

# **E.ON Global Climate Change and Environment Policy Statement**

**Under revision**



## Preamble

By endorsing the ten principles of the United Nations' Global Compact we explicitly pledge to comply and work in a business ethical and responsible manner.

Climate protection and environmental performance reflect aspirations of E.ON to be the world's leading power, gas & heat company incl. ambitious target setting beyond legal standards to improve quality of life.

We strive to reduce the environmental impacts from our operations. E.ON's climate protection & environmental policy statement is a main pillar for long lasting competitive business success.

To be able to live according to this philosophy it requires that each and every individual - that is the employees, management and Management Board - is committed to the protection of the environment.

## Climate Change

As one of the world's largest investor-owned power and gas companies E.ON is committed to tackling the global challenges of climate change. We acknowledge that the energy we produce and supply, and that our customers use on a daily basis around the world, has a substantial impact to the environment. We are committed to play our part to significantly reduce and mitigate the impacts of our own operations and to provide our customers with energy-efficiency advice. We believe it is our responsibility to supply energy products with an optimum balance of cost, resource efficiency and environmental friendliness.

E.ON's energy portfolio in 1990 was made up of coal, gas, nuclear, hydro and renewables with a CO<sub>2</sub>-intensity of 0.72 t CO<sub>2</sub>/MWh. We have calculated that in 2005 E.ON is responsible for about 1% of the world's CO<sub>2</sub> emissions from fossil fuel burning for electricity generation. We are highly committed to addressing our CO<sub>2</sub> emissions on a global basis.

Our global climate change policy has strategic goals:

- To develop a world class low carbon energy portfolio - This will require substantial investment in new technology and renewable power. Specific targets include:
  - CO<sub>2</sub>-intensity target: We aim to reduce the CO<sub>2</sub> intensity of our power generation portfolio by half compared to 1990 levels to 0.36 t CO<sub>2</sub>/MWh by 2030,
  - Fuel mix: By 2030 our electricity portfolio aims to be half low carbon fossil (gas, advanced coal and CCS) and half carbon free (nuclear and renewable),
  - Investment: We will provide all financial means necessary to invest in renewable energy and in energy efficiency to achieve the targeted fuel mix in 2030,

- **Innovation:** As fossil fuels (coal and gas) are likely to remain a main source of energy in our portfolio in the future; investment in new technology such as advanced plant designs for nuclear and fossil fired power plants as well as carbon capture and storage (CCS) is a core element of our climate change policy. We will encourage the development of key technologies to make energy supply more efficient and more climate-friendly through our technology initiative "Innovate.on". We also support research, development and demonstration (RD&D) at universities and other research entities for future energy technologies,
- **Emissions Trading and Offsetting:** We aim to shape and to participate in a global carbon market; we are actively involved in the EU Emissions trading scheme (ETS) and will be involved in the discussions on the future shape of the ETS at a national and international level. Additionally, we will continue to seek out opportunities in JI and CDM projects to bring relevant reductions of greenhouse gases to operations in developing parts of the world.

## **Environment**

As one of the world's largest investor-owned power, gas & heat providers, E.ON is fully committed to managing and reducing the environmental impacts of its global operations. Whilst climate change is only one aspect of environmental impacts, we have a range of other impacts on the environment which need to be managed and where practicable reduced or mitigated. These impacts encompass the full range of environmental issues associated with the building, operating, disposal and decommissioning of the operational units in our energy portfolio.

Our global environmental policy commitments are as follows:

- As a minimum we will comply with national and international environmental regulations. Where feasible, we will exceed environmental regulations,
- All our operational units bearing environmental risks must have an environmental management system (EMS), certified under the criteria of ISO 14001 or EMAS. Those operational units having an established EMS already not currently under those EMS will work toward becoming certifiable until the end of 2010. In accordance with these certifiable EMS, continual improvement will be achieved,
- We will set clear and demanding environmental performance improvement targets in all our operational businesses on an annual basis,
- Risks and liabilities in air, water, soil pollution as well as biodiversity and in waste handling associated with the purchase, construction, operation, disposal and decommissioning of operational units will be carefully assessed, minimized when feasible,
- For the products and services of our company we aim to reduce the environmental impact and reduce overall pollution caused by our activities
- We will communicate clearly our activities with our stakeholders and listen to concerns raised,
- Research, Development, & Demonstration is undertaken to improve our environmental performance on a continual basis. We strive to use technologies providing a balanced ecological and economical benefit to our operational portfolio,

- **Environmental Risk checklists will be reviewed on any E.ON merger or acquisition project, as well as organic growth projects, in order to evaluate Value at Risk for the assets in question,**
- **Throughout our supply chain we will encourage high standards and inform our suppliers and contractors on our environmental standards. Environmental performance of our contractors and suppliers will be assessed in accordance with E.ON's Responsible Procurement Policy,**
- **Raw materials and other natural resources will be used as efficiently as possible, harmful wastes kept to a justifiable minimum and recycling takes priority over waste disposal.**
- **We will encourage efficient use of our products through programs in which we help private households, industrial and commercial customers to become more energy efficient.**
- **Through environmental awareness training, we will promote a culture in which our employees consider the general environmental impact of their actions when engaging in operational and non-operational activities on behalf of E.ON (e.g. undertaking business travel, paper use, water and energy consumption) and, where possible, play an active role in improving E.ON's environmental performance,**
- **We will report every year publicly on our environmental performance and risks.**

**E.ON AG, Board of Management  
Düsseldorf October 1, 2008**