such as changes in consumer preferences, the regulatory environment, and carbon prices).</p> <p>The joint interaction between the Risk Management &amp; Sustainability at the Group and local level further promotes climate risk assessment. In order to take account of the increasing awareness on non-financial risks, the link between sustainability and risk management was intensified in 2019 and 2020, the Company intends to further expand it. This includes a concrete allocation of tasks.</p> <ul style="list-style-type: none"> <li>• Sustainability: Identifying non-financial risks that affect E.ON’s business and analysis of the quantitative relationship between cause and effect in the long term.</li> <li>• Risk Management: Analyze how the effects are addressed in the current Enterprise Risk Management</li> </ul>	<p>Aligned</p>

<p>For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations.</p> <p>The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>	<p>Report and Breakdown of long-term effects by mid-term planning period.</p> <p>In addition to using external climate scenarios, E.ON develops its own scenario in collaboration with external service providers. The goal of the scenario is to map a transition of the EU energy system that is consistent with the EU's decarbonization goals in keeping global warming to below 2°C. In this context, E.ON discusses the most important input parameters for the scenario development, including socio-economic factors, assumptions on fossil fuel prices, cost development of green key technologies and key policy instruments with the provider. The process is steered by the Corporate Strategy supported by various other teams to ensure the best reflection of the group's view on future energy developments. Members from the energy sourcing team and from regional offices help to assess future cost reduction for power generation and members from the storage solution business discuss the likelihood and level of cost reduction for batteries. Projections on, amongst others, energy demand growth, the future deployment of renewables and distributed energy sources, the future need for energy infrastructure and the need for synthetic energy carriers are compared and consequences for E.ON's strategic position derived. Since E.ON's business is concentrated around the use of power, heat and natural gas, as well as energy networks, E.ON studies climate scenarios to better understand future energy demand and the build-out of grid infrastructure.</p> <p>E.ON's integrated risk management system and organisation structures and processes ensures that climate risks are considered throughout the company and beyond the activities financed under the Green Bond Framework.</p> <p>E.ON's Management Board has overall responsibility for the Company's sustainability strategy, including its climate strategy, and the Chief Sustainability Officer ("CSO") has quarterly reports about important initiatives and developments as well as key performance indicators. The CSO manages and monitors all of the Company's sustainability activities and chairs the Sustainability Council. The Supervisory Board is regularly informed about E.ON's sustainability performance by its Audit and Risk Committee and by the Management Board. Furthermore, E.ON's Green Bond Framework defines eligibility criteria. The process of evaluating</p>	
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	<p>and selecting projects has several steps and draws on the expertise of several units and departments. The Sustainability department is responsible for ensuring that eligible projects have no ESG concerns and comply with all relevant company policies and guidelines as well as national laws, and therefore comply with the intent of that adaptation solutions do not "adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts" .</p> <p>E.ON has provided supporting documentation to indicate the implementation of nature-based solution where feasible. An example of this is its programme to ecologically manage the area below power lines, by prioritizing biodiversity and an intact and healthy ecosystem for these areas.</p>	
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Table 16

Criteria for the Protection and Restoration of Biodiversity and Ecosystems		
<b>DNSH Criteria</b>	<b>Alignment with DNSH Criteria</b>	
<ul style="list-style-type: none"> <li>• An Environmental Impact Assessment (EIA) or screening has been completed, for activities within the Union, in accordance with Directive 2011/92/EU. For activities in third countries, an EIA has been completed in accordance with equivalent national provisions or international standards.</li> <li>• Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.</li> <li>• For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• E.ON maintains an HSE Management System according to the standards ISO 45001 ("Occupational Health and Safety Management Systems"), ISO 14001 ("Environmental Management System") or EMAS ("Eco-Management and Audit Scheme"), and/or ISO 50001 ("Energy Management Systems"). This is supported by a group-wide HSE Risk Management Standard which defines the minimum requirements in relation to the identification, analysis, evaluation, treatment and monitoring of HSE risks and opportunities as well as roles and responsibilities.</li> <li>• E.ON has confirmed that an EIA is performed during the development stages to obtain planning or regulatory consent in projects such as new power lines, gas pipelines, and other large industrial projects.</li> <li>• Besides environmental consequences, regulatory, reputational and financial ramifications are also considered. Risks are listed in the business risk register,</li> </ul>	<p>Aligned</p>

	<p>which is reviewed on a regular basis. Risk evaluation provides the basis for deciding on the treatment (course of action) required. Further HSE guidelines and policies include:</p> <ul style="list-style-type: none"> <li>- HSE Risk Management Standard</li> <li>- HSE Policy Statement<sup>61</sup></li> <li>- Function Policy Sustainability and HSE</li> <li>- HSE-Dach-Managementhandbuch</li> </ul>	
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Table 17

Sustainable use and Protection of Water and Marine Resources		
<b>DNSH Criteria</b>	<b>Alignment with DNSH Criteria</b>	
<ul style="list-style-type: none"> <li>• Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council<sup>326</sup> and a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.</li> <li>• Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council<sup>327</sup> and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed.</li> </ul>	<ul style="list-style-type: none"> <li>- E.ON conforms with all national laws and regulations. E.ON does not operate in regions with severe water stress or water scarcity therefore it does not consider these as critical issues. Nevertheless, the Company's HSE guidelines and HSE risk management standard ensure that adverse impacts on the environment are prevented and that risks are managed accordingly.</li> </ul>	<p>Aligned</p>

<sup>61</sup> E.ON "HSE Policy Statement", at: [https://www.eon.com/content/dam/eon/eon-com/Documents/en/compliance-and-integrity/documents-guidelines/E.ON\\_HSE\\_Policy\\_Statement\\_2014.pdf](https://www.eon.com/content/dam/eon/eon-com/Documents/en/compliance-and-integrity/documents-guidelines/E.ON_HSE_Policy_Statement_2014.pdf).

## Appendix 4: Green Bond / Green Bond Programme - External Review Form

### Section 1. Basic Information

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Issuer name:	E.ON SE
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	E.ON Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 1, 2021
Publication date of review publication:	

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### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds –Electricity Networks, Renewable Energy, Energy Efficiency, Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that financing of assets in the eligible categories will lead to positive environmental impacts by supporting the uptake of clean energy in Europe and advance the UN Sustainable Development Goals, specifically SDGs 7, 9 and 11.

**Use of proceeds categories as per GBP:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input checked="" type="checkbox"/> Energy efficiency  |
| <input type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input checked="" type="checkbox"/> Clean transportation   |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                            | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): Electricity networks                |

If applicable please specify the environmental taxonomy, if other than GBP:

**2. PROCESS FOR PROJECT EVALUATION AND SELECTION**

Overall comment on section (if applicable):

E.ON's Green Bond Committee, composed of representatives from Sustainability, Energy Networks, Customer Solutions and Group Finance and additional subject matter experts as needed, will evaluate and select projects to be included in the Eligible Green Portfolio. Sustainalytics considers the project selection process in line with market practice.

**Evaluation and selection**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

### Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
  In-house assessment
- Other (please specify):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

E.ON will manage proceeds using a portfolio approach, in which it will strive to maintain a level of allocation that matches or exceeds the balance of net proceeds of outstanding bonds. Pending full allocation, proceeds will be held in its treasury liquidity portfolio in cash, cash equivalents, money market funds, or equivalent. E.ON expects to immediately allocate all proceeds of its upcoming issuance. This is in line with market practice.

#### Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

#### Additional disclosure:

- Allocations to future investments only
  Allocations to both existing and future investments
- Allocation to individual disbursements
  Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
  Other (please specify):

### 4. REPORTING

Overall comment on section (if applicable):

E.ON intends to report on allocation and impact on an annual basis until full allocation. The allocation reporting will include the total amount of investments, expenditures and asset values in the Green Project Portfolio, the amount of proceeds used for new and/or existing projects and the balance of the unallocated proceeds. In addition, E.ON is committed to impact reporting using quantitative metrics, to be made available in the company's annual sustainability. Sustainalytics views E.ON's allocation and impact reporting as aligned with market practice.

#### Use of proceeds reporting:

- Project-by-project
  On a project portfolio basis

- Linkage to individual bond(s)  Other (please specify):

**Information reported:**

- Allocated amounts  Green Bond financed share of total investment
- Other (please specify): *mapping of the EU Environmental Objectives pursued by the assets, projects and investments in the Eligible Green Portfolio; the amount and / or percentage of new and existing projects (share of financing and refinancing); the geographical distribution of assets, projects and investments included in the Eligible Green Portfolio; breakdown of the Eligible Green Portfolio by nature of what is being financed (assets, Capex); a statement of alignment with the EU Green Bond Standard;*

**Frequency:**

- Annual  Semi-annual
- Other (please specify):

**Impact reporting:**

- Project-by-project  On a project portfolio basis
- Linkage to individual bond(s)  Other (please specify):

**Information reported (expected or ex-post):**

- GHG Emissions / Savings  Energy Savings
- Decrease in water use  Other ESG indicators (please specify): *Renewable capacity connected to the grid (in GW and relative share of total capacity in %); Annual output (GWh/y, split in renewable and conventional electricity in %); Efficiency improvements (%); Smart grid components installed, e.g. as smart meters, smart stations (in meters/customers served); Hydrogen production, split between "blue" and "green" hydrogen; Hydrogen storage capacity; Capacity of hydrogen connections / distribution systems; Added*

renewables capacity (vs previous year) MW; Avoided emissions p.a. (kt CO2e/y); Number of EV charging points (#).

**Frequency**

- Annual  Semi-annual  
 Other (please specify):

**Means of Disclosure**

- Information published in financial report  Information published in sustainability report  
 Information published in ad hoc documents  Other (please specify): Green Bond Reports  
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

[www.eon.com/greenbond](http://www.eon.com/greenbond)

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- Consultancy (incl. 2<sup>nd</sup> opinion)  Certification  
 Verification / Audit  Rating  
 Other (please specify):

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

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- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
  - iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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In case of discrepancies between the English language and translated versions, the English language version shall prevail.

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).



**Named**  
2015: Best SRI or Green Bond Research or Rating Firm  
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