

E.ON Sustainability Report 2014

Extract: Q&A catalog

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Information folder

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ESG facts & figures

Sustainability / ESG facts & figures / Q&A

Content-Page: Q&A

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Q&A for interested stakeholders

You need well-founded information to evaluate our performance. We provide this in our Sustainability Report and, supplementary to that, in our new Q&A section. If you have any questions after reading this section please feel free to contact us directly. We are continually adding to our Q&As based on the latest stakeholder requests. We also update existing entries at least once a year as part of our reporting process.

Q&A

Our list of Q&As is based primarily on content we wish to make public, in the interests of transparency and full disclosure. This information is either more detailed or includes topics that are no longer presented in the action areas as result of our [materiality analysis](#).

We ask for your understanding that we are unable to answer questions of a purely investor-related nature or on our new strategy in this section.

What options for codetermination are open to E.ON SE employees?

E.ON SE Works Council

The E.ON SE Works Council represents all E.ON staff employed in Europe, and must be informed of and consulted about all cross-border topics and projects. The business units in all European countries where E.ON is active provide representatives to the SE Works Council, dependent on the total number of employees in each. The Works Council then selects employee representatives on the E.ON SE Supervisory Board.

In addition, there is close cooperation between the company and locally responsible employee representation, in accordance with the applicable national legal codetermination requirements and common practice.

Group Works Council at E.ON SE

The Group Works Council consists of Works Councils from the E.ON business units in Germany. Pursuant to Section 58 of the German Labor Management Relations Act (BetrVG), the Group Works Council is responsible for matters affecting either the whole Group or several Group companies in Germany. It may also be asked by local Works Councils to carry out certain tasks.

Group Council for Severely Disabled People

Together with the company, the Group Council for Severely Disabled People in Germany secures framework conditions for the employment of severely disabled people or equivalents and also has a consultative function.

Are annual employee dialogs planned for all E.ON employees?

For all management staff, an annual employee dialog is mandatory; for lower levels this depends on local regulations and processes.

What is the breakdown of employees by contract type?

Overall, 4,413 employees at E.ON were working part-time at the end of 2014; of these 3,202 were women (73 percent). Compared to the previous year, the number of part-time employees decreased in line with total employees (2013: 4,605, of which women: 3,368), so that the proportion remained stable.

✓ Reviewed 2014

Percentage of workforce¹ with full-time and non-temporary employment contracts in 2014

Percentages	Full-time	Non-temporary
Generation	95	97
Renewables	95	96
Global Commodities	93	91
Exploration & Production	98	100
Germany	93	94
Other EU countries ²	91	98
Non-EU countries ³	100	90
Group Management/other ⁴	89	90
E.ON Group	93	95
E.ON Group 2013	93	96

1 Includes Board Members, Managing Directors and apprentices.

2 Includes the UK, Sweden, Hungary, Czech Republic, Slovakia, Romania, Netherlands, France, SG ECT.

3 Includes Russia.

4 Includes E.ON SE, E.ON Business Services, ETG, E.ON Risk Consulting, E.ON Facility Management.

Collective-bargaining agreements cover 82 percent of E.ON Group employee contracts.

Are there gender-related differences in pay at E.ON?

At E.ON, we pursue a remuneration policy of equal opportunity. The remuneration basis for employees is performance, experience and the level of responsibility that results from each position – not gender. We therefore do not carry out a breakdown by gender at E.ON.

What is the proportion of women in the total workforce?

✓ Reviewed 2014

Women as a percentage of our workforce¹

Percentages	2014	2013
Generation	11.9	12.2
Renewables	18.5	19.5
Global Commodities	32.1	31.4
Exploration & Production	34.4	33.8
Germany	27.8	28.4
Other EU countries ²	32.4	32.1
Non-EU countries ³	30.3	30.3
Group Management/other ⁴	41.4	39.1
E.ON Group	28.8	28.6

1 Includes Board Members, Managing Directors and apprentices.

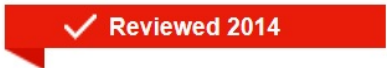
2 Includes the UK, Sweden, Hungary, Czech Republic, Slovakia, Romania, Netherlands, France, SG ECT.

3 Includes Russia.

4 Includes E.ON SE, E.ON Business Services, ETG, E.ON Risk Consulting, E.ON Facility Management.

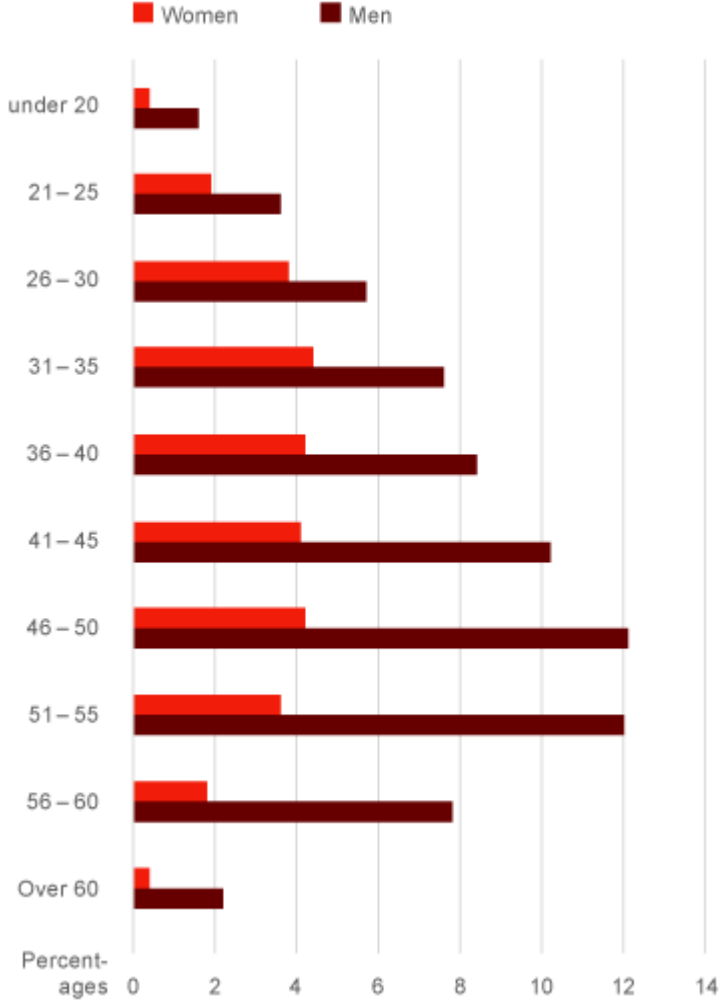
The proportion of women in the workforce as at 31 December 2014 was around 29 percent, which is roughly the same as in the year before.

What is the average age at E.ON?



At the end of 2014, the average age in the E.ON Group was around 43 years. This is comparable with other DAX-30 companies. The age structure of E.ON employees reflects the demographic development of the labor force potential: In 2014, around 17 percent were under 30 years old, 55 percent between 31 and 50 years old, and around 28 percent over 50 years old.

Age profile of total workforce 2014



Does E.ON adhere to the legally stipulated quota of severely disabled employees in Germany?

As in previous years, E.ON exceeds the legally stipulated quota of severely disabled employees of 5 percent.

✓ Reviewed 2014

Number of severely disabled employees¹ at E.ON companies in Germany

	2014	2013
Generation	387	468
Renewables	91	98
Global Commodities	25	27
Germany	751	733
Other EU countries ²	4	0
Group Management/other ³	205	211
E.ON Group	1,463	1,537

1 Excludes Board Members/Managing Directors, including apprentices.

2 Includes E.ON Connecting Energies.

3 Includes E.ON SE, E.ON Business Services, ETG, E.ON Risk Consulting, E.ON Facility Management.

In 2014, the German E.ON companies employed 1,463 severely disabled people or people with equivalent disabilities, while the proportion of severely disabled people fell slightly from 6.4 to 6.2 percent. The number of severely disabled trainees declined from 15 to 9 over the same period.

How many nationalities work at E.ON?

✓ Reviewed 2014

Number of nationalities

	2014	2013
E.ON Group	103	103

E.ON Group employees come from more than 100 different countries and every continent except Antarctica.

What certifications or awards does E.ON have in the area of gender?

We have been part of a network of German companies dedicated to promoting family-friendly policies since 2008. E.ON is an active member of Genderdax, an index that reviews companies for their suitability to female technical and management staff. The “Total E-Quality” certificate, which we first gained in 2010 for personnel management geared towards equal opportunities, was successfully renewed in 2013. It is supported by the German Federal Ministry of Family Affairs, Senior Citizens, Women, and Youth, and is awarded for a duration of three years. Since 2011, we have carried the internationally recognized “top4women” company seal for particularly women- and family-friendly companies.

Where is E.ON hiring the most and what percentage of that are women?

Despite falling headcount numbers, we are taking targeted recruitment measures to be fully prepared to meet future energy-market requirements.

Based on the size of our regional units and local generating activities, the majority of our new hires were in Germany and the United Kingdom. Women accounted for a good 38 percent of our new hires in 2014.

✓ Reviewed 2014

New hires 2014 by region¹

	Number	Percentage ^{2,3}
Germany	1,859	3.1
United Kingdom	1,068	1.8
Russia	1,046	1.7
Romania	426	0.7
Sweden	290	0.5
Hungary	201	0.3
Other EU countries ⁴	252	0.4
Non EU countries ⁵	109	0.2
Total	5,251	8.6

1 Indicator calculation as per Consolidated Financial Statements, excluding discontinued activities (regional units in Spain and Italy).

2 Share based on total number of employees adjusted according to GRI G4-LA1.

3 Figures are rounded, which can result in slight deviations in their sum.

4 Including Denmark, Czech Republic, Slovakia, Poland, Spain, Portugal, Italy, Netherlands, Belgium, France, and Austria.

5 Including Norway and the USA.

New hires 2014 by age¹

	Number	Percentage ^{2,3}
Under 30	3,030	5.0
31 to 50	1,743	2.9
Over 50	478	0.8
Total	5,251	8.6

1 Indicator calculation as per Consolidated Financial Statements, excluding discontinued activities (regional units in Spain and Italy).

2 Share based on total number of employees adjusted according to GRI G4-LA1.

3 Figures are rounded, which can result in slight deviations in their sum.

New hires 2014 by gender¹

	Number	Percentage ²
Male	3,241	5.3
Female	2,010	3.3
Total	5,251	8.6

1 Indicator calculation as per Consolidated Financial Statements, excluding discontinued activities (regional units in Spain and Italy).

2 Share based on total number of employees adjusted according to GRI G4-LA1.

The voluntary turnover rate at E.ON is very low. What is the breakdown by region and age structure?

Our turnover rate reports the share of voluntary terminations in relation to the average headcount for the particular year. In absolute terms, that was 2,018 employees for the reporting year. Terminations are reported in relation to headcount for the particular region.

✓ Reviewed 2014

Voluntary turnover 2014 by region^{1,2}

	Number	Percentage ³
United Kingdom	617	1.0
Germany	500	0.8
Russia	294	0.5
Romania	202	0.3
Hungary	148	0.2
Sweden	109	0.2
Other EU countries ⁴	109	0.2
Non-EU countries ⁵	39	0.1
Total	2,018	3.3

1 Includes Board Members, Managing Directors, and apprentices.

2 Indicator calculation as per Consolidated Financial Statements, excluding discontinued activities (regional units in Spain and Italy).

3 Share based on total number of employees adjusted according to GRI G4-LA1.

4 Including Denmark, Czech Republic, Slovakia, Poland, Spain, Portugal, Italy, Netherlands, Belgium, France, and Austria.

5 Including Norway and the USA.

Voluntary turnover 2014 by age^{1,2}

	Number	Percentage ³
Under 30	782	1.3
31 to 50	915	1.5
Over 50	321	0.5
Total	2,018	3.3

1 Includes Board Members, Managing Directors, and apprentices.

2 Indicator calculation as per Consolidated Financial Statements, excluding discontinued activities (regional units in Spain and Italy).

3 Share based on total number of employees adjusted according to GRI G4-LA1.

Voluntary turnover 2014 by gender^{1,2}

	Number	Percentage ³
Male	1,277	2.1
Female	741	1.2
Total	2,018	3.3

1 Includes Board Members, Managing Directors, and apprentices.

2 Indicator calculation as per Consolidated Financial Statements, excluding discontinued activities (regional units in Spain and Italy).

3 Share based on total number of employees adjusted according to GRI G4-LA1.

How do E.ON promote employee volunteering?

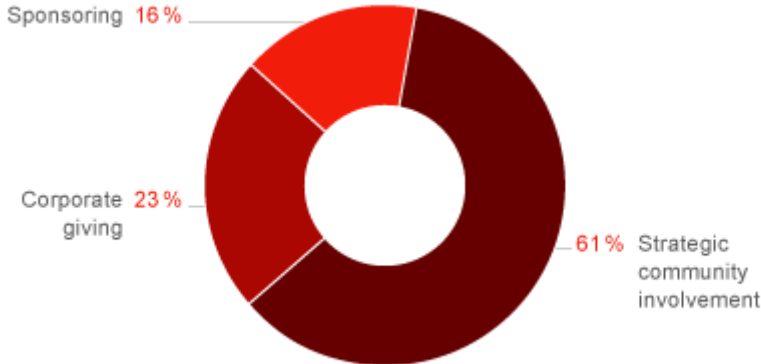
We've had employee involvement programs in place since 2009 in every country where we operate, although the scope varies by country. Roughly 1,600 E.ON Group employees spent a total of around 11,300 work hours engaged in volunteer activities in 2014. The value of the volunteer labor our people provided was about EUR 283,000.

What kind community involvement activities do E.ON conduct?

Our regional units are involved in what are in some cases long-standing partnerships to support [local projects](#) that promote energy and environmental education, climate protection, and energy access. In the countries where we're active, we've conducted numerous and at times ground-breaking education projects aimed at children between 3 and 18 years of age and/or their teachers and instructors. Group Management offers advice and also helps the units design and implement the projects.

Through the above-described, in some cases long-standing partnerships, we also invest in education and culture in our communities for examples. We have three categories of community investments: strategic community involvement, sponsorships that benefit communities, and general donations.

Community investments in 2014 by type¹

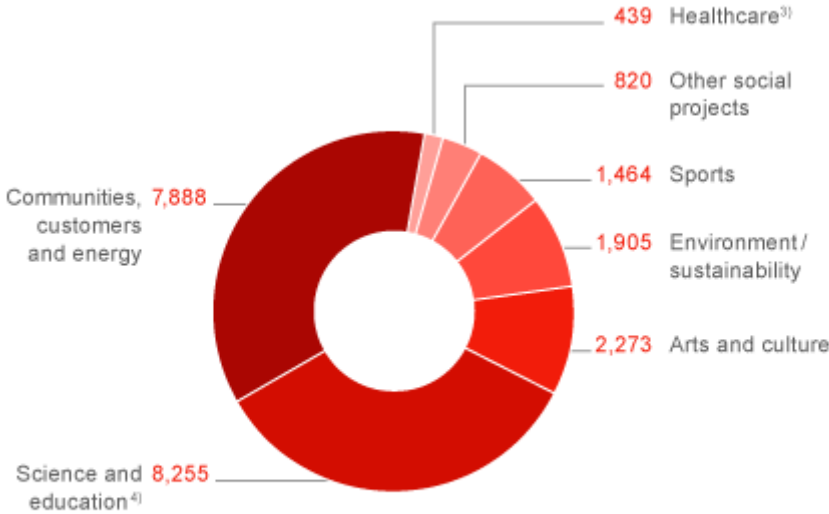


1 Our donations (financial support for charitable organizations) are guided by the objectives defined by the World Business Council for Sustainable Development.

Our community investments declined from EUR 28.1 million in 2013 to EUR 23 million in 2014 owing to our company’s continued cost discipline. We disclose our annual community investments and assign them to seven categories:

Community investments in 2014 by project^{1,2}

€ in thousands



1 These figures do not include our expenditures for R&D, customer marketing, or activities to comply with laws and regulations. The only exception is our activities to comply with laws and regulations the United Kingdom, which are counted in our total expenditures for community investments.

2 Adjusted for discontinued activities in the regional unit of Spain.

3 Investments in healthcare projects include disaster relief.

4 Science and education includes training initiatives.

What is E.ON’s position on the Luxembourg Leaks affair?

In 2014 the media made accusations against us as part of the Luxembourg Leaks affair. They claimed E.ON was making substantial tax savings by awarding company-internal loans to subsidiaries in Luxembourg.

E.ON [pays its taxes](#) in accordance with the law and in extremely high amounts. We comply with all national and international tax requirements, work in a completely open and transparent way with tax authorities, and meet all reporting obligations.

From 2003 to 2011, our effective tax rate for the entire Group result was around 21 to 36 percent (the only exception was 2007 owing to a system change with German corporate income tax). In Germany alone we regularly paid around EUR 1 billion annually in tax on our income from 2000 until the transformation of the energy sector in 2011, which had widely-known financial consequences for our company. As a company with numerous activities within Europe and beyond, we also pay our taxes in those respective countries. On an international level we are confident that our taxation practices were legal and also appropriate given the competition in our sector.

What is E.ON doing to help vulnerable customers?

We're committed to helping our vulnerable customers: older people, people who are physically or mentally challenged, people on low incomes, or people who require life-support medical equipment. We want to ensure that their energy supply isn't cut off, particularly in the winter, if they have difficulty paying their bill. Our assistance for low-income customers varies according to the welfare programs that are available in a particular country. Examples of this assistance include helping customers find out whether they qualify for government support schemes, partnering with other organizations to prefinance insulation measures for customers' homes and thus reduce their energy bills, and sitting down with customers to work out a payment plan that fits with their budget.

How is E.ON promoting access to energy?

Access to energy continues to be on the international development agenda. It is seen as a material condition for achieving the United Nation's Millennium Development Goals; however, over a billion people do not have access to power. A large proportion of them live in Africa, especially in the sparsely populated countries south of the Sahara desert. As an energy company we have a particular responsibility here – an issue that our stakeholders put forward to us in surveys and discussions. That said, we cannot simply replicate our established business model in such cases.

This is why in 2013 we launched [E.ON Off Grid Energy Solutions](#) as part of our "agile" innovations initiative to give people in Africa access to energy. By 2015 we aim to implement three [inclusive business projects](#) for low-consumption and low-income sections of the population in emerging and developing countries to assess the topic as a potential business area.

Why does the price for electricity vary so much by region and why is the price not falling despite increase capacities from renewables?

Wholesale prices, such as on the European power exchanges, differ only slightly between regions. However, the impact of taxes and duties, such as for the feed-in of renewable energies, varies depending on the particular country and its specific legislation, which makes a difference to end-customer prices.

In Germany, the price of electricity for domestic consumers comprises three elements:

- share of payments by utilities for power procurement, generation, and sale
- state-regulated network charges (including charges for metering point operation, measurement, and billing)

- taxes, infrastructure utilization charges, levies under the German Renewable Energy Act (EEG), Combined Heat and Power Act (KWK), Energy Industry Act (EnWG), as well as Interruptible Loads Act (AbLaV) and Electricity Transmission Charges Act (StromNEV).

According to the Monitoring Report 2014 by the German Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway (Bundesnetzagentur) and German Federal Competition Authority (Bundeskartellamt), as at April 1, 2014 state-sanctioned price components (network charges, taxes, etc.) accounted for 75 percent of the electricity price in Germany.

What is the connection between carbon emissions and energy consumption, and how is the latter calculated?

We calculate our carbon emissions based on the energy we consume within our organization. Our energy consumption is closely connected to our [direct and indirect emissions](#) and has a direct impact on our operating costs. In 2014 we consumed 769 million gigajoules of energy. This figure comprises:

- non-renewable and renewable fuels consumed, including transmission losses and plant operation
- electricity, heating, cooling, and steam purchased for consumption
- conversion losses for self-generated electricity, heating, cooling, and steam.

Total energy consumption within the organization¹

Thousand GJ (gigajoules)	2014
Non-renewable fuel consumed²	
<i>Hard coal</i>	449,053
<i>Natural gas/oil</i>	474,000
<i>Lignite</i>	114,632
<i>Nuclear</i>	569,829
Renewable fuel consumed²	
<i>Hydro power</i>	51,480
<i>Wind power</i>	43,920
<i>Other renewables</i>	9,720
Other power consumed^{3,4}	
<i>Own energy consumption for buildings</i>	179
<i>Transmission losses</i>	58,320
<i>Company vehicles</i>	11,702
<i>Business travel</i>	29,453
<i>Employee commuting</i>	45,226
External energy purchased	
<i>Electricity</i>	101,880
<i>Gas</i>	1,293,091
Energy sold	
<i>Electricity</i>	876,600
<i>Gas</i>	1,607,040
Total	768,843

1 Figures are rounded, which can result in slight deviations in their sum.

2 Underlying conversion factor: 1 kWh = 0.0036 GJ. Efficiency from our action area "Climate protection".

3 Underlying emission and conversion factors according to DEFRA standard 2014.

4 Calculation of underlying assumptions from Shell Study (Shell BDH Hauswärme-Studie 2013) and BDH Study (BDH Infoblatt 2015) among others.

How much gas does E.ON produce itself?

In 2014 we produced 1,885 million cubic meters of gas compared to 1,465 million cubic meters in 2013. This was thanks to improved production efficiency at the natural-gas condensate and oil field Skarv in Norway as well as higher production from our Huntington oil and gas field in the United Kingdom. It also reflected increases at our Babbage, Rita, Njord, and Hyme fields. In addition to the quantities produced in the North Sea, in 2014 we had an additional 5,923 million cubic meters of natural gas output from the Siberian field Yushno Russkoje, which is accounted for using the at equity method.

Do you comply with environmental standards for the Baltic Sea Nord Stream pipeline?

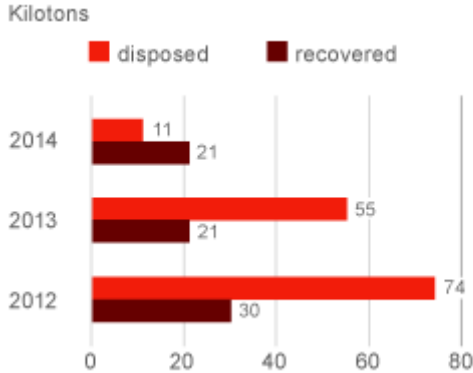
We're also active in natural gas infrastructure. We have a 15.5 percent stake in Nord Stream, a consortium that built and operates a pipeline to transport gas across the Baltic Sea from Russia to Germany. Nord Stream is a tandem pipeline, the first of which entered service in 2011, the second in 2012. Each of the two pipelines has an annual transport capacity of 27.5 billion cubic meters. The

construction of the Nord Stream pipelines met stringent international environmental and safety standards. The transport of gas conforms with internationally recognized standards as well as with those of the operator and its shareholders. Nord Stream also commissioned the largest-ever environmental study of the Baltic Sea and has invested over EUR 100 million to assess and minimize the project's environmental impact. Independent experts have continued to study Nord Stream's environmental impact since the first pipeline became operational. These studies have shown that the impact is significantly below the thresholds stipulated in the construction permit. Environmental impact monitoring will continue throughout the pipeline's lifecycle. The results will also be made public.

Does E.ON produce other hazardous waste besides radioactive waste?

With a decline of 58 percent to 32 kilotons, we produced significantly less hazardous waste in 2014 than the year before.

Hazardous waste¹



¹ Figures are rounded, which can result in slight deviations in their sum.

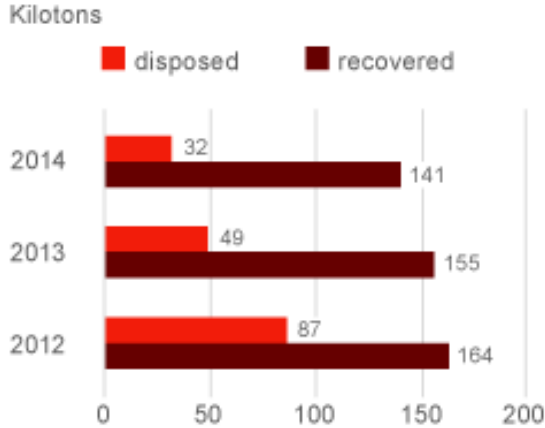
We classify hazardous waste as disposed or recycled. We recycled 21 kilotons in 2014, the same as the year before. In compliance with regional laws, we disposed of 11 kilotons, which was 44 kilotons, or 80.2 percent, less than in 2013.

We produce hazardous waste at our operations and at our project-based business. The sharp fall compared to 2013 is thanks to a reduction in the waste produced in both areas.

Does E.ON recycle normal non-hazardous waste or is everything disposed of?

Our non-hazardous waste declined by 31 kilotons, or 15.1 percent, to 173 kilotons.

Non-hazardous waste¹



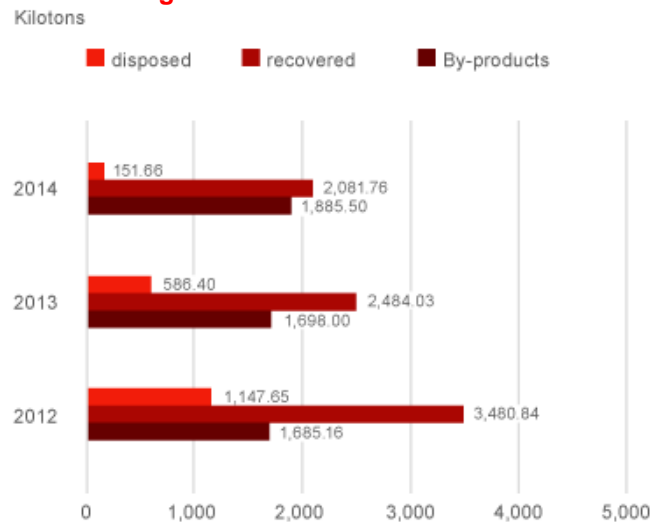
1 Figures are rounded, which can result in slight deviations in their sum.

We classify non-hazardous waste as disposed or recycled. Both categories were lower in 2014 than in 2013. Our disposed non-hazardous waste declined by 17 kilotons, or 34.2 percent; our recycled non-hazardous waste increased by 14 kilotons, or 9.1 percent.

Besides emissions, what other substances are produced when burning coal, and can they be used in any other way?

Burning coal in particular produces considerable amounts of ash and slag. In 2014 we produced 4,088.9 kilotons of ash and slag including by-products. we aim to recycle as much of this as possible.

Ash and slag¹



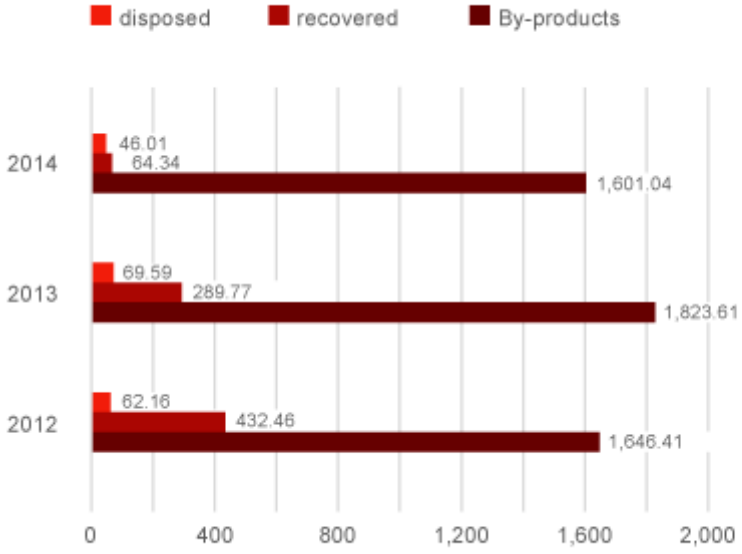
1 Figures are rounded, which can result in slight deviations in their sum.

In 2014 the amount of ash and slag produced by our operations declined by 679.5 kilotons, or 14.3 percent compared to 2013. We sell the by-products from our power plant operations to the construction materials industry. We record these under this item effective 2012.

Our coal-fired power plants generate significant quantities of gypsum, which is a by-product of flue-gas desulfurization. It's non-hazardous and can be used as a construction material. This reduces the need for gypsum mining and can therefore help minimize its adverse environmental impact. In compliance with air quality laws, our power plants are equipped with scrubbers which capture environmentally harmful compounds from the flue gas. Capture, however, is only the first stage of environmentally benign disposal. BauMineral AG processes the by-products of the desulfurization equipment at our coal-fired power plants in Germany, Belgium, and the Netherlands. BauMineral AG specializes in the sale of the by-products of power generation. These include flue ash, bottom ash, and gypsum, which are used to produce bricks, ready-mix concrete, and other construction materials. We have a similar arrangement for our operations in Italy.

Gypsum¹

Kilotons



1 Figures are rounded, which can result in slight deviations in their sum.

We disposed of 23.59 kilotons, or 33.9 percent, less gypsum in 2014 than in 2013. We also recycled 225.42 kilotons, or 77.8 percent, less. Including by-products, which we record under this item effective 2012, the amount of gypsum decreased by 471.57 kilotons, or 21.6 percent, in 2014 compared to the year before.