

BKW GROUP

Annual Report 2025



We create spaces for life.

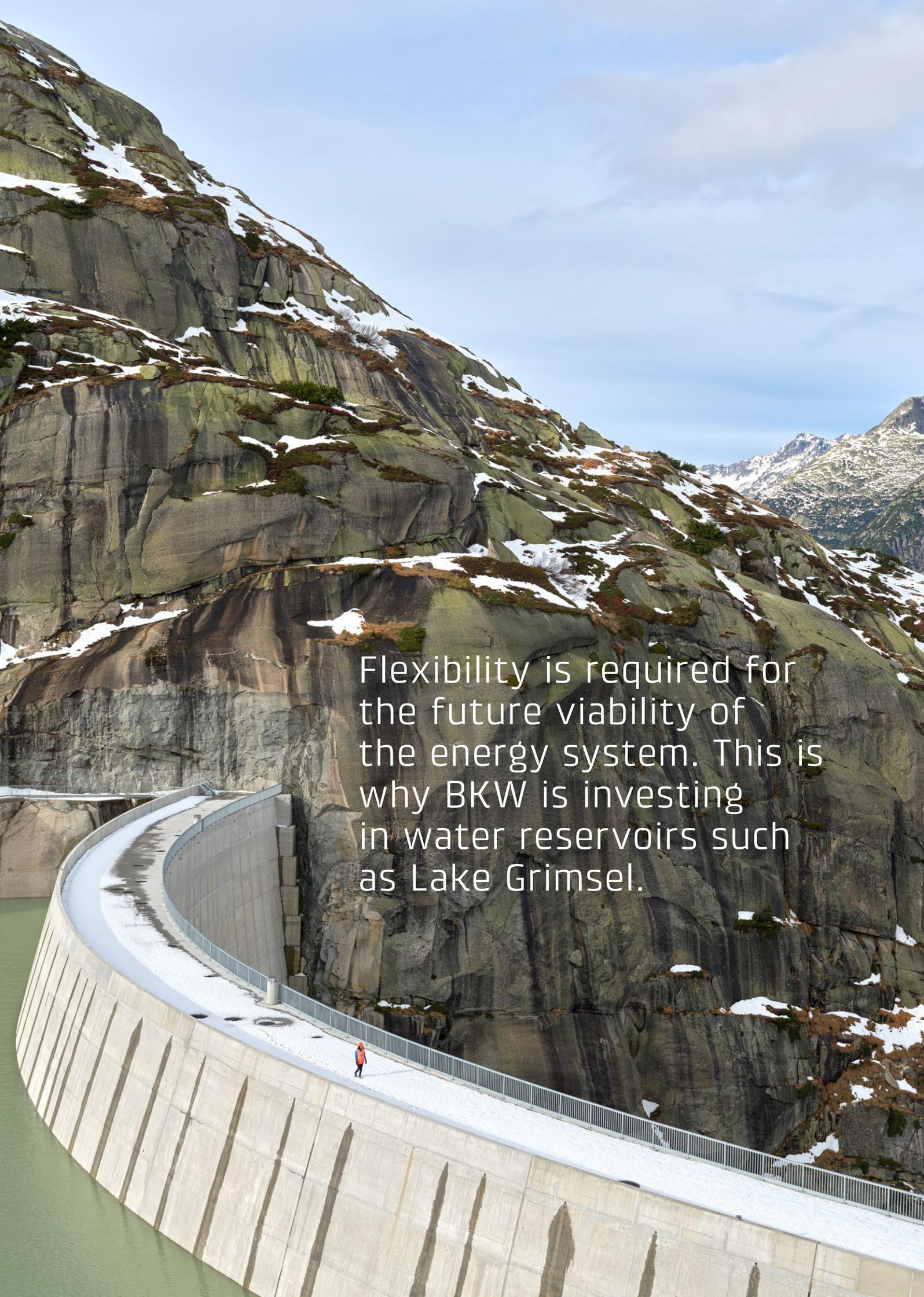


Our contribution

Our focus is on climate, nature, and people. We use a holistic approach to address the energy transition and offer solutions along the entire energy, infrastructure, and building value chain. We create spaces for life.

Title page

Farzaneh Abbaspourtorbati, Head of Long Term Asset Optimization at BKW, stands on the new, 113-meter-high Spitalamm dam at Lake Grimsel. BKW has a 50-percent equity interest in the hydropower plants on Lake Grimsel through Kraftwerke Oberhasli AG (KWO). These flexibility services are essential for the success of the energy transition in a system with fluctuating solar and wind power. This is why they are also anchored in our "Solutions 2030" strategy.

A large concrete dam with a curved top, situated in a mountainous region with snow-dusted rocks and a blue sky. The dam is made of light-colored concrete panels and has a metal railing along its top edge. A person in a red jacket is walking on the top of the dam. The background shows a steep, rocky mountain slope with patches of snow and a clear blue sky with some clouds.

Flexibility is required for the future viability of the energy system. This is why BKW is investing in water reservoirs such as Lake Grimsel.

FACTS & FIGURES

In a nutshell

Total operating income
in CHF million

4,544

EBIT
in CHF million

561

Operating net profit
in CHF million

353

Investments and acquisitions
in CHF million

457

Operating cash flow
in CHF million

686

Number of employees

12,390

Five-year comparison

Employees



Sales Energy Solutions

CHF millions



Sales Power Grid

CHF millions



Sales Infrastructure & Buildings

CHF millions



Locations and company offices

119

production sites¹

340

company offices

>200

companies and holdings



Key figures per share

CHF	2022	2023	2024	2025
Par value	2.50	2.50	2.50	2.50
Share price				
– Year-end price	126.50	149.50	150.20	168.40
– Year high	136.20	167.40	162.40	184.40
– Year low	96.70	127.60	122.30	143.70
Earnings per share ²	10.43	9.06	11.80	6.77
Equity per share ²	77.05	87.44	98.77	103.59
Market capitalization in CHF millions	6,677	7,891	7,925	8,887

1 All forms of holdings and purchase rights
 2 Attributable to shareholders of BKW AG

THREE STRONG BUSINESS SEGMENTS

BKW continues to advance the holistic energy transition

BKW offers its customers forward-looking solutions covering all aspects of the energy transition with the three Business Segments – Energy Solutions, Power Grid, and Infrastructure & Buildings: from renewable energy production, marketing, and distribution to efficient use in infrastructure and buildings.


[Learn more](#)


ENERGY SOLUTIONS

In the Energy Solutions Business Segment, BKW offers a competitive energy supply tailored to specific customer needs: reliable and committed to long-term partnerships. BKW is significantly expanding its range of customized energy solutions for customers and strengthening its low-CO₂, flexible production portfolio.



POWER GRID

In the Power Grid Business Segment, BKW combines a reliable and affordable electricity supply with an excellent customer experience. BKW is gradually increasing its investments in the efficient and intelligent expansion of the grid infrastructure and developing innovative tariff solutions for its regulated customers.



INFRASTRUCTURE & BUILDINGS

In the Infrastructure & Buildings Business Segment, BKW offers energy- and resource-efficient infrastructure and building solutions. BKW is expanding its range of general planning and project management services for more sustainable buildings and infrastructure, focusing on energy infrastructure and mobility, and extending its platform for energy-efficient and smart buildings.

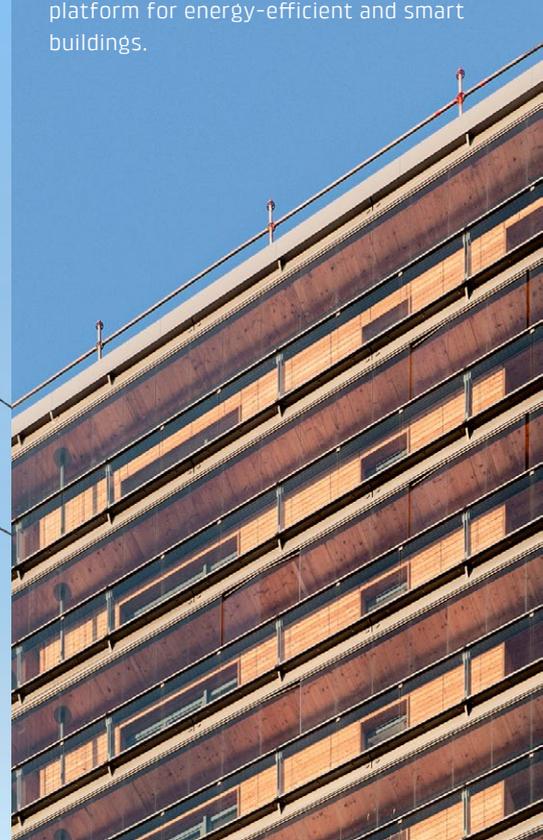




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LETTER TO SHAREHOLDERS

BKW consistently drives forward its “Solutions 2030” strategy

In the 2025 fiscal year, BKW Group¹ posted a good operating result of CHF 674.6 million before the valuation adjustment. BKW has thus recorded the third-best fiscal year in the company’s history. Over the past year, BKW has consistently driven forward the implementation of its “Solutions 2030” strategy by investing in the expansion of renewable energy production and in the area of flexibility. With the commissioning of a new grid control center, BKW also demonstrated that security of supply is a high strategic priority for the company.



Roger Baillod and Robert Itchner in BKW’s trading room.

Dear Shareholders,
Ladies and Gentlemen,

For 2025, we are pleased to be able to present you with a good operating result of CHF 674.6 million before the valuation adjustment. All three of BKW’s business segments contributed to this. As a result of a valuation adjustment of CHF 113.7 million in conjunction with the investment in the Wilhelmshaven coal-fired power plant in Germany, reported operating profit (EBIT) amounts to CHF 561.0 million. Operating cash flow before decommissioning and disposal costs amounted to CHF 788.7 million. It thus covers the investments of CHF 456.6 million and further bolsters BKW’s financial position.

High demand for flexible energy solutions

In the Energy Solutions Business Segment, spot market price volatility has remained high and demand for flexible and customer-specific energy

solutions has continued to increase. Due to the below-average electricity production volume from hydropower and wind power as a result of the weather and the expected lower trading result, the operating result in this business segment fell by 18.6 percent compared with the previous year. The aforementioned valuation adjustment also had a negative impact on the reported EBIT.

New grid control center commissioned

The Power Grid Business Segment made a stable contribution to earnings in 2025. BKW has invested CHF 182.8 million in its power grid in order to lay the foundations for the energy transition. With the commissioning of a new grid control center and the installation of around 130,000 smart meters to date, BKW once again demonstrated last year that security of supply is a high strategic priority for the company.

¹ The BKW Group comprises BKW AG and its Group companies. For better readability, the Group will be referred to below as BKW. Where the text relates to BKW AG or BKW Energie AG, this is expressly mentioned.

“BKW significantly expanded its installed capacity for renewable energy production with the commissioning of the Cerignola wind farm (Italy) and the Sousbach hydropower plant in the Bernese Oberland.”

Infrastructure & Buildings further increases profitability

In the Infrastructure & Buildings Business Segment, BKW further increased profitability as planned and achieved EBIT of CHF 80.0 million, an increase of 40.6 percent compared with the previous year. The business segment also created the basis for further growth with targeted acquisitions. BKW is excellently positioned in the DACH region as the largest provider of architectural and engineering services. It was able to win further major projects in this area, such as the stadium concept for the German Olympic bid. In addition, demand for the expansion of energy and grid infrastructures remains high in all markets.

Implementation of the “Solutions 2030” strategy

Over the past year, BKW has worked consistently on the implementation of its “Solutions 2030” strategy. BKW significantly expanded its installed capacity for renewable energy production with the commissioning of the Cerignola North wind farm (Italy) and the Sousbach hydropower plant in the Bernese Oberland. In addition, BKW decided to build a large-scale battery storage facility with an output of 300 megawatts and a storage capacity of 600 megawatt-hours in Waltrop, Germany. Its construction will start this year.

BKW has expanded its flexibility activities in 2025 – another strategic focus of “Solutions 2030.” These include a cooperation in the management of a planned large-scale battery in Italy and entry into the German control energy market with the takeover of flexibility provider Südvolt GmbH. This means that BKW is now one of the ten largest direct marketers in Germany.

BKW expects a good result in 2026

BKW expects another good result for the 2026 fiscal year. In the Energy Solutions Business Segment, higher hedged electricity prices have a positive impact on earnings. BKW expects stable earnings in the Power Grid Business Segment. BKW anticipates further improvement in profitability in the Infrastructure & Buildings Business Segment. The demand for expertise in the planning, implementation, and maintenance of complex infrastructure and building construction projects remains high, as does the need for building solutions that are energy efficient and save resources. Both offer interesting growth opportunities as part of BKW’s “Solutions 2030” strategy.

Overall, BKW expects EBIT in the range of CHF 650 to 750 million for the 2026 fiscal year.

BKW proposes dividend of CHF 3.80 per share

The outlook for the current year shows that BKW is on the right track and is consistently implementing its “Solutions 2030” strategy. The board of directors will therefore propose to the Annual General Meeting the distribution of an ordinary dividend of CHF 3.80 per share (previous year: CHF 3.70). We would like to take this opportunity to thank our customers, our suppliers and partners, our shareholders and our employees, who work hard for BKW every day. We look forward to continuing on this successful trajectory with all of them.

Kind regards,



Roger Baillod
Chairman of the Board
of Directors



Robert Itschner
CEO

BKW makes progress on sustainability-related goals

BKW made significant progress in implementing its sustainability-related goals in 2025 and laid important foundations. For example, greenhouse gas intensity fell by 24 percent compared with the 2022 base year. BKW also continued to drive forward the electrification of its vehicle fleet. With a new HR strategy and the development of Group-wide guidelines for occupational health and safety, BKW further developed its organization in key areas. It also revised the Supplier Code of Conduct in order to meet regulatory and internal requirements.

FOCUS STORY

BKW is investing in the energy system of the future

Produce, store, market, distribute, and efficiently use energy: With its “Solutions 2030” strategy, BKW is advancing the holistic energy transition. This provides BKW with opportunities for profitable growth in attractive markets.

From hydropower in the Bernese Oberland and the wind farm in southern Italy to battery storage and the extra-high-voltage line in Germany: As part of its “Solutions 2030” strategy, BKW is implementing targeted projects in Switzerland and Europe that address the demands of society and the economy for the energy system of the future. BKW plans to invest a total of CHF 4 billion in this area by 2030 – half of which will be in Switzerland.

More electricity from renewable energies

These investment projects also include the hydropower plants on Lake Grimsel in the Bernese Alps. Lake Grimsel is the most important reservoir in the extensive power plant network of Kraftwerke Oberhasli AG (KWO), half of which is owned by BKW. Its storage capacity can supply around 100,000 households per year. This exam-

ple shows how the expansion of existing infrastructure and expansion projects go hand in hand with electricity production: On the one hand, the Spitallamm replacement dam on Lake Grimsel was dedicated last June. The project cost a total of around CHF 125 million. The new construction was necessary because the existing dam from the 1930s was in need of renovation. It measured 114 meters from foundation to crown, making it one of the highest dams in the world at the time it was built. The new dam now stands in front of the old one – and is the same height as the old one. However, with the Lake Grimsel enlargement project, the dam wall could be raised by 23 meters in the future. It is one of 16 projects selected by the Swiss government for the expansion of domestic electricity production from hydropower. KWO submitted a concession application for this project to the cantonal authorities in May 2024. By



New construction of the Sousbach hydropower plant

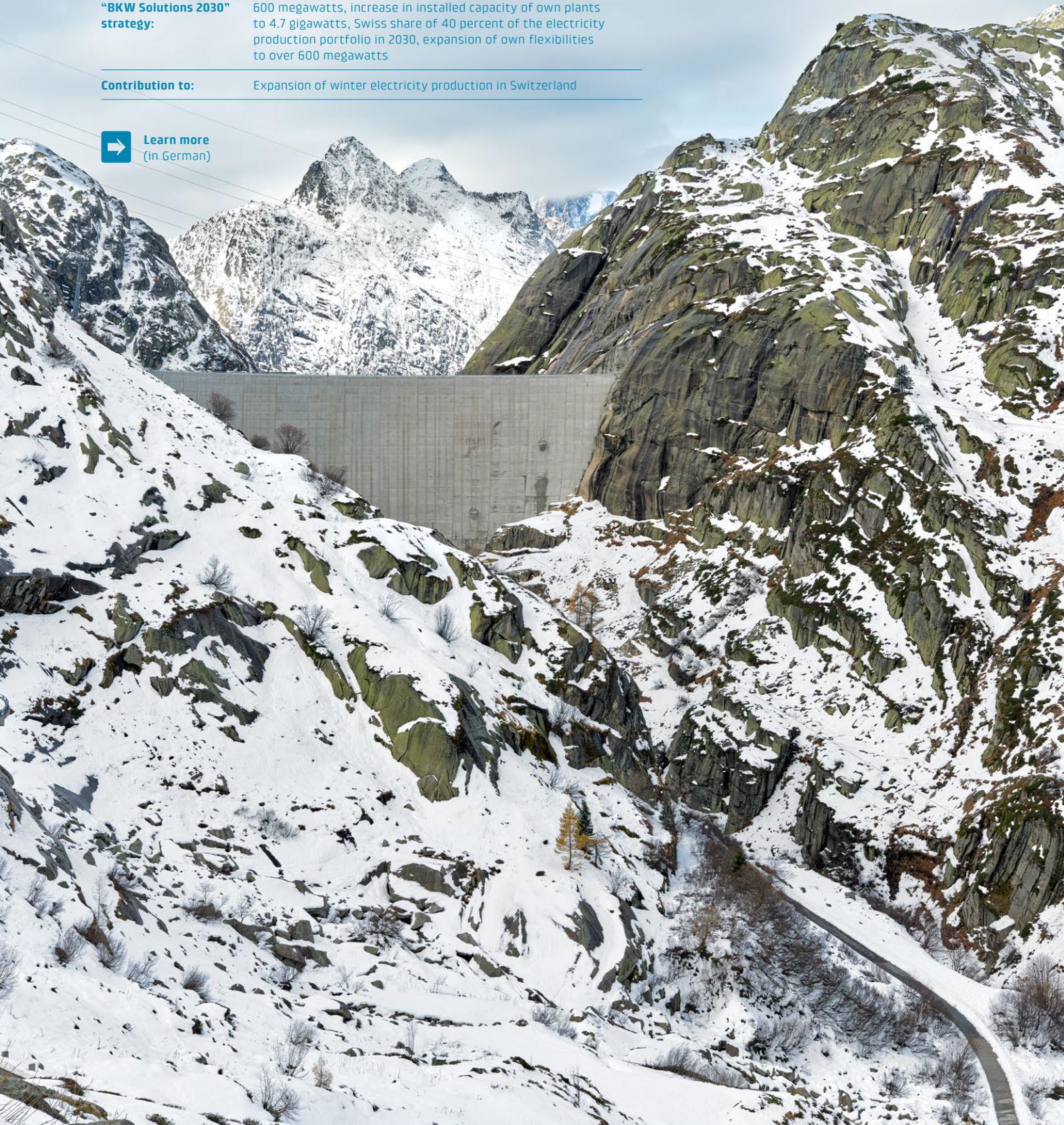
Business Segment:	Energy Solutions
Country:	Switzerland
Start of construction:	2020
Completion:	2025
Installed capacity:	11.4 megawatts
Power production:	30.6 gigawatt-hours/year
Reference to “BKW Solutions 2030” strategy:	Expansion of renewable electricity production by an additional 600 megawatts, increase in installed capacity of own plants to 4.7 gigawatts, Swiss share of 40 percent of the electricity production portfolio in 2030
Contribution to:	Expansion of renewable electricity production in Switzerland

[Learn more](#)

Lake Grimsel enlargement

Business Segment:	Energy Solutions
Country:	Switzerland
Current status:	Concession application submitted on May 28, 2024; negotiations with environmental associations on compensation measures concluded
Storage capacity:	+240 gigawatt-hours/year
Capital investment:	Around CHF 235 million
Reference to "BKW Solutions 2030" strategy:	Expansion of renewable electricity production by an additional 600 megawatts, increase in installed capacity of own plants to 4.7 gigawatts, Swiss share of 40 percent of the electricity production portfolio in 2030, expansion of own flexibilities to over 600 megawatts
Contribution to:	Expansion of winter electricity production in Switzerland

[Learn more](#)
(in German)





Cerignola wind farm

Business Segment:	Energy Solutions
Country:	Italy
Start of construction:	2025
Completion:	Beginning of 2026
Installed capacity:	125 megawatts
Power production:	300 gigawatt-hours/year
Reference to "BKW Solutions 2030" strategy:	Expansion of renewable electricity production by an additional 600 megawatts, increase in installed capacity of own plants to 4.7 gigawatts, strong expansion of wind and solar power in European core markets (DE, FR, IT)
Contribution to:	Expansion of renewable electricity production in Europe



raising the Spitallamm dam and enlarging Lake Grimsel, the power plant could store an additional 240 gigawatt-hours of electricity per year. The expansion project, which is estimated to cost around CHF 235 million, will therefore contribute to electricity production in the winter months in particular, when less electricity is generated from run-of-river and solar power in Switzerland. BKW is also investing in run-of-river power: Current projects include the construction of the new Soubach hydropower plant for around CHF 69 million. The plant went into operation at the end of 2025 and supplies around 6,700 households with renewable electricity. In addition, BKW will start the complete renovation of the Mühleberg hydropower plant in 2028. It is investing a total of around CHF 120 million in this project.

In addition to hydropower, BKW is also driving forward with wind turbines. Here, BKW connected the Cerignola wind farm in Puglia in southern Italy to the power grid at the end of 2025 (Cerignola North) and at the beginning of 2026 (Cerignola South) after just under a year of construction. The 29 turbines supply enough electricity for 140,000 households every year. With 800 landowners, two substations, and 27 kilometers of high-voltage line, this is a complex infrastructure project – and currently BKW's largest construction project abroad. Its completion marks an important step in the "Solutions 2030" strategy, with which BKW intends to expand its portfolio by over 600 megawatts of renewable electricity production by 2030 and reduce emissions in the Energy business | to net zero by 2040.

Increasing demand for flexibility in the energy system

Expanding or building new wind turbines, hydropower plants, and solar power plants is an important prerequisite for the success of the energy transition. Yet another is that the electricity produced by these systems is available in the right quantity, at the right time, and in the right place. This also requires flexibility because the increase in renewable energy sources, especially wind and solar power, also increases the fluctuations in electricity production. This is literally dependent on wind and weather – that is, the time of year and time of day, as well as the meteorological conditions. Flexibility and storage solutions are therefore needed to tackle the energy transition holistically. This opens up exciting growth opportunities for BKW – thanks to its broad range of expertise in production, marketing, and distribution, and the use of energy. With its "Solutions 2030" strategy, BKW aims to build its own flexibility systems, such as hydropower plants and batteries, with a capacity of over 600 megawatts by 2030. On the other hand, it wants to manage flexible third-party plants of over 700 megawatts and, as a pooler, connect micro-plants of over 200 megawatts to virtual, flexible power plants. BKW has already launched some ambitious projects in these areas: In Waltrop, Germany, BKW expects to begin construction of a large-scale battery with an output of 300 megawatts and a storage capacity of 600 megawatt-hours at the end of 2026. BKW's investment of around EUR 200 million includes the development, construction, and operation of

Waltrup battery storage

Business Segment:	Energy Solutions and Infrastructure & Buildings
Country:	Germany
Start of construction:	2026
Completion:	2028
Installed capacity:	300 megawatts
Power production:	600 megawatt-hours
Reference to "BKW Solutions 2030" strategy:	Establishment of a portfolio of own large-scale batteries with a capacity of over 500 megawatts
Contribution to:	Integration of renewable energies into the overall energy system, enabling flexible control power output, increasing the flexibility and stability of the power grid



[Learn more](#)

The picture shows the battery storage facility in Arzberg in northern Bavaria. BKW realized this together with partners.



the large-scale battery storage facility. The plant will serve to stabilize the energy system in an increasingly volatile energy market. At the same time, BKW is strengthening its activities on the international energy markets, where on-demand electricity storage is becoming increasingly important. Also in Germany, a battery is currently being built in Hohenbrunn (Wunsiedel), which BKW will plan, build, and operate. Last fall, BKW also signed a long-term financing agreement with Zelestra, a global renewable energy company. This will enable the construction of a large battery in northern Italy with a storage capacity of up to two gigawatt-hours. Construction is scheduled to begin in 2027, with full operation planned for 2028. Zelestra will provide BKW with some of the plant's production capacity in order to manage and optimize flexibility on the market. The approach for this large-scale project is highly innovative, as it combines an improvement of power grid flexibility with faster integration of renewable energies, helps to decarbonize Italian power generation, and increases security of supply. BKW also holds a stake in the Grimsel 4 pumped-

storage power plant through KWO. KWO submitted the building permit for this underground expansion project at the end of 2024, construction is scheduled to start in summer 2026, and commissioning is planned for around 2031. With a total investment of around CHF 250 million, Grimsel 4 will make more efficient use of the water between the two existing reservoirs at Lake Grimsel and Räterichsbodensee. Two new pump turbines with a total output of 150 megawatts are planned between the two reservoirs, each of which can adjust its output during pumping thanks to a full converter. This allows power production to be optimally aligned with demand. On the other hand, Grimsel 4 also provides important flexible output of control power for the power grid because it can, for example, quickly supply a lot of electricity at times of very high electricity consumption (peak load). Storage solutions such as large-scale batteries and pumped-storage power plants therefore make an important contribution to the energy transition and to stabilizing the power grid.



Takeover of control power provider Südvolt

Business Segment: Energy Solutions

Country: Germany

Status: Takeover in 2025

Reference to "BKW Solutions 2030" strategy: Strengthening the position in one of the largest and most important energy and flexibility markets in Europe, expanding the international flexibility portfolio

Contribution to: Integration of renewable energies into the overall energy system, increasing the stability and flexibility of the power grid

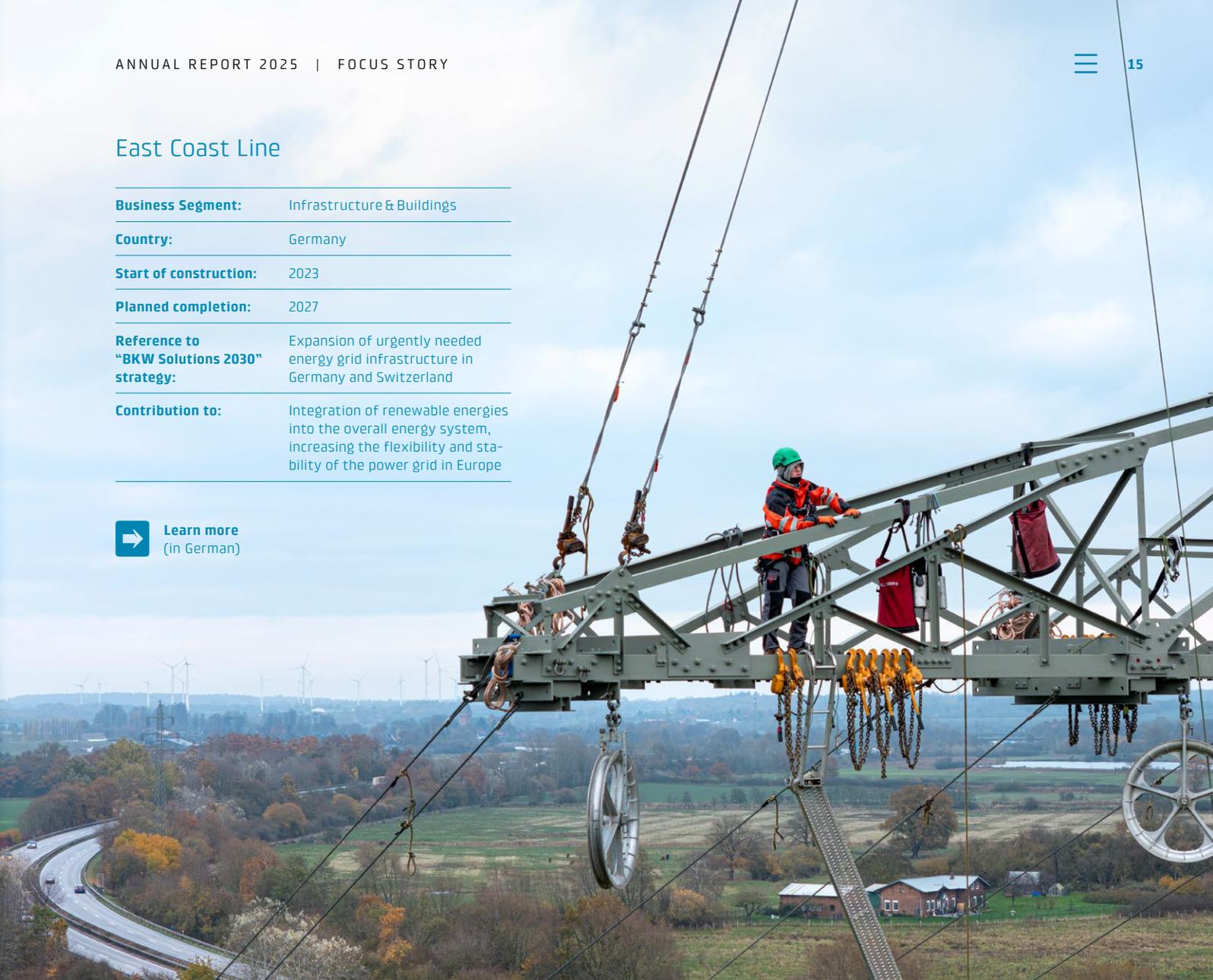
[Learn more](#)
(in German)

East Coast Line

Business Segment:	Infrastructure & Buildings
Country:	Germany
Start of construction:	2023
Planned completion:	2027
Reference to "BKW Solutions 2030" strategy:	Expansion of urgently needed energy grid infrastructure in Germany and Switzerland
Contribution to:	Integration of renewable energies into the overall energy system, increasing the flexibility and stability of the power grid in Europe



[Learn more](#)
(in German)



Infrastructures for the new energy world

In addition to renewable electricity production plants and storage solutions, the energy system of the future will also need a reliable power grid to transport the electricity produced and stored to where it is needed. One of BKW's strategic priorities with "Solutions 2030" is the expansion of the energy grids in Germany and Switzerland. LTB Leitungsbau GmbH from the BKW network is involved in the East Coast Line, currently one of the largest projects for the energy transition and grid stability in Germany. The East Coast Line is a 380-kilovolt extra-high-voltage line in Schleswig-Holstein that will transport electricity from the wind turbines on the Baltic coast to the high-demand south of the country and strengthen Germany's connection to the European power grid. LTB has won various subcontracts in this major

project. Among other things, it has erected 51 pylons on 22 of the total 130-kilometer line. LTB is also converting and upgrading existing power lines in Germany in order to be able to transport the increased amount of electricity from the north to the south in the future. The East Coast Line is scheduled to begin operation in 2027.

In Switzerland, BKW is planning to invest CHF 1 billion in the conversion and expansion of its distribution grid as part of its "Solutions 2030" strategy. You can find out more in the interview with Corinne Montandon, executive vice president of the Power Grid Business Segment, in this report.

PROJECTS FOR THE ENERGY TRANSITION

BKW contributes to the renewable energy future

With its “Solutions 2030” strategy, BKW intends to invest CHF 4 billion in the holistic energy transition – at least half of this in Switzerland. This infographic shows a selection of BKW’s current and planned projects and innovative solutions.



Energy Solutions



Power Grid



Infrastructure & Buildings

1

COMPLETE RENOVATION MÜHLEBERG HYDROPOWER PLANT

BKW is investing around CHF 120 million in the complete upgrade of the Mühleberg hydropower plant: in addition to the replacement of the electromechanical equipment, renovations are also being carried out in line with heritage requirements. In this way, BKW is increasing the efficiency of the power plant, raising the ecological standard, and ensuring security of supply in the long term.

Business Segment: Energy Solutions

Status: Planned start of construction in 2028, planned completion in 2030 and 2033 (staggered commissioning)



Learn more

2

INVESTMENTS IN THE POWER GRID OF THE FUTURE

BKW plans to invest around CHF 1 billion in its distribution grid and smart technologies between 2025 and 2030. For example, BKW is planning to renovate and strengthen 2,500 kilometers of the power grid and 1,600 transformers by 2030, and to install over 400,000 smart meters by 2028.

Geschäftsfeld: Power Grid

Status: Ongoing



Learn more

3

INTEGRATED ENERGY MANAGEMENT

A BKW network company, pi-System, turns buildings into an integrated part of the power grid. Buildings are connected to a virtual power plant using existing automation systems. The buildings’ owners or tenants thus benefit from regular income, optimized peak shaving, and consequently lower energy costs.

Business Segment: Infrastructure & Buildings

Status: Ongoing



Learn more
(in German)

4

STADIUM CONCEPT FOR THE OLYMPIC GAMES

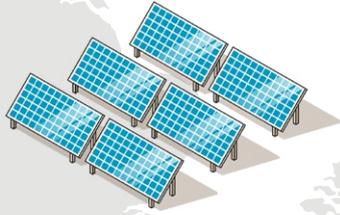
Germany bids for the Olympic and Paralympic Games. The stadium concept for Rhine-Ruhr was developed by planquadrat Elfers Geskes Krämer GmbH from the BKW network. It is intended for interim use and is to be developed into the center of an innovative and sustainable urban quarter after the Olympics.

Business segment: Infrastructure & Buildings

Status: Ongoing

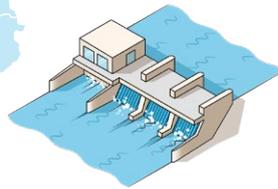


Learn more
(in German)



**Investments
as part of the
“BKW Solutions 2030”
strategy**
in CHF billion

4



■ BKW is active in the countries marked in light and dark blue. In addition, BKW is already active in Sweden and Norway.

5

FINANCING AGREEMENT WITH ZELESTRA FOR THE CONSTRUCTION OF A LARGE BATTERY STORAGE FACILITY

BKW and Zelestra are building one of Europe’s largest battery energy storage facilities in northern Italy: Zelestra will provide BKW with some of the plant’s production capacity in order to manage and optimize flexibility on the market. BKW is thus expanding its involvement in the field of renewable energies and battery energy storage systems in Italy.

Geschäftsfeld: Energy Solutions
Status: Planned start of construction 2027, planned completion 2028

[Learn more](#)

6

RAILROAD TECHNOLOGY FOR THE GOTTHARD BASE TUNNEL

A major project in the world’s longest railroad tunnel: BKW Rail AG from the BKW network is helping to ensure the long-term security of the communication infrastructure in the Gotthard Base Tunnel. To this end, the company is replacing all tunnel radio systems and laying a total of 120 kilometers of leaky feeder cable.

Business segment: Infrastructure & Buildings
Status: Construction start 2023, planned completion 2026

[Learn more
\(in German\)](#)

CORINNE MONTANDON,
EXECUTIVE VICE PRESIDENT OF POWER GRID – INTERVIEW

“We are shaping the power grid of the future”

BKW has a legal mandate to operate the grid safely, efficiently, and effectively, and to connect households to the power grid. In this interview, Corinne Montandon, executive vice president of Power Grid and member of the BKW Executive Committee, talks about the challenges of the energy transition for the power grid and the expansion of the grid infrastructure.

Swiss voters approved the new Electricity Act in 2024, and the measures are now being implemented. What impacts will this have on the power grid?

The energy transition is inconceivable without an efficient power grid. It requires a fundamental restructuring of our energy system: away from fossil fuels and towards renewable sources. At the same time, heating and mobility are being decarbonized and electrified. However, all this only works if the power grid can cope with the increasing demands. It not only has to transport more electricity, but also absorb the highly fluctuating feed-in from solar systems and the new loads from charging stations for electric cars and heat pumps. BKW's power grid is a key factor here: It connects producers and consumers and ensures security of supply. Because the energy transition is not taking place somewhere far away, but here in our neighborhood.

What is actually happening in the neighborhood?

If you want to make a personal contribution to the energy transition, you can install a photovoltaic system (PV system), a charging station, or a heat pump, for example. All these systems are connected directly to the neighborhood's local power grid. This makes the neighborhood a central location for the energy transition. This is where production and consumption meet, and this is where it is decided whether the system works. In 2025, 3,900 new PV systems were connected to BKW's distribution grid alone, bringing the total number of systems in our grid to over 33,000.

What challenges does this development entail?

As the production and consumption of electricity will be increasingly decentralized in the future and often do not coincide in time, the power grid must ensure the necessary balance. It must be designed for maximum output at all times – even if many

systems are feeding in or drawing electricity at the same time. That is why we need to expand and modernize our network in a targeted manner. At the same time, we want to avoid unnecessary grid expansion, because every meter of line costs money and ties up resources. This is where intelligent solutions such as the feed-in control of solar systems, also known as peak shaving, can help. In this way, we can ensure that the overall system remains stable and that new systems can also be connected in the future.

How is BKW expanding the grid infrastructure?

We are meeting these challenges with targeted investments and forward-looking planning. We will invest about CHF 1 billion in our grid infrastructure between 2025 and 2030, such as in new lines and transformer stations. Today, around 6,000 transformer stations secure the electricity supply in the BKW grid. By 2030, 1,600 stations will have to be strengthened or newly built to ensure that electricity continues to reach us reliably in the future.

BKW is also investing heavily in digital technologies.

It is crucial that we not only strengthen our grid, but also make it smarter. We rely on digital solutions to make the power grid and the energy system smarter and more flexible. With the help of modern technologies, we can better control loads, efficiently integrate electricity from PV systems into the grid, and make optimum use of existing capacities. Digital tools also help us to plan and operate the network. This enables us to avoid unnecessary grid expansion. I am thinking, for example, of the smart meters installed in buildings. They give us more information about what is happening in the grid. We, in turn, use this data for the further development of our grids.

“For the energy transition to succeed, all stakeholders need to work together. We can only transform the energy system if everyone pulls together.”



What contribution can politicians and the public make to the success of the energy transition?

For the energy transition to succeed, all stakeholders need to work together. We can only transform the energy system if everyone pulls together. Politicians can shorten and simplify processes through forward-looking land-use planning and accelerated approval procedures in order to facilitate grid expansion. The understanding and support of the population is also crucial, such as if a PV system cannot be connected immediately because the grid first has to be reinforced or if a site is needed for the construction of a new transformer station.

To conclude: What fascinates you personally most about your work on the network of the future?

I am particularly fascinated by the committed people who work every day to make the energy transition a success. Our powerline workers are a good example of this. We need a large number of specialists, who we train ourselves at our BKW training center in Kallnach, to expand and renovate the power grid. I am very proud of that. Personally, I am also particularly keen to get women enthused about technical professions.

REVIEW OF THE ANNUAL RESULTS

BKW achieves a good operating result despite lower electricity production

BKW closed the 2025 fiscal year with total operating income of CHF 4.5 billion. This corresponds to a decrease of 4.8 percent compared with the previous year. BKW achieved a good operating result of CHF 674.6 million in the reporting year, making it the third-best fiscal year in the company's history. As a result of a valuation adjustment on the investment in the Wilhelmshaven coal-fired power plant in Germany, the reported operating profit (EBIT) amounted to CHF 561.0 million. In the Energy Solutions Business Segment, lower electricity production from hydropower and wind power due to the weather conditions had a negative impact on earnings. The Power Grid Business Segment once again made a stable contribution to EBIT. The Infrastructure & Buildings Business Segment further increased its profitability.

The Group generated an operating net profit before valuation adjustment on Wilhelmshaven of CHF 444.0 million (minus 19.3 percent year-on-year). Operating cash flow before decommissioning and disposal costs amounted to CHF 788.7 million. It thus covers the investments of CHF 456.6 million and further bolsters BKW's financial position.

BKW generated total operating income of CHF 4,543.6 million in the 2025 fiscal year, which corresponds to a percentage decrease of 4.8 percent. Reported EBIT fell to CHF 561.0 million. Excluding the valuation adjustment of CHF 113.7 million on Wilhelmshaven, the operating result fell by 14.6 percent year-on-year to CHF 674.6 million. The valuation adjustment was carried out by increasing the provision for the onerous energy supply contract.

The financial result was minus CHF 51.4 million, a decrease of CHF 82.4 million compared with the previous year. The main driver of the decline was the lower performance of the KKM decommissioning and waste disposal funds. In the reporting year, income taxes amounted to CHF 121.8 million (previous year: CHF 173.4 million) and correspond to an effective tax rate of 23.9 percent (previous year: 21.1 percent). The change in the tax rate is mainly due to a one-off special effect from the reassessment of deferred taxes in connection with foreign equity investments.

CHF millions	2025	2024	% change
Total operating income	4,543.6	4,772.3	-4.8%
Energy procurement/transport	-1,387.4	-1,367.1	
Operating costs	-2,345.2	-2,332.1	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	811.0	1,073.0	-24.4%
Depreciation, amortization and impairment	-295.2	-330.3	
Income from associates	45.2	47.2	
Earnings before interest and taxes (EBIT)	561.0	789.9	-29.0%
Financial result	-51.4	31.0	
Income taxes	-121.8	-173.4	
Net profit	387.9	647.5	-40.1%
Operating net profit¹	353.1	550.4	-35.9%

1 The operating net profit is the net profit adjusted for the performance of the decommissioning and waste disposal funds of KKM (including tax effects).

Net profit falls to CHF 387.9 million. Excluding the valuation adjustment on Wilhelmshaven, net profit fell by CHF 168.7 million or 26.1 percent to CHF 478.8 million and thus fell disproportionately to EBIT. In addition to the lower EBIT, the lower KKM fund performance (2024: CHF 122.8 million; 2025: CHF 43.5 million) also has a negative impact on net profit.

The CHF 51.6 million reduction in income taxes had the opposite effect.

Operating net profit declines to CHF 353.1 million. Excluding the valuation adjustment on Wilhelmshaven and after taking into account a tax effect of 20 percent, the resulting figure is CHF 444.0 million, representing a decline of 19.3 percent compared to the previous year.

The effect of the Wilhelmshaven valuation adjustment on BKW's key performance indicators is shown below:

CHF millions	2025	Wilhelmshaven valuation adjustment	2025 excl. Wilhelmshaven valuation adjustment	2024
Total operating income	4,543.6	-	4,543.6	4,772.3
Earnings before interest and taxes (EBIT)	561.0	113.7	674.6	789.9
Net profit	387.9	90.9	478.8	647.5
Operating net profit	353.1	90.9	444.0	550.4



CHF millions	2025	2024	% change
Cash flow from operating activities before utilization of nuclear provisions ¹	788.7	843.3	-6.5%
- Utilization of nuclear provisions	-102.7	-103.9	
Cash flow from operating activities	685.9	739.4	-7.2%
Cash flow from investing activities before reimbursement from STENFO ¹	-420.8	-395.2	6.5%
+ Refunds from STENFO	94.0	93.9	
- Payments into STENFO	-26.0	0.0	
Cash flow from investing activities	-352.8	-301.2	17.1%
Cash flow from financing activities	-346.1	-342.6	1.0%
Cash and cash equivalents as of 31.12.	854.7	872.2	-2.0%

1 To improve comparability and assist with interpretation, BKW uses the cash flow indicators before the utilization of nuclear provisions and payments for decommissioning and disposal of the Mühleberg Nuclear Plant.

Cash flow from operating activities before use of nuclear provisions amounted to CHF 788.7 million in 2025, CHF 54.6 million below the previous year. After the utilization of nuclear provisions, the reported cash flow from operating activities amounted to CHF 685.9 million.

In the 2025 fiscal year, BKW invested a total of CHF 456.6 million in property, plant and equipment, intangible assets, and the acquisition of Group companies and associates. Around 55 percent of that amount was attributable to growth investments and 45 percent to maintenance investments. The Energy Solutions Business Segment invested around CHF 140 million in growth, mainly in wind and solar power (in

particular the Cerignola wind farm), supplemented by resources in batteries, heating networks, hydropower plants, and the acquisition of Süd-volt GmbH. With maintenance of the existing grid infrastructure amounting to over CHF 120 million, the Power Grid Business Segment is the main driver of maintenance investments. Thanks to another strong cash flow from operating activities, investments could be financed in full from the operating cash flow generated.

Cash flow from financing activities was CHF 346.1 million, almost the same as the previous year's figure. At the end of 2025, cash and cash equivalents amounted to CHF 854.7 million, which is still at a high level.

CHF millions	2025	2024	% change
Current assets	2,846.2	3,118.7	-8.7%
Non-current assets	8,655.3	8,476.7	2.1%
Current liabilities	1,799.0	2,104.5	-14.5%
Non-current liabilities	3,784.7	3,831.4	-1.2%
Shareholders' equity	5,917.8	5,659.5	4.6%
Balance sheet total	11,501.5	11,595.4	-0.8%

Total assets at the end of the 2025 fiscal year had decreased by CHF 93.9 million or 0.8 percent year-on-year. Current assets decreased by CHF 272.5 million, which is mainly due to significantly lower inventories (CHF -162.6 million) and declining derivative holdings (CHF -177.6 million), partially offset by higher financial assets (CHF +40.7 million). By contrast, noncurrent assets increased by CHF 178.6 million, primarily

due to continued investment activity in property, plant and equipment and an increase in intangible assets.

Current and non-current liabilities decreased by a total of CHF 352.2 million. This was mainly due to lower trade payables (CHF -99.9 million), lower liabilities from customer orders (CHF -76.2 million), and a significant decrease in current tax liabilities

(CHF –87.9 million). The net increase in provisions for onerous contracts as a result of the valuation adjustments to the onerous energy procurement contract for the Wilhelmshaven coal-fired power plant (CHF +86.5 million) is almost completely offset by the changes in provisions for the decommissioning and disposal of the Mühleberg nuclear power plant (CHF –73.9 million).

Equity increased by CHF 258.3 million to CHF 5,917.8 million. While the net profit of CHF 387.9 million strengthens equity, the distributed dividends of CHF 215.6 million reduce it. In addition, equity increased by CHF 79.1 million as a result of positive actuarial effects in connection with employee benefit obligations in accordance with IAS 19. The equity ratio rose from 48.8 percent in the previous year to 51.5 percent.

Dividend increase to CHF 3.80 per share

BKW aims to maintain a consistent dividend payout based on a payout ratio of 35 percent to 50 percent of operating net profit. On this basis, a dividend increase to CHF 3.80 per share will be proposed to the Annual General Meeting. The amount of CHF 3.80 per share corresponds to a payout ratio of approximately 45 percent of operating net profit before valuation adjustment on Wilhelmshaven and is thus above the indicated range of 35 to 50 percent.

The dividend yield thus amounts to 2.3 percent of the share price at year's end (previous year: 2.5 percent).

CHF	2025	2024	% change
Dividend	3.80	3.70	2.7%
Dividend yield	2.3%	2.5%	

Outlook

BKW expects a good result for the 2026 fiscal year. In accordance with its "Solutions 2030" strategy, it is continuing to drive forward the expansion of renewable electricity production as well as flexibility and storage offerings in the Energy Solutions Business Segment. BKW is also meeting the growing demand for structured and custom-tailored energy solutions. The higher hedged electricity prices have a positive effect on earnings. At the same time, spot market price volatility remains high, driven by the accelerated expansion of renewable energies. This provides BKW with opportunities in the flexibility sector, particularly in the market for control energy and system services. In the Power Grid Business Segment, BKW expects earnings to remain stable – despite restrictive regulatory requirements in the grid sector and the reduction in the interest rate for capital tied up in the

power grid (weighted average cost of capital, WACC) from 3.98 percent in the previous year to 3.43 percent. In line with its strategy, BKW is continuing to invest in the conversion and expansion of the distribution grid to support the transformation of the energy system. BKW anticipates further improvement in profitability in the Infrastructure & Buildings Business Segment. The demand for expertise in the planning, implementation, and maintenance of complex infrastructure and building construction projects remains high, as does the need for infrastructure and building solutions that are energy efficient and save resources. Both offer interesting growth opportunities as part of BKW's "Solutions 2030" strategy. Overall, BKW expects EBIT in the range of CHF 650 to 750 million for the 2026 fiscal year.

Energy Solutions Business Segment had lower production volumes due to weather conditions

Energy Solutions is consistently focusing on the opportunities and challenges of the changing energy market. It comprises the production, sale, and trading of electricity, certificates, and energy-related raw materials.

CHF millions	2025	2024	% change
Total operating income	1,995.3	2,166.2	-7.9%
– of which from proprietary energy trading	116.8	61.2	90.8%
Energy procurement	-1,243.9	-1,172.3	6.1%
Operating costs	-306.8	-281.6	9.0%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	444.6	712.3	-37.6%
Depreciation, amortization and impairment	-93.4	-134.3	
Income from associates	12.3	8.5	
Earnings before interest and taxes (EBIT)	363.5	586.5	-38.0%
Employees as of 31.12.	1,058	959	
Investments	148.6	187.0	

Energy Solutions' total operating income fell by CHF 170.9 million or 7.9 percent to CHF 1,995.3 million. Despite electricity prices being hedged at a higher price level, lower volumes at hydroelectric and wind power plants and lower volumes and prices for independent customers led to a decline in total operating income.

The valuation adjustment of CHF 113.7 million on the Wilhelmshaven coal-fired power plant (Germany) announced in January 2026 reduced reported EBIT by CHF 363.5 million. Before the valuation adjustment on Wilhelmshaven, Energy Solutions achieved operating income of CHF 477.2 million (down 18.6 percent on the previous year). The below-average electricity production volumes in hydropower and wind power due to weather conditions had a significant impact on the reduced earnings. As expected, the trading result was also down on the previous year. This was due to the further normalization of the energy markets, which resulted, among other things, in falling futures market price volatility. In contrast, spot market price volatility remained high and demand for flexible and customized energy solutions continued to increase. The performance of the KKL fund (Leibstadt nuclear power plant) was in line with expectations

Lower energy production after extraordinary previous year

In 2025, BKW produced 9.2 TWh of electricity, 1.4 TWh or 13.8 percent less than in the previous year. The exceptionally wet previous year and the dry weather in the reporting year led to a reduction in hydro volumes of 1.2 TWh. Due to the unfavorable wind conditions, 0.1 TWh less wind energy was produced. The nuclear power plants in which BKW holds an interest produced at the previous year's level. Volumes from thermal power plants fell slightly due to the temporary outage at Livorno Ferraris.

Power Grid Business Segment again delivers a stable contribution

Power Grid builds, operates, and maintains BKW's distribution grid. The grid not only transports electricity from power plants to consumers but also measures production and consumption, transforms the voltage, monitors and analyzes load flows, integrates decentralized production facilities such as photovoltaic systems and wind turbines, and ensures an overall secure, efficient, and effective operation of its distribution grid.

CHF millions	2025	2024	% change
Total operating income	629.2	673.0	-6.5%
Energy transport expense	-143.6	-195.3	
Operating costs	-250.3	-237.6	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	235.3	240.0	-2.0%
Depreciation, amortization and impairment	-105.0	-99.9	
Income from associates	0.3	0.3	
Earnings before interest and taxes (EBIT)	130.6	140.4	-7.0%
Employees as of 31.12.	1,017	1,070	
Investments	182.8	160.9	

The total operating income of the Power Grid Business Segment fell by 6.5 percent or CHF 43.8 million to CHF 629.2 million. The lower total operating income is mainly due to the passing on of the tariff reduction for system services and Swissgrid's winter electricity reserve. Costs rose compared with the previous year, in particular due to an increase in expenses

in connection with the energy transition. Together with the lower transmission, EBIT fell by 7.0 percent to CHF 130.6 million.

BKW invested CHF 182.8 million in its power grid in the fiscal year in order to create the requirements for the energy transition in accordance with its "Solutions 2030" strategy.



Infrastructure & Buildings Business Segment further increases profitability

Infrastructure & Buildings comprises BKW Engineering (engineering planning and consulting), BKW Building Solutions (building technology), and BKW Infra Services (services for energy, water, and telecommunications networks and grids). The strong network of specialized companies and their different competencies enable BKW to be a relevant provider of comprehensive building and infrastructure services.

CHF millions	2025	2024	% change
Total operating income	1,975.3	1,973.1	0.1%
Operating costs	-1,813.7	-1,838.8	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	161.6	134.3	20.3%
Depreciation, amortization and impairment	-81.7	-77.4	
Earnings before interest and taxes (EBIT)	80.0	56.9	40.6%
Employees as of 31.12.	9,665	9,490	
Investments	101.9	71.3	

In the Infrastructure & Buildings Business Segment, BKW 2025 generated EBIT of CHF 80.0 million, an increase of 40.6 percent compared with the previous year. This enabled the business segment to significantly increase its profitability. Revenue remained almost unchanged at CHF 1,975.3 million, which is due in particular to the consistent focus on more profitable projects and contributed

to the stability of the earnings base. The EBIT margin was 4.0 percent in the 2025 reporting year and also reflects the positive effect of additional efficiency improvements and the ongoing reduction in operating costs.

Group Consolidated Financial Statements

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Consolidated Income Statement

CHF millions	Note	2025	2024
Net sales	7	4,201.2	4,548.6
Own work capitalized		95.6	97.3
Other operating income		246.8	126.4
Total operating income		4,543.6	4,772.3
Energy procurement/transport	8	-1,387.4	-1,367.1
Material and third-party services		-829.6	-874.2
Personnel expenses	9	-1,197.0	-1,138.8
Other operating expenses	10	-318.6	-319.2
Total operating expenses		-3,732.6	-3,699.2
Earnings before interest, taxes, depreciation and amortization (EBITDA)		811.0	1,073.0
Depreciation, amortization and impairment	11	-295.2	-330.3
Income from associates	20	45.2	47.2
Earnings before interest and taxes (EBIT)		561.0	789.9
Financial income	12	53.3	137.4
Financial expenses	12	-104.7	-106.4
Earnings before taxes (EBT)		509.6	820.9
Income taxes	13	-121.8	-173.4
Net profit		387.9	647.5
attributable to:			
– BKW shareholders		356.8	622.2
– Non-controlling interests		31.0	25.3
Earnings per share in CHF (basic and diluted)	14	6.77	11.80

Consolidated Statement of Comprehensive Income

CHF millions	Note	2025	2024
Other comprehensive income			
Net profit		387.9	647.5
Actuarial gains/losses (Group companies)	26		
– Actuarial gains/losses (–)		76.4	134.5
– Income taxes		–15.6	–27.3
Actuarial gains/losses (associates)	20		
– Actuarial gains/losses (–)		21.0	–1.9
– Income taxes		–2.7	0.9
Financial assets at fair value through other comprehensive income	28		
– Valuation adjustments		0.0	–0.7
– Income taxes		0.0	0.1
Total items that will not be reclassified to income statement, net of tax		79.1	105.7
Currency translations	28		
– Currency translations		–14.8	16.4
– Reclassification to the income statement		–0.0	1.2
– Income taxes		–0.3	0.8
Hedging transactions (Group companies)	28		
– Valuation adjustments		–11.3	3.3
– Reclassification to the income statement		55.0	34.8
– Income taxes		–8.8	–8.0
Hedging transactions (associates)	28		
– Valuation adjustments		0.5	–0.8
– Reclassification to the income statement		0.0	–0.2
Total items that may be reclassified to income statement, net of tax		20.3	47.5
Other comprehensive income		99.5	153.2
Comprehensive income		487.3	800.7
attributable to:			
– BKW shareholders		449.5	776.6
– Non-controlling interests		37.8	24.1

Consolidated Balance Sheet

CHF millions	Note	31.12.2025	31.12.2024
Assets			
Cash and cash equivalents	31	854.7	867.3
Trade accounts receivable and other receivables	15	1,033.5	1,011.9
Contract assets	16	283.0	266.6
Current tax receivables		17.3	27.0
Financial assets	19	198.6	157.9
Derivatives	32.2	88.5	266.1
Inventories	17	185.1	347.7
Prepaid expenses and accrued income	18	185.6	161.7
Assets held for sale		0.0	12.5
Total current assets		2,846.2	3,118.7
Financial assets	19	1,152.7	1,179.4
Derivatives	32.2	10.7	32.4
Credit from employee pension plans	26	260.9	203.2
Investments in associates	20	1,428.5	1,409.4
Property, plant and equipment	21	4,437.5	4,288.3
Intangible assets	22	1,338.6	1,299.4
Deferred tax assets	13	26.4	64.5
Total non-current assets		8,655.3	8,476.7
Total assets		11,501.5	11,595.4
Shareholders' equity and liabilities			
Trade accounts payable and other liabilities	23	592.5	692.4
Contract liabilities		253.7	329.9
Current tax liabilities		126.7	214.6
Financial liabilities	24	289.4	298.9
Derivatives	32.2	58.3	108.4
Provisions	25	129.4	114.8
Deferred income and accrued expenses	18	348.9	342.0
Liabilities held for sale		0.0	3.3
Total current liabilities		1,799.0	2,104.5
Financial liabilities	24	1,602.1	1,605.9
Derivatives	32.2	31.5	38.8
Pension liability	26	50.2	65.5
Other liabilities	27	331.5	340.5
Provisions	25	1,214.1	1,218.1
Deferred tax liabilities	13	555.3	562.7
Total non-current liabilities		3,784.7	3,831.4
Total liabilities		5,583.7	5,935.9
Share capital	28	132.0	132.0
Capital reserves	28	41.3	41.3
Retained earnings	28	5,281.6	5,120.1
Other reserves	28	16.6	-76.0
Treasury shares	28	-4.9	-5.9
Equity attributable to BKW shareholders		5,466.7	5,211.5
Equity attributable to non-controlling interests		451.1	448.0
Total shareholders' equity		5,917.8	5,659.5
Total shareholders' equity and liabilities		11,501.5	11,595.4

Changes in Consolidated Equity

CHF millions	Share capital	Capital reserves	Retained earnings	Other reserves	Treasury shares	Attributable to BKW shareholders	Attributable to non-controlling interests	Total
Equity as of 31.12.2023	132.0	41.3	4,675.2	-230.4	-2.8	4,615.2	431.8	5,047.0
Net profit			622.2			622.2	25.3	647.5
Other comprehensive income				154.4		154.4	-1.2	153.2
Comprehensive income			622.2	154.4		776.6	24.1	800.7
Dividends			-179.5			-179.5	-17.0	-196.4
Distribution on hybrid capital ¹						0.0	-3.5	-3.5
Transactions in treasury shares			-9.7		-3.1	-12.8		-12.8
Share-based payments			12.0			12.0		12.0
Changes in the scope of consolidation						0.0	6.6	6.6
Contribution to equity from non-controlling interests						0.0	6.0	6.0
Equity as of 31.12.2024	132.0	41.3	5,120.1	-76.0	-5.9	5,211.5	448.0	5,659.5
Net profit			356.8			356.8	31.0	387.9
Other comprehensive income				92.6		92.6	6.8	99.5
Comprehensive income			356.8	92.6		449.5	37.8	487.3
Dividends			-195.1			-195.1	-20.6	-215.6
Distribution on hybrid capital ¹						0.0	-2.7	-2.7
Transactions in treasury shares			-6.8		1.0	-5.8		-5.8
Share-based payments			7.4			7.4		7.4
Acquisition of non-controlling interests			-0.8			-0.8	-0.5	-1.3
Changes in the scope of consolidation						0.0	-10.9	-10.9
Equity as of 31.12.2025	132.0	41.3	5,281.6	16.6	-4.9	5,466.7	451.1	5,917.8

1 Refer to note 28.3

Consolidated Cash Flow Statement

CHF millions	Note	2025	2024
Earnings before income taxes (EBT)		509.6	820.9
Financial result	12	51.4	-31.0
Depreciation, amortization and impairment	11	295.2	330.3
Other adjustment for non-cash transactions	31	223.5	-87.7
Change in net working capital (excl. financial assets/liabilities and derivatives)		-78.9	-43.2
Income taxes paid		-198.0	-136.2
Other financial expenses/income		-14.1	-9.8
Cash flow from operating activities before utilization of nuclear provisions		788.7	843.3
Utilization of nuclear provisions		-102.7	-103.9
Cash flow from operating activities		685.9	739.4
Investments in property, plant and equipment	21	-377.7	-431.4
Disposal of property, plant and equipment		20.0	17.1
Acquisition of Group companies	5/31	-59.0	-32.9
Disposals of Group companies		1.0	0.8
Investments in associates	20	-2.8	0.0
Disposals of associates	20	21.1	23.9
Payments into decommissioning and waste disposal funds		-26.0	0.0
Refunds of STENFO		94.0	93.9
Investments in other current and non-current financial assets		-102.5	-18.2
Disposals of other current and non-current financial assets		63.3	31.0
Investments in intangible assets	22	-17.1	-21.2
Disposals of intangible assets		0.0	4.3
Interest received		3.8	10.1
Dividends received		29.1	21.4
Cash flow from investing activities		-352.8	-301.2
Purchase of treasury shares	28	-20.1	-41.0
Sale of treasury shares	28	14.3	28.2
Acquisition of non-controlling interests		-1.3	-0.0
Contribution to capital from non-controlling interests		0.0	4.1
Distribution on hybrid capital ¹		-2.7	-3.5
Increase in current and non-current financial liabilities	24	222.3	235.2
Decrease in current and non-current financial liabilities	24	-320.7	-322.8
Increase in other long-term liabilities	24	20.1	18.2
Decrease in other long-term liabilities	24	-4.8	-27.5
Interest paid		-37.6	-37.1
Dividends paid		-215.6	-196.4
Cash flow from financing activities		-346.1	-342.6
Translation adjustments on cash and cash equivalents		-4.5	5.1
Net change in cash and cash equivalents		-17.5	100.6
Cash and cash equivalents at the beginning of the reporting period		872.2	771.5
Cash and cash equivalents at the end of the reporting period	31	854.7	872.2

Notes to the Consolidated Financial Statements

1 General Information

BKW AG, along with its Group companies (hereinafter "BKW" or the "BKW Group"), is an international energy and infrastructure company. Its network of companies and extensive expertise allow it to offer customers a full range of integrated solutions. The Group plans, builds, and operates infrastructure to produce and supply energy to businesses, households, and the public sector and offers digital business models for renewable energies. The service portfolio of the BKW Group ranges from energy, infrastructure, and environmental projects to integrated building technology solutions and the construction,

servicing, and maintenance of energy, telecommunications, transport, and water utility networks.

BKW AG, the parent company, is headquartered at Viktoriaplatz 2 in Bern, Switzerland. BKW shares are traded on the SIX Swiss Exchange under ISIN CH0130293662.

BKW's Board of Directors approved the release of these consolidated financial statements on March 9, 2026. The 2025 consolidated financial statements will be submitted to the General Meeting for approval on April 28, 2026.

2 Accounting Principles

2.1 Basis of preparation

The consolidated financial statements provide a true and fair view of the financial position, results of operations, and cash flows of the BKW Group in accordance with IFRS Accounting Standards and comply with Swiss law. The closing date for the consolidated financial statements is December 31. The consolidated financial statements are presented in Swiss francs (CHF).

The consolidated financial statements were prepared on the basis of historical cost. Exceptions to this are described in the accounting policies.

Due to rounding and the presentation in CHF million, it is possible that individual figures in the consolidated financial statements do not add up exactly to the totals shown. All key performance indicators and deviations are calculated based on the underlying unrounded amount.

2.2 Adoption of new standards and interpretations

BKW applies new or amended standards and interpretations from the date on which they come into force. On January 1, 2025, the amendments to IAS 21 ("The Effects of Changes in Foreign Exchange Rates") came into force. These amendments had no material impact on BKW's financial position, results of operations, or cash flows.

2.3 Future adoption of new standards and interpretations

The following new and amended standards had been published by the balance sheet date but will not be applied until subsequent fiscal years. BKW intends to apply the changes from the date on which they come into force (entry into force for fiscal years beginning on or after the dates in parentheses):

- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" and "Contracts Referencing Nature-dependent Electricity" (January 1, 2026)
- Annual improvements to the IFRS – Volume 11 (January 1, 2026)
- IFRS 18 – "Presentation and Disclosure in Financial Statements," a new accounting standard (January 1, 2027)
- IFRS 19 – "Subsidiaries without Public Accountability: Disclosures", a new accounting standard (January 1, 2027)

No material effects on BKW's consolidated financial statements are expected. The application of IFRS 18 will have an effect on the classification of the income statement and on various disclosure details, but will not affect the measurement of the items contained therein. BKW is currently analyzing the effects, particularly with regard to the structure of the consolidated financial statements.

3 Consolidation

3.1 Consolidation principles

Accounting principles

Consolidation is based on the closing statements of the individual Group companies prepared according to uniform measurement and classification principles. Intercompany balances, transactions, and profits are eliminated in full.

The closing date for all Group companies is December 31. The closing date for some associates differs from that of BKW since these companies close their accounts on September 30 in line with the hydrological year.

For these companies, consolidation is generally based on the financial statements as of September 30. Adjustments are made for material transactions that occur between the closing date of the companies and the closing date of BKW.

3.2 Scope of consolidation

Accounting principles

Group companies

Group companies are included in the consolidated financial statements in their entirety starting from the date on which control is acquired. There are no material restrictions on the transfer of funds from subsidiaries to the parent company.

Joint arrangements

Companies over which there is joint control are treated as joint ventures or joint operations. Joint operations are accounted for in the consolidated financial statements by recognizing the Group's share of the assets and liabilities and of the revenues and expenses. The Group's joint ventures are accounted for using the equity method.

3.3 Currency translation

Accounting principles

The reporting currency is the Swiss franc (CHF), which corresponds to BKW's functional currency. BKW recognizes foreign currency transactions at the prevailing exchange rates on the transaction date. Exchange rate gains and losses arising from such transactions and the translation of foreign currency balances on the balance sheet date are recognized in the financial result.

Foreign currency financial statements of Group companies are translated into the reporting currency (Swiss francs) according to the following principles:

- Balance sheet at the closing rates on December 31
- Income statement, at average rates for the reporting year
- Cash flow statement, at average rates for the reporting year

		Closing date 31.12.2025	Closing date 31.12.2024	Average 2025	Average 2024
Eurozone	1 EUR	0.9314	0.9412	0.9371	0.9524
Norway	100 NOK	7.8646	7.9797	7.9973	8.1931
Great Britain	1 GBP	1.0674	1.1351	1.0941	1.1251
United States of America	1 USD	0.7927	0.9060	0.8312	0.8801
Sweden	100 SEK	8.6069	8.2136	8.4693	8.3333

Goodwill and adjustments to the fair value of identified net assets made as part of the pur-

chase price allocation for companies in foreign currencies are carried in the foreign currency.

4 Significant Accounting Judgments, Estimation Uncertainties, and Assumptions

The preparation of the financial statements in accordance with the applicable accounting standards necessitates the use of estimates and assumptions that affect the reported amounts of assets, provisions, liabilities, and contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on both past

findings and the best possible assessment of future developments. Actual results may differ from these estimates. Estimates and assumptions are regularly reviewed, and changes are recognized in the period in which they are identified.

BKW has made accounting judgments in various areas that have an impact on the accounting.

Areas that require a higher degree of accounting judgment or are associated with greater uncertainty are disclosed and explained in the corresponding notes. These include the following items in particular:

	Note
Net revenue	7
Income taxes	13
Financial assets	19
Property, plant and equipment	21
Intangible assets incl. goodwill	22
Provisions	25
Pension plans	26
Energy derivatives	32.2

5 Business Combinations

Accounting principles

Business combinations are recognized using the acquisition method. The acquisition costs comprise the purchase price as well as contingent and non-contingent purchase price elements. Transaction costs incurred in connection with the acquisitions are recognized under "Other operating expenses."

Newly acquired companies are included in the consolidated financial statements as of the acquisition date (acquisition of control); sold companies are deconsolidated as of the sale date (loss of control).

The net assets acquired (identifiable assets, liabilities, and contingent liabilities) are measured at fair value on the acquisition date. The recoverability of the receivables was taken into account; due to the insignificant loss ratios in the past, no material valuation allowances were recognized. The receivables are not discounted due to the generally short maturity structure.

The difference from the purchase price is recognized as goodwill or negative goodwill and allocated to the business segment that will benefit from the synergies. In the case of step-up acquisitions, existing shares are measured at fair value through profit or loss as of the acquisition date. This remeasurement is recognized in profit or loss.

Business combinations in 2025

CHF millions	Südvolt GmbH	Stein und Partner	Miscellaneous	Total
Cash and cash equivalents	3.3	0.6	0.5	4.4
Trade accounts receivable and other receivables	3.8	1.6	0.2	5.7
Other current assets	0.0	0.1	1.0	1.1
Financial assets	0.0	0.0	0.1	0.1
Property, plant and equipment	0.0	2.8	0.5	3.2
Intangible assets	11.0	0.0	0.1	11.1
Current liabilities	-2.9	-0.6	-1.2	-4.7
Financial liabilities	0.0	-4.5	-0.4	-4.9
Provisions	0.0	0.0	-0.1	-0.1
Deferred tax liabilities	-3.0	0.0	-0.0	-3.0
Fair value of acquired net assets	12.3	0.0	0.6	12.9
Goodwill	20.1	17.3	2.5	39.9
Purchase price	32.4	17.4	3.1	52.8
Cash and cash equivalents acquired	-3.3	-0.6	-0.5	-4.4
Contingent consideration	0.0	-5.1	-0.6	-5.7
Deferred consideration	-0.4	-1.2	-0.2	-1.9
Cash outflow (+) / Cash Inflow (-)	28.7	10.4	1.7	40.8

BKW acquired the companies listed below during the 2025 fiscal year. The values for the transactions listed are provisional since the purchase price allocations have not yet been finalized.

Südvolt GmbH

In the Energy Markets Business Area of the Energy Solutions Business Segment, BKW acquired 100% of the shares in Südvolt GmbH, based in Munich, Germany, as of September 1, 2025. The company is a flexibility provider in Germany with direct access to all four German transmission system operators and a marketed customer portfolio of over 1 GW of capacity.

Goodwill of CHF 20.1 million was recognized as of the acquisition date. The goodwill recognized is mainly attributable to the expected future synergies with existing trading activities, market access to the European electricity balancing market and the acquisition of a qualified workforce. No transaction costs were incurred.

Had the acquisition already been made as of January 1, 2025, total operating income for the 2025 reporting year would have been CHF 5.3 million higher, and net profit CHF 2.6 million higher. Between the consolidation date and December 31, 2025, the acquired company generated total operating income of CHF 2.1 million and a net profit of CHF 0.4 million.

Stein und Partner Projektmanagement Beratende Ingenieure GmbH

In the Engineering Business Area of the Infrastructure & Buildings Business Segment, BKW acquired 100% of the limited partnership shares in Stein und Partner Projektmanagement Beratende Ingenieure GmbH & Co. KG, based in Munich, Germany, as of March 5, 2025, and transferred them to an acquisition company, which was renamed "Stein und Partner Projektmanagement GmbH." The company specializes in comprehensive project management services in the areas of coordination, management, and supervision of construction projects.

Contingent purchase price liabilities of CHF 5.1 million and goodwill of CHF 17.3 million were recognized as of the acquisition date. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. Transaction costs of CHF 0.1 million were incurred, which are recognized under "Other operating expenses."

Had the acquisition already been made as of January 1, 2025, total operating income for the first half of 2025 would have been CHF 1.4 million higher, and net profit CHF 0.1 million lower. Between the consolidation date and December 31, 2025, the acquired company generated total operating income of CHF 10.8 million and a net profit of CHF 1.6 million.

**Miscellaneous**

BKW made a number of other acquisitions during the 2025 fiscal year. Due to the number of acquisitions and the minor significance of their key financial figures, aggregated figures are shown and individual business combinations are not presented separately.

In the Engineering Business Area of the Infrastructure & Buildings Business Segment, BKW made several smaller acquisitions. In the first half of the year, BKW acquired the operating business of Bermüller + Niemeyer Architekturwerkstatt GmbH, based in Nuremberg, Germany, as of March 10, 2025, and 100% of the shares in Tropp Lighting Design GmbH, based in Weilheim, Germany, as of April 8, 2025. This was followed in the second half of the year on July 24, 2025, by the acquisition of 100% of the shares in AMP Parking Europe GmbH based in Karlsruhe, Germany and on November 24, 2025, of 100% of the shares in Schellenberg + Bäumlner Architekten GmbH based in Dresden, Germany, which was subsequently

merged into the studio grüngrau GmbH based in Düsseldorf, Germany.

The transactions resulted in total goodwill of CHF 2.5 million. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. Transaction costs of CHF 0.3 million were incurred, which are recognized under "Other operating expenses."

Had the companies already been acquired as of January 1, 2025, total operating income in the 2025 reporting year would have been CHF 1.8 million higher, and net profit CHF 0.2 million higher. Between the consolidation date and December 31, 2025, the acquired companies generated total operating income of CHF 3.5 million and net profit of CHF 0.2 million.

Conditional purchase price payments of CHF 16.7 million and unconditional purchase price payments of CHF 2.0 million were made for acquisitions in previous years.

Business combinations in 2024

CHF millions	HelveticWind	plan & co Gruppe	studio grün- grau GmbH	Miscellaneous	Total
Cash and cash equivalents	23.3	0.8	0.7	1.7	26.6
Trade accounts receivable and other receivables	2.9	2.7	0.6	1.2	7.4
Other current assets	5.1	2.4	0.6	0.4	8.5
Financial assets	1.1	0.0	0.0	0.0	1.2
Derivatives	0.8	0.0	0.0	0.0	0.8
Property, plant and equipment	51.5	0.3	0.4	0.9	53.0
Intangible assets	0.1	0.4	0.0	0.7	1.2
Deferred tax assets	0.9	0.1	0.0	0.0	0.9
Current liabilities	-6.7	-3.5	-0.6	-1.2	-12.0
Financial liabilities	-50.0	-0.2	-0.4	-0.7	-51.2
Provisions	-7.1	0.0	0.0	0.0	-7.1
Deferred tax liabilities	-3.7	-0.1	-0.0	-0.2	-4.1
Pension liability	0.0	0.0	0.0	-0.2	-0.2
Fair value of acquired net assets	18.2	2.8	1.3	2.7	25.0
Non-controlling interests	-7.3	0.0	0.0	0.0	-7.3
Fair value of interests already held	-5.3	0.0	0.0	0.0	-5.3
Newly acquired share of net assets	5.6	2.8	1.3	2.7	12.4
Goodwill	0.0	6.1	1.9	6.4	14.4
Purchase price	5.6	8.9	3.2	9.1	26.8
Cash and cash equivalents acquired	-23.3	-0.8	-0.7	-1.7	-26.6
Contingent consideration	0.0	-2.2	-1.0	-2.8	-6.0
Deferred consideration	0.0	-0.5	-0.2	-0.7	-1.3
Cash outflow (+) / Cash inflow (-)	-17.7	5.4	1.2	4.0	-7.1

The values for the transactions conducted in the previous year were provisional since the purchase price allocations had not been finalized. The purchase price allocations are now final. BKW made the following acquisitions in the 2024 fiscal year.

HelveticWind

In the Energy Solutions Business Segment of the Energy Production Business Area, BKW acquired additional participation rights in the HelveticWind Italia s.r.l. (additional 31%) and HelveticWind Deutschland GmbH (additional 30%) wind farm companies in June 2024. By increasing its equity stake, BKW can expand its existing portfolio of renewable energy generation plants in its core markets. HelveticWind owns the Gross Welle, Lüdersdorf-Parstein, Sendenhorst, and Wulkow wind farms in Germany and the Ventisei and Eolo wind farms in Italy.

No goodwill was recognized, and no transaction costs were incurred.

Had the company already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 9.8 mil-

lion higher, and net profit CHF 1.7 million higher. Between the consolidation date and December 31, 2024, the acquired company generated total operating income of CHF 8.7 million and a net profit of CHF 3.5 million.

plan & co Group

In the Engineering Business Area of the Infrastructure & Buildings Business Segment, BKW acquired 100% of the shares in the plan & co Group in August 2024. The Group comprises the three companies plan & co. das zeichenbüro GmbH, based in Gilching, Germany, plan & co. das zeichenbüro GmbH, based in Wiener Neudorf, Austria, and DCMVN Company Limited, based in Ho Chi Minh City, Vietnam. The group is active in the field of technical building services and mainly provides 3D and BIM planning for complex projects.

Contingent purchase price liabilities of CHF 2.2 million and goodwill of CHF 6.1 million were recognized as of the acquisition date.

The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce.

Transaction costs of CHF 0.6 million were incurred.

Had the company already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 4.6 million higher, and net profit CHF 0.6 million higher. Between the consolidation date and December 31, 2024, the acquired company generated total operating income of CHF 1.9 million and a net loss of CHF 0.5 million.

studio grüngrau GmbH

In June 2024, BKW acquired 100% of the shares in studio grüngrau GmbH, based in Düsseldorf, Germany, in the Engineering Business Area of the Infrastructure & Buildings Business Segment. The company has urban planning expertise in the field of landscape architecture and offers property planning, open space planning, landscape planning, and urban development and structural planning services throughout Germany.

Contingent purchase price liabilities of CHF 1.0 million and goodwill of CHF 1.9 million were recognized as of the acquisition date. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. Transaction costs of CHF 0.1 million were incurred.

Had the company already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 3.1 million higher, and net profit CHF 0.5 million higher. Between the consolidation date and December 31, 2024, the acquired company generated total operating income of CHF 1.7 million and a net profit of CHF 0.3 million.

Miscellaneous

BKW made a number of other acquisitions during the 2024 fiscal year. Due to the number of acquisitions and the minor significance of their key financial figures, aggregated figures are shown, and individual business combinations are not presented separately.

In the Engineering Business Area of the Infrastructure & Buildings Business Segment, BKW also acquired 100% of the shares in ProBAS AG, headquartered in Weier in Emmental, Switzerland, in May 2024, and the operating business of Elpro Engineering AG, based in Brig, Switzerland, as part of an asset deal.

In the Infrastructure & Buildings Business Segment of the Building Solutions Business Area, BKW acquired a 100% stake in Groupe Gaspar, with three subsidiaries focusing on heating services based in Sullens, Switzerland, in September 2024.

The transactions resulted in total goodwill of CHF 6.4 million. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. There were no transaction costs.

Had the companies already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 17.6 million higher, and net profit CHF 5.8 million higher. Between the consolidation date and December 31, 2024, the acquired companies generated total operating income of CHF 12.5 million and net profit of CHF 4.6 million.

Conditional purchase price payments of CHF 10.6 million and unconditional purchase price payments of CHF 29.4 million were made in the fiscal year 2024 for acquisitions in previous years.

6 Segment Reporting

Accounting principles

Segments and segment results are defined based on the management approach. In line with the strategy, BKW's reporting is structured around the Energy Solutions, Power Grid, and Infrastructure & Buildings Business Segments. The CEO, who has prime decision-making authority, uses the operating profit before interest and taxes (EBIT) as the basis for allocating resources and measuring performance.

Segment figures are determined in accordance with the same accounting policies that are applied for the Group-level presentation of consolidated figures. The prices for intercompany transactions (transfer prices) are based on the market price on the transaction date.

BKW operates the following three reportable business segments:

- The Energy Solutions Business Segment builds, operates, and maintains BKW's portfolio of power plants in Switzerland and abroad. It also includes the sale of energy in Switzerland, trading in electricity, certificates, and raw materials, as well as wind, solar, and smart energy services.
- The Power Grid Business Segment builds, operates, and maintains BKW's distribution grid.
- The Infrastructure & Buildings Business Segment includes engineering planning and consulting for energy, infrastructure, and environmental projects, integrated building technology solutions, and the construction, servicing, and maintenance of energy, telecommunications, transport, and water utility networks.

The "Other" column covers cross-divisional functions that are centrally managed within the Group. In addition, some of the costs that arise in conjunction with the build-up of segments (acquisition/integration costs, technology development costs, etc.) are borne centrally. The "Other" column also includes the equity interest in Swissgrid AG as it exhibits more of a financial character than an operating one.

Information by business segment

2025 CHF millions	Energy Solutions	Power Grid	Infra- structure & Buildings	Other	Consoli- dation	Total
External revenue	1,962.5	555.2	1,913.4	16.9	0.0	4,448.0
– Net sales	1,759.6	549.4	1,892.0	0.2	0.0	4,201.2
– Other operating income	202.9	5.8	21.4	16.7	0.0	246.8
Internal revenue	22.9	16.3	61.5	173.2	–273.9	0.0
– Net sales	18.8	1.2	61.3	0.0	–81.3	0.0
– Other operating income	4.1	15.1	0.2	173.2	–192.6	0.0
Own work capitalized	9.9	57.7	0.4	0.1	27.4	95.6
Total operating income	1,995.3	629.2	1,975.3	190.3	–246.5	4,543.6
Energy procurement/transport	–1,243.9	–143.6	–0.4	–0.1	0.5	–1,387.4
Material and third-party services	–72.4	–44.7	–756.5	–8.1	52.2	–829.6
Personnel expenses	–113.2	–119.0	–872.8	–96.6	4.6	–1,197.0
Other operating expenses	–121.2	–86.7	–184.0	–113.5	186.7	–318.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	444.6	235.3	161.6	–28.0	–2.5	811.0
Depreciation, amortization and impairment	–93.4	–105.0	–81.7	–19.0	3.8	–295.2
Income from associates	12.3	0.3	0.0	32.5	0.0	45.2
Earnings before interest and taxes (EBIT)	363.5	130.6	80.0	–14.5	1.3	561.0
Financial result						–51.4
Earnings before taxes (EBT)						509.6

In the Energy Solutions Business Segment, the provision for the onerous energy procurement contract with the Wilhelmshaven coal-fired power plant was increased by CHF 113.7 million

in the reporting year, which is reflected accordingly in the energy procurement expense. For further information, please see Note 25.

2024 CHF millions	Energy Solutions	Power Grid	Infra- structure & Buildings	Other	Consoli- dation	Total
External revenue	2,138.9	596.1	1,914.0	26.0	0.0	4,675.0
– Net sales	2,049.0	591.0	1,891.5	17.1	0.0	4,548.6
– Other operating income	89.9	5.1	22.5	8.9	0.0	126.4
Internal revenue	17.7	19.6	58.6	177.6	–273.5	0.0
– Net sales	13.7	1.2	54.6	4.2	–73.7	0.0
– Other operating income	4.0	18.4	4.0	173.4	–199.8	0.0
Own work capitalized ¹	9.6	57.2	0.5	0.2	29.8	97.3
Total operating income	2,166.2	673.0	1,973.1	203.8	–243.7	4,772.4
Energy procurement/transport	–1,172.3	–195.3	0.0	0.0	0.5	–1,367.1
Material and third-party services	–69.4	–36.1	–805.6	–7.3	44.2	–874.2
Personnel expenses	–94.9	–110.7	–846.0	–93.6	6.4	–1,138.8
Other operating expenses	–117.3	–90.8	–187.2	–112.9	189.0	–319.2
Earnings before interest, taxes, depreciation and amortization (EBITDA)	712.3	240.0	134.3	–10.0	–3.6	1,073.0
Depreciation, amortization and impairment	–134.3	–99.9	–77.4	–22.6	3.9	–330.3
Income from associates	8.5	0.3	0.0	38.4	0.0	47.2
Earnings before interest and taxes (EBIT)	586.5	140.4	56.9	5.8	0.3	789.9
Financial result						31.0
Earnings before taxes (EBT)						820.9

1 Presentation of the item "Own work capitalized" adjusted; now shown as a separate line item.

In the Energy Solutions Business Segment, impairment losses of CHF 16.4 million were recognized on a new construction project in the Hydro Switzerland division in the 2024 reporting year. At the

same time, impairment losses of CHF 7.6 million were reversed in the same division. Impairment losses of CHF 31.6 million had to be recognized on wind turbines.

Information by country

Net revenue with external customers by country is broken down according to the place of delivery for the respective product. Non-current assets cover property, plant and equipment, intangible assets, and investments in associates in the respective countries.

CHF millions	Switzerland		Germany		Italy		France		Other countries		Total	
	2025	2,024	2025	2,024	2025	2,024	2025	2,024	2025	2,024	2025	2,024
Net sales	2,700.2	3,076.5	912.7	871.7	162.7	203.2	109.2	128.1	316.3	269.1	4,201.2	4,548.6
Non-current assets	5,212.1	5,042.5	896.1	858.0	566.0	536.8	247.8	264.4	282.6	295.5	7,204.6	6,997.2

Information on significant customers

There are no transactions with individual external customers that generate revenue accounting for 10% or more of net revenue.

7 Net Revenue

Accounting principles

Energy Solutions

Revenue in the Energy Solutions Business Segment mainly comprises income from the sale of energy to end customers and distribution partners in Switzerland, income from energy trading from the sale of electricity, certificates, and raw materials on the wholesale market, income from the direct feed-in of energy from power plants with feed-in tariffs, income from the production of heat and wind, solar, and other energy-related services.

In the energy sector, “own-use” transactions (“own-use exemption” according to IFRS 9) fall under the provisions of IFRS 15. The revenues from these business activities are generally realized over the period of the agreed service provision. However, since energy is consumed at the same time it is delivered, the sale of energy immediately creates a right to payment that corresponds directly to the consideration for the energy supplied. Thus, in these cases, an exemption in accordance with IFRS 15 is applied to revenue recognition, and revenue is recognized in the amount that can be invoiced. The income is thus considered to be realized and recognized as revenue when delivery has taken place.

Power Grid

The Power Grid Business Segment mainly generates income from transmission fees for the distribution grid (grid usage fees). Income from the transmission of energy must be recognized over the duration of the agreed performance. When energy is transmitted, there is immediate entitlement to remuneration, which corresponds directly to the value for the energy transmitted. This performance falls under the exemption for revenue recognition in IFRS 15. BKW applies this exemption and recognizes revenue in the amount that may be invoiced. The income is thus considered to be realized and recognized as revenue when delivery has taken place.

Fees charged to customers for compensatory feed-in remuneration (KEV) and grid usage fees of third-party grid operators are not recognized as revenue owing to the provisions governing principal-agent relationships, but are shown net against the corresponding energy procurement/transport costs.

Infrastructure & Buildings

In the Infrastructure & Buildings Business Segment, revenue is generated mainly through the provision of engineering planning and consulting services for energy, infrastructure, and environmental projects, planning and installation services in building technology, and construction and maintenance services for energy, telecommunications, transport, and water utility networks. These are primarily customer-specific construction contracts. Owing to the contractual provisions governing these services, which grant BKW the right to compensation for the performance, revenue is recognized over a specified period. The extent of performance is measured using the cost-to-cost method. The costs incurred to obtain customer contracts are not capitalized if these costs are amortized within one year.

Significant accounting judgments, estimation uncertainties, and assumptions

Energy trading transactions are recognized in net revenue or other operating income according to their classification. A distinction is made between transactions at fair value and transactions under the “own use” exemption.

Transactions may fall under the “own use” exemption if they are carried out for the purpose of selling own production volumes or covering the distribution portfolio. The decision to classify a transaction under the “own use” exemption is made based on the “first trade” approach. Accordingly, physical transactions are allocated to “own use” until the necessary volumes have been sold or procured. There must be a high correlation between the allocated transactions and the underlying transaction. Transactions that fall under the “own use” exemption are recognized at gross in net revenue as well as in energy procurement costs.

Transactions entered into solely for the purpose of resale and portfolio optimization are measured at fair value and recognized at net under “Other operating income” in the income statement. In addition to realized gains and losses, this also includes the change in unrealized measurement gains and losses on outstanding positions.

When measuring transactions and other assets, assumptions may be made that influence the fair values and therefore the income statement. The assumptions are based on validated valuation techniques, taking into account historical findings and estimates of future events. Assumptions are made in particular when measuring Level 3 derivatives for which numerous inputs that determine value are not observable in a market.

Net revenue per business segment is broken down as follows between Switzerland and abroad:

CHF millions	Switzerland 2025	Abroad 2025	Switzerland 2024	Abroad 2024
Energy Solutions	956.9	802.7	1,232.0	817.0
Power Grid	549.4	0.0	591.0	0.0
Infrastructure & Buildings	1,193.8	698.2	1,236.5	655.0
Other	0.2	0.0	17.1	0.0
Total net sales	2,700.2	1,500.9	3,076.6	1,472.0

8 Energy Procurement/Transport

CHF millions	2025	2024
Cost of energy procurement from third parties and associates	1,157.5	1,192.5
Provision for onerous energy procurement contracts		
– Provisions used	–20.8	–28.0
– Provisions added (+) / released (–)	106.5	7.2
Total energy procurement expenses	1,243.2	1,171.7
Energy transport expenses	144.3	195.4
Total	1,387.4	1,367.1

Expenses for energy transport include expenses for system services and municipal taxes, while expenses for water rates are included in energy procurement costs. The explanations regarding the provision for onerous energy pro-

urement contracts in the reporting year are included in Note 25.

9 Personnel Expenses

CHF millions	2025	2024
Salaries and wages	968.9	927.5
Social security contributions and other personnel expenses	228.1	211.2
Total	1,197.0	1,138.8

9.1 Share-based payments

Accounting principles

BKW has various plans for share-based remuneration: an unconditional purchase right for employees, a binding salary component in the form of shares for senior management, a long-term incentive (LTI) plan for members of the executive committee, and a portion of the board of directors' fees.

The fair value of the share-based payment is determined on the grant date. The corresponding expense is recognized systematically over the vesting period and credited to equity.

The allocation of shares to employees and the board of directors is not subject to any other conditions, hence there is no vesting period, and the remuneration is recognized on the grant date. The stock market price serves as the basis for measuring fair value. The corresponding expense is recognized in personnel expenses on the grant date. For the employee stock participation program, personnel expenses correspond to the difference between the fair value and the preferential price paid.

The LTI is based on performance-based and market-based criteria. In the case of performance-based criteria, an estimate of the final instruments to be allocated is made on each balance sheet date. A pro-rata expense is recognized accordingly. In the case of market-based criteria, the estimated cost of the shares allocated is recognized at the grant date. The market value is calculated taking into account the market conditions that determine the value. After the initial measurement, a change in these market conditions does not lead to an adjustment of the expense recognized. Share-based payments are settled exclusively in BKW AG shares.

BKW employees have the opportunity to purchase BKW AG shares on preferential terms. Full-time employees of BKW (except the board of directors, the executive committee and senior management) are offered a limited number of BKW shares every year at a fixed preferential price set for that year. The shares acquired under this program are subject to a lock-up period during which they cannot be sold. In the reporting year, it was possible to acquire up to 586,471 BKW shares (previous year: 793,325 shares) at a preferential price. In the 2025 fiscal year, 116,282 shares (previous year: 140,432 shares) were purchased at a price of CHF 123.10 per share (previous year: CHF 105.50). The fair value per share amounted to CHF 161.10 (previous year: CHF 156.30). Personnel expenses for these share-based payments amounted to CHF 4.4 million (previous year: CHF 7.1 million).

No purchase rights remained open on the balance sheet date.

As part of the performance management process, BKW shares are allocated to senior management in April of the following year, the amount of which corresponds to a binding portion of the salary. In the 2025 fiscal year, 11,646 shares (previous year: 9,805 shares) from the previous year were allocated at a fair value of CHF 147.25 (previous year: CHF 136.70). The shares are subject to a lock-up period. The expected allocation of CHF 1.8 million for the current year has been accrued.

The members of the board of directors receive 25% of their fees in BKW shares. CHF 0.2 million was recognized for this in the reporting year (previous year: CHF 0.2 million).

9.2 Long-term incentive (LTI) plan

In the fiscal year 2024, BKW introduced a new Long Term Incentive Plan (LTI plan) for the members of the executive committee, which was extended to the extended executive committee as of the fiscal year 2025. The LTI plan is based on the allocation of Performance Share Units (PSU), the numbers of which depends on the degree to which long-term performance indicators are achieved. The Return on Capital Employed (ROCE), the Cash Conversion Rate (CCR) and the relative Total Shareholder Return (TSR) are evaluated for this purpose. The TSR is measured using a percentile ranking against the SPI Middle Index.

Each LTI plan extends over a fixed term of three years, starting on March 1 and ending on February 28. A new plan is drawn up at the beginning of each fiscal year. At the end of 2025, two tranches of the plan were being implemented: the first tranche from March 1, 2024 to February 28, 2027 and the second tranche from March 1, 2025 to February 29, 2028.

At the beginning of the vesting period, each eligible member is allocated an individual number of Performance Share Units (PSU). The number is calculated by dividing the LTI target amount by the reference share price, which corresponds to the average stock market price of the BKW share in January prior to allocation. While the number of allocated PSU is fixed, the number of shares to be transferred at the end varies depending on the LTI payout factor and thus on the achievement of the three defined performance criteria. After completion of the vesting period, the PSU will be transferred to the beneficiaries in the form of shares of BKW AG.

For the LTI plan 2025, a total of 9,898 Performance Share Units (PSU) (previous year: 9,504 PSU) with a fair value of CHF 154.02 per unit (previous year: CHF 117.65) were allocated to the beneficiaries at the beginning of the reporting period. The TSR element was evaluated using a Monte-Carlo simulation. The expense recognized in the fiscal year 2025 amounts to CHF 0.8 million (previous year: CHF 0.3 million for the period from March 1 to December 31, 2024).

10 Other Operating Expenses

CHF millions	2025	2024
Charges, levies and other taxes	21.4	19.0
Maintenance of real estate and other property, plant and equipment	40.3	36.1
IT expenses	95.4	93.5
Marketing, communication, and consulting fees	49.9	59.3
Other items	111.7	111.2
Total	318.6	319.2

11 Depreciation, Amortization, and Impairment

CHF millions	2025	2024
Depreciation		
– Property, plant and equipment	267.4	254.4
– Intangible assets	24.3	33.9
Impairment		
– Property, plant and equipment	19.8	49.6
Reversal of impairments		
– Property, plant and equipment	-16.3	-7.6
Total	295.2	330.3

Changes in the cost of capital in Switzerland and Europe compared with the previous year had an impact on the impairment tests carried out for the power plants in the reporting year. In Switzerland, impairment losses in the Hydro Switzerland area were reversed in the amount of CHF 10.0 million due to lower capital costs. In contrast, the slight increase in capital costs in Europe resulted in impairment losses on assets in the wind power area in the range of CHF 12.1 million. For additional

information, see Note 21. An impairment loss of CHF 16.4 million had to be recognized on a new construction project in the Hydro Switzerland division due to unplanned additional construction costs. At the same time, impairment losses of CHF 7.6 million were reversed in the same division due to lower capital costs. Higher expected operating costs in the wind turbine area led to impairment losses of CHF 31.6 million.

12 Financial Result

CHF millions	2025	2024
Interest income	4.1	10.3
Dividend income	0.3	0.8
Remeasurement gain on STENFO ¹	43.5	122.8
Gains from the disposal of financial assets	0.2	0.6
Reversal of impairment of financial assets	0.0	0.9
Valuation adjustment of financial assets at fair value through profit or loss	4.4	0.0
Other financial income	0.8	1.9
Financial income	53.3	137.4
Interest expenses	-39.1	-40.2
Capitalized borrowing costs	0.8	0.6
Interest on provisions	-34.3	-36.2
Losses from the disposal of financial assets	-0.8	-0.0
Valuation adjustment of financial assets at fair value through profit or loss	0.0	-4.7
Impairment of financial assets	-0.5	-0.9
Currency translations	-15.8	-6.1
Other financial expenses	-14.9	-18.8
Financial expenses	-104.7	-106.4
Financial result	-51.4	31.0

1 See note 19

The increase in currency translation expenses compared with the previous year is mainly attributable to higher hedging costs as a result of the increased hedged EUR exposure volume

and currency losses on open, unhedged positions due to the strengthening of the Swiss franc.

13 Income Taxes

Accounting principles

The taxes item includes current and deferred income taxes. Income taxes are recognized in the income statement, with the exception of income taxes on items recognized directly in equity or other comprehensive income, which in such cases are also recognized in equity or other comprehensive income.

Deferred taxes are based on temporary differences between the tax basis of assets and liabilities and the values in the consolidated financial statements. In addition, deferred taxes are recognized on unused tax loss carryforwards.

The deferred tax rate applied corresponds to the rate that is expected to apply at the time the temporary difference is reversed or the tax loss carryforwards are used. Deferred taxes are calculated using the liability method using tax rates that have been enacted or substantively enacted by the balance sheet date. Any changes in tax rates are recognized in the income statement, except for items recognized directly in equity or other comprehensive income. Deferred taxes are calculated on all taxable temporary differences. This does not apply to non-tax-deductible goodwill. Deferred tax assets are only recognized if it is probable that sufficient taxable income will be generated in the future.

Significant accounting judgments, estimation uncertainties, and assumptions

The taxes recognized in the consolidated financial statements are based on management's estimates, taking into account the facts known on the balance sheet date that have a potential impact on income taxes and the resulting assets and liabilities. Differences between the estimated values and taxes actually payable are recognized in profit or loss in the period in which they are determined. Deferred tax assets are dependent on the expected taxable profit. For each company with deferred tax assets, BKW assesses whether capitalization is justified.

CHF millions	2025	2024
Current income taxes	108.4	168.5
Deferred taxes	13.4	4.9
Total	121.8	173.4

Reconciliation with reported income taxes

CHF millions	2025	2024
Profit/loss before income taxes	509.6	820.9
Tax expenses at anticipated rate of 21.0% (2024: 20.7%)	107.2	169.9
Effects of changes in tax rate	-0.7	0.2
Participation reduction and non-taxable income	-1.0	-10.9
Use/capitalization of uncanceled tax losses	-6.5	-11.5
Non-tax-deductible expenses	2.1	7.7
Uncanceled or partially canceled tax losses	5.0	6.4
Taxes in respect of previous years	-1.5	9.1
Write-down/reversal of write-down of participations	0.2	1.8
Other items	17.0	0.7
Total income taxes	121.8	173.4
Effective tax rate	23.9%	21.1%

On May 23, 2023, the amendment to IAS 12 regarding the temporary exception to the recognition of deferred tax assets and liabilities due to the OECD tax reform was published. BKW is applying the amendments, including the corresponding disclosures, for this fiscal year.

The anticipated tax rate is determined annually as a weighted average (based on the pre-tax earnings of individual Group companies and the applicable local tax rate).

In the reporting year, the recognition of deferred taxes from previous years in connection with foreign investments in fiscally transparent companies led to a special effect in the amount of CHF 16.8 million. This effect increased the deferred tax expenses and resulted in a correspondingly higher effective tax rate compared to the same period last year.

Changes in deferred tax assets/liabilities

CHF millions	2025	2024
Net deferred tax liabilities as of 01.01.	-498.2	-461.8
Changes in the scope of consolidation	-2.8	-3.1
Addition/release in the income statement	-13.4	-4.9
– due to change in temporary differences	-26.4	-13.5
– due to recognition/valuation adjustment of loss carry-forwards	13.1	8.6
Taxes on actuarial gains/losses	-15.6	-27.3
Currency translations	1.1	-1.1
Net deferred tax liabilities as of 31.12.	-528.9	-498.2

Deferred tax assets/liabilities by origin of the temporary difference

CHF millions	31.12.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
Current assets	3.4	-50.3	0.3	-49.5
Financial assets and holdings	1.7	-61.0	0.9	-43.0
Credit from employee pension plans	0.0	-54.4	0.0	-42.6
Property, plant and equipment	9.1	-349.9	15.8	-349.6
Intangible assets	0.6	-31.1	0.0	-29.0
Current liabilities	11.1	-36.6	12.1	-33.7
Pension liability	10.9	0.0	14.1	0.0
Provisions	2.9	-108.8	3.0	-111.9
Other non-current liabilities	40.8	-6.4	42.2	-3.3
Credit/liability for deferred taxes due to temporary differences	80.5	-698.5	88.3	-662.6
Capitalized loss carry-forwards	89.1	0.0	76.1	0.0
Credit/liability for gross deferred taxes	169.5	-698.5	164.3	-662.6
Netting of assets and liabilities	-143.2	143.2	-99.9	99.9
Assets/liabilities for deferred taxes according to balance sheet	26.4	-555.3	64.5	-562.7

As of December 31, 2025, tax liabilities on temporary differences of associates of CHF 16.8 million (previous year: none) were recognized.

Tax loss carryforwards

As of December 31, 2025, there were tax loss carryforwards in the amount of CHF 68.4 million (previous year: CHF 56.4 million) for which no deferred taxes were capitalized. These were not capitalized since their offsetting against future

taxable earnings within the permissible tax period is not regarded as probable. The average tax rate applicable to the non-capitalized loss carryforwards is 22.0% (previous year: 21.3%). The non-capitalized loss carryforwards expire in the following periods:

in CHF millions	31.12.2025	31.12.2024
Expiry within 1 year	0.3	0.0
Expiry within 2 to 5 years	36.4	0.8
Expiry after 5 years	14.1	51.8
Valid indefinitely	17.6	3.8
Total	68.4	56.4

Global minimum taxation

The Organisation for Economic Co-operation and Development (OECD) and the G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar 2 rules in 2021, the aim of which is to ensure that large international groups are subject to a minimum taxation of 15% in every country in which the group operates. As an international group with consolidated revenue of more than EUR 750 million, the BKW Group is subject to these rules.

In December 2023, the Swiss Federal Council decided to introduce a Swiss top-up tax (QDMTT) as of January 1, 2024. In September 2024, the decision was finally taken to implement the Income Inclusion Rule (IIR) in Switzerland starting January 1, 2025, and to waive the introduction of the Under-taxed Profit Rule (UTPR) for the time being. In the EU, the BKW Group's main area of operations outside Switzerland, the IIR was already introduced for fiscal years beginning on or after December 31, 2023, and the UTPR was introduced for fiscal years beginning on or after December 31, 2024.

The BKW Group is not active in any low-tax countries, and its activities within Switzerland are concentrated in cantons with a higher tax burden. Nevertheless, the BKW Group conducts analyses to identify potential risks of falling below the 15% minimum taxation in a country,

evaluates the situation when expanding activities in new countries, and continuously monitors the development of Pillar 2 rules and their implementation.

For the 2025 fiscal year, the BKW Group has used the OECD's Transitional Safe Harbor (TSH) rules, which allow simplified calculations to identify low-risk countries that are exempt from the complex Pillar 2 calculation. For the 2025 annual financial statements, the TSH calculations were carried out based on the IFRS values of the BKW companies for the 2025 fiscal year, applying the current OECD rules on TSH and the country-specific report.

This assessment showed that at least one of the three available TSH tests will presumably be met in all countries in which the BKW Group operates. For this reason, the BKW Group does not expect any top-up taxes for the 2025 fiscal year.

14 Earnings Per Share

Earnings per share are calculated based on the weighted average number of outstanding shares. There are no circumstances that would result in a material dilution of earnings per share. In particular, the Long-Term-Incentive-Plan (LTI plan) for members of the Executive Committee and the Extended Executive Committee introduced in 2024 will not lead to any dilution effects.

Earnings per share

	2025	2024
Net profit attributable to BKW shareholders, in CHF millions	356.8	622.2
Number of shares issued (weighted average)	52,800,000	52,800,000
Less treasury shares (weighted average)	-79,708	-66,548
Number of outstanding shares (weighted average)	52,720,292	52,733,452
Earnings per share in CHF (diluted and undiluted)	6.77	11.80

15 Trade Receivables and Other Receivables

Accounting principles

Depending on the amount, trade receivables are assessed individually for their recoverability and, if necessary, individual loss allowances are recognized. In the case of trade receivables from energy trading, probabilities of default are calculated based on externally or internally determined counterparty ratings, and corresponding impairments are recognized for losses expected to occur within the next 12 months. The simplified impairment model is applied to the remaining trade receivables. Assets are assessed here on the basis of their maturities and grouped into various categories. Different impairment rates for the expected losses over the entire residual term are allocated to these groups based on historical values.

CHF millions	31.12.2025	31.12.2024
Trade accounts receivable ¹	837.7	824.3
Other financial receivables	105.8	109.3
Other receivables	90.0	78.2
Total	1,033.5	1,011.9

1 Of which, an amount of CHF 712.4 million (previous year: CHF 694.1 million) stems from contracts with customers pursuant to IFRS 15.

Other financial receivables include collateral deposited with stock exchanges for the trading of energy derivatives.

The following table shows the ageing structure of trade receivables:

CHF millions	31.12.2025			31.12.2024		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
Trade accounts receivable	866.1	-28.4	837.7	851.9	-27.6	824.3
of which:						
– not past due	733.6	-1.0	732.5	712.7	-2.1	710.6
– 1 – 30 days past due	64.4	-0.7	63.8	67.6	-0.5	67.1
– 31 – 360 days past due	39.6	-4.7	34.9	43.6	-5.7	37.9
– over 360 days past due	28.5	-22.0	6.5	28.0	-19.3	8.8

Most of the trade receivables are due for payment between 30 and 60 days.

The allowances for trade receivables and other financial receivables developed as follows:

CHF millions	Trade receivables	Other financial receivables
Loss allowances as of 31.12.2023	21.6	1.7
Addition/release	8.5	-0.9
Derecognition of uncollectable receivables	-2.8	
Currency translations	0.2	0.0
Removal from scope of consolidation	-0.0	
Loss allowances as of 31.12.2024	27.6	0.8
Addition/release	5.7	-0.0
Derecognition of uncollectable receivables	-4.7	
Currency translations	-0.1	-0.0
Loss allowances as of 31.12.2025	28.4	0.8

There is no material loss allowance for other financial assets.

The other balance sheet items do not include any material financial assets that are overdue but not impaired.

16 Contract Assets and Contract Liabilities

Accounting principles

"Contract assets" exist in connection with the provision of engineering planning and consulting services for energy, infrastructure, and environmental projects, planning and installation services in Building Solutions, and the construction, servicing, and maintenance of energy, telecommunications, transport, and water networks in Infra Services. These are primarily customer-specific construction contracts for which a right to consideration exists for goods or services that are transferred to the customer. If consideration is received before goods or services are transferred to the customer, a contract liability is recognized.

BKW evaluates the extent of performance for the purposes of measuring customer contracts. The extent of performance is measured using the cost-to-cost method. Customer contracts are assessed for credit risk and measured using the simplified impairment model under IFRS 9. A provision is recognized for the full amount of impending losses.

CHF millions	31.12.2025	31.12.2024
Contract assets before valuation adjustments	289.5	275.3
Valuation adjustments on contract assets	-6.5	-8.7
Contract assets	283.0	266.6

Contract assets and liabilities as of December 31, 2025, include a valuation allowance of CHF 0.3 million for expected defaults on receivables in accordance with the provisions of IFRS 9 (previous year: CHF 0.4 million).

Recognized revenue from contract liabilities included at the beginning of the reporting period was CHF 254.5 million (previous year: CHF 188.3 million).

CHF millions	31.12.2025	31.12.2024
Expected future income from existing contracts	2,158.5	2,059.4
thereof:		
– expected within the next 12 months	1,124.9	1,092.3
– expected after 12 months	1,033.6	967.2

17 Inventories

Accounting principles

Stock material and gas inventories

The costs of raw and auxiliary materials are measured at the weighted moving average. Semi-finished and finished products include the directly assignable costs and a share of production overheads. Stock materials with insufficient inventory turnover are written off in full or in part. Gas inventories are measured at cost less any necessary write-downs. For transactions in gas inventories conducted with the sole intention of achieving a trading margin, BKW applies the brokerage exemption for traders in raw materials and commodities. Under the exemption, these transactions can be recognized at fair value less costs to sell. Changes in value on the balance sheet date, as well as realized purchases and sales, are recognized in profit and loss and presented at net in the income statement.

Emission rights and green certificates

The net liability method is used for emission rights held under national or international emissions allowance schemes for the purpose of compliance with carbon emission allowances. These emission rights are recognized at the lower of cost or net realizable value. A provision is recognized as soon as the carbon output exceeds the emission allowances originally allocated and still held. The value of the emission rights and certificates is realized when they are sold or returned to the authorities as compensation for emissions.

Green certificates certify the generation of electricity from renewable energies and can be sold separately from the delivery of electricity. Income from green certificates from BKW's own production is accrued at the time the energy is produced based on the expected proceeds from the sale. Purchased green certificates are recognized at cost.

For transactions in emission rights and certificates conducted with the sole intention of achieving a trading margin, BKW applies the brokerage exemption for traders in raw materials and commodities. Under the exemption, these transactions can be recognized at fair value less costs to sell. Changes in value on the balance sheet date, as well as realized purchases and sales, are recognized in profit and loss and presented at net in the income statement. Transactions in derivatives on emission rights, which are conducted with the intention of achieving a trading margin, are treated in the same way as energy trading derivatives (see Note 32.2).

CHF millions	31.12.2025	31.12.2024
Goods and materials	119.1	278.2
Valuation adjustments on goods and materials	-3.2	-2.1
Certificates (proprietary trading)	16.9	14.1
Certificates (own use)	52.2	57.5
Total	185.1	347.7

The decrease in the "Materials and Goods" compared with the previous year is mainly attributable to significantly lower gas reserves as of the balance sheet date.



18 Prepaid Expenses and Deferred Income

CHF millions	31.12.2025	31.12.2024
Financial accruals	166.1	143.0
Other prepaid expenses and accrued income	19.5	18.7
Total prepaid expenses and accrued income	185.6	161.7
Financial accruals	287.7	287.0
Other deferred income and accrued expenses	61.3	55.0
Total deferred income and accrued expenses	348.9	342.0

Sales not yet invoiced and advance payments made are recognized under deferred income and prepaid expenses, respectively. This concerns in particular electricity deliveries not yet invoiced for which there is an unconditional claim for pay-

ment, including those based on estimated and not yet finally determined procurement quantities. For financial accruals, a flat-rate impairment is taken into account in accordance with the simplified impairment model according to IFRS 9.

19 Financial Assets

Accounting principles

Financial assets include equity investments, securities, loans, term deposits, and other financial assets. Also presented under financial assets are interests in the Federal Decommissioning and Waste Disposal Funds (STENFO), which are recognized in accordance with the provisions of IFRIC 5 and therefore do not fall under the scope of IAS 32, IFRS 7, or IFRS 9.

Financial assets are recognized and derecognized on the trade date.

Exchange-listed securities that constitute part of a portfolio of financial instruments, that are jointly managed, and that are regularly purchased and sold are categorized as "Assets at fair value through profit or loss" and presented under current assets. Other equity investments and securities are classified as "Financial assets at fair value through other comprehensive income" and reported under non-current assets. Term deposits, loans, and other financial assets are measured at amortized cost. Pursuant to IFRS 9, probabilities of default are calculated for term deposits and loans based on externally or internally determined counterparty ratings, and corresponding impairments are recognized for losses expected to occur within the next 12 months.

The operators of nuclear power plants are required by law to make annual payments to STENFO. STENFO compensates the operators for the future costs for disposal and decommissioning according to the statutory requirements. Such payments are regarded as reimbursements and are capitalized as shares in state funds pursuant to IFRIC 5. Changes in fund valuations are recorded in the financial result through profit or loss.

Significant accounting judgments, estimation uncertainties, and assumptions

Loss allowances for debt instruments that are not measured at fair value are recognized in accordance with the expected credit losses (ECL) over the entire term. Due to the low default risk of debt instruments, BKW generally applies a 12-month ECL for their measurement, with the ECL reflecting the difference between the agreed cash flows and the cash flows expected by BKW.

CHF millions	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Loans	Term deposits	Interest in STENFO	Other non-current assets	Total
As of 31.12.2024	12.9	49.7	28.7	2.5	1,225.4	18.2	1,337.4
Changes in the scope of consolidation		0.1				0.0	0.1
Additions	0.4	0.1	2.0	120.2	26.0	0.5	149.2
Disposals	-0.2	-50.2	-12.7	-20.6	-94.0	-0.8	-178.4
Valuation adjustment through profit and loss		0.6		-0.0	43.5	-0.4	43.7
Impairment			-0.5				-0.5
Currency translations	-0.0	-0.0	-0.0	-0.0		-0.0	-0.1
As of 31.12.2025	13.1	0.4	17.5	102.1	1,200.9	17.4	1,351.3
of which:							
– Current financial assets		0.4	1.9	101.5	94.9		198.6
– Non-current financial assets	13.1		15.7	0.6	1,106.0	17.4	1,152.7
of which:							
– Financial assets according to IAS 32 and IFRS 9	13.1	0.4	17.5	102.1		17.4	150.4
– Other assets					1,200.9		1,200.9

STENFO is managed by the Swiss federal government. BKW has no access to the assets under management.

CHF millions	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Loans	Term deposits	Interest in STENFO	Other non-current assets	Total
As of 31.12.2023	14.4	49.8	28.4	1.1	1,196.5	37.7	1,327.9
Changes in the scope of consolidation	0.3		-9.5	0.8		0.0	-8.4
Additions	0.6	0.0	15.3	0.5		3.8	20.2
Disposals	-1.7	-0.0	-5.2	-0.0	-93.9	-25.6	-126.5
Valuation adjustment through profit and loss		-0.1			122.8	1.8	124.5
Valuation adjustment to other comprehensive income	-0.7						-0.7
Impairment			-0.5			-0.4	-0.9
Reversal of impairment				0.1		0.8	0.9
Currency translations	-0.0		0.3	0.0		0.1	0.3
As of 31.12.2024	12.9	49.7	28.7	2.5	1,225.4	18.2	1,337.4
of which:							
– Current financial assets		49.7	12.9	1.4	94.0		157.9
– Non-current financial assets	12.9		15.8	1.1	1,131.4	18.2	1,179.4
of which:							
– Financial assets according to IAS 32 and IFRS 9	12.9	49.7	28.7	2.5		18.2	112.0
– Other assets					1,225.4		1,225.4

20 Shareholdings in Associates

Accounting principles

Investments in companies in which BKW is able to exercise significant influence but not overall control are classified as associates and accounted for using the equity method. Significant influence is generally assumed if 20% to 50% of the voting power is held. In some circumstances, contractually agreed rights may mean that a significant influence can be exerted even though the share of voting rights is less than 20%. This applies in particular in the case of partner plants.

There are onerous contracts in connection with investments in associates for which provisions are recognized. See Note 25 in this regard.

Partner plants comprise companies that build and operate power plants or that manage energy purchase rights as well as plan and operate nuclear storage facilities. The energy produced by partner plants and other services provided in accordance with contractual agreements are purchased at annual cost (including interest on capital). The partner plants are allocated to the Energy Solutions Business Segment.

CHF millions	Total
As of 31.12.2023	1,407.3
Adjustment due to the acquisition of control	-2.3
Changes in the consolidation method	-5.3
Disposals	-23.9
Dividends	-20.5
Pro rata income	50.4
Actuarial gains/losses	-1.0
Hedging transactions	-0.8
Currency translations	5.6
As of 31.12.2024	1,409.4
Additions	11.2
Disposals	-21.1
Gains/losses on disposal	-0.9
Dividends	-28.8
Pro rata income	46.1
Actuarial gains/losses	18.3
Hedging transactions	0.5
Currency translations	-6.2
As of 31.12.2025	1,428.5

The additions of CHF 11.2 million relate to the acquisition of 33% of limited partnership interests in Trianel Batteriepark Waltrop GmbH & Co. KG (see Note 25.2), of which CHF 8.4 million are non-cash items.

The disposals show capital reductions at Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG of CHF 19.5 million (previous year: CHF 21.0 million) and at Erdgas Thunersee AG. of CHF 1.6 million.

The adjustment due to the acquisition of control in the previous year included the revaluation of HelveticWind Deutschland GmbH and HelveticWind Italia S.r.l. at the acquisition date of the majority shareholding. The change in the scope of consolidation showed the disposal of the two companies as investments in associates, as they were consolidated for the first time as a result of the transfer of control in the previous year.

BKW's pro-rata share of key figures in associates as of 31.12.2025

The table below gives the pro-rata key figures for associates by business segment. The Energy Solutions Business Segment is also subdivided by type of power plant.

BKW share CHF millions	Hydro	Nuclear	Fossil-fuel	New renewable energy	Other technologies	Total Energy Solutions	Power Grid	Other	Total
Current assets	35.9	74.6	42.1	6.6	8.2	167.5	1.9	468.3	637.6
Non-current assets	991.1	854.1	301.6	113.4	37.8	2,298.0	1.4	1,033.4	3,332.8
Current liabilities	-172.7	-98.1	-18.2	-2.7	-3.7	-295.4	-0.5	-436.1	-732.0
Non-current liabilities	-547.1	-678.9	-16.5	-55.9	-18.1	-1,316.5	-0.4	-493.1	-1,809.9
Shareholders' equity	307.2	151.8	309.0	61.4	24.3	853.6	2.4	572.5	1,428.5
Income	180.4	140.4	98.0	18.7	13.6	451.2	2.2	450.5	903.9
Expenses	-169.2	-136.7	-98.2	-20.3	-13.5	-437.9	-1.9	-418.0	-857.8
Net profit/loss	11.2	3.7	-0.2	-1.6	0.1	13.2	0.3	32.5	46.1
Other comprehensive income	0.3	2.0	-3.3	-2.4	0.0	-3.4	0.0	16.1	12.6
Comprehensive income	11.5	5.7	-3.5	-4.0	0.1	9.8	0.3	48.6	58.7

All associates are measured using the equity method.

Of the total pro-rata assets and liabilities, CHF 1,410.9 million (previous year: CHF 1,618.5 million) is attributable to net financial debt (financial liabilities less cash and cash equivalents and current financial assets). Associates in the Energy Solutions Business Segment primarily consist of partner plants. For these, BKW is obligated to pay the annual costs due on its share (including interest and repayment of borrowed funds). Energy produced by partner plants is billed to shareholders on the basis of existing agreements – irrespective of the current market prices – at the cost of production. Provisions for onerous energy procurement contracts are established if the cost of production is above the future expected market price due to the contractual obligation to pay

energy production costs. Based on the obligation of the shareholders to pay production costs, the recoverability of the holdings in partner plants measured at the proportional equity value is considered to be a given.

BKW's pro-rata annual costs for the purchase of energy in 2025 amounted to CHF 377.3 million (previous year: CHF 399.4 million). These costs are included in the energy procurement costs. The operating costs charged by nuclear storage facilities in 2025 amounted to CHF 12.9 million (previous year: CHF 11.8 million) and are presented under cost of materials and third-party services.

Of the total pro-rata assets and liabilities of the partner plants, CHF 727.5 million (previous year: CHF 723.4 million) is attributable to net financial debt.

BKW's pro-rata share of key figures in associates as of 31.12.2024

The table below gives the pro-rata key figures for associates by business segment. The Energy Solutions Business Segment is also subdivided by type of power plant.

BKW share CHF millions									Total
	Hydro	Nuclear	Fossil-fuel	New renewable energy	Other technologies	Total Energy Solutions	Power Grid	Other	
Current assets	39.0	72.0	57.3	9.4	9.6	187.3	1.6	321.8	510.7
Non-current assets	983.3	833.3	323.2	130.6	26.7	2,297.1	1.5	1,123.0	3,421.6
Current liabilities	-194.4	-127.2	-31.2	-8.0	-4.9	-365.7	-0.4	-283.0	-649.1
Non-current liabilities	-529.3	-628.8	-17.2	-63.9	-15.8	-1,255.0	-0.4	-618.4	-1,873.8
Shareholders' equity	298.6	149.3	332.1	68.1	15.6	863.7	2.3	543.4	1,409.4
Income	192.9	133.9	124.3	23.4	21.7	496.2	1.9	465.7	963.8
Expenses	-183.8	-131.1	-123.7	-24.3	-21.6	-484.5	-1.7	-427.2	-913.4
Net profit/loss	9.1	2.8	0.6	-0.9	0.1	11.7	0.2	38.4	50.4
Other comprehensive income	1.7	3.0	6.0	-1.3	0.0	9.4	0.0	-5.7	3.7
Comprehensive income	10.8	5.8	6.6	-2.2	0.1	21.1	0.2	32.8	54.1

Key figures for major associates

The table below gives the 100% key figures for the major associates. The investments in Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG and Kraftwerke Oberhasli AG are allocated to the Energy Solutions Business Segment. Since the 2024 fiscal year, the investment in Swissgrid AG has been allocated to the Other segment and no longer to the Power Grid segment.

100% key figures CHF millions	Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG		Kraftwerke Oberhasli AG		Swissgrid AG	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Current assets	23.2	19.7	31.5	28.4	1,243.7	854.6
Non-current assets	852.8	921.6	853.5	834.8	2,729.7	2,967.8
Current liabilities	-19.3	-14.8	-156.1	-173.8	-1,158.3	-751.5
Non-current liabilities	-42.3	-47.1	-470.3	-440.4	-1,309.6	-1,642.5
Shareholders' equity	814.4	879.4	258.7	249.0	1,505.5	1,428.4
Shareholding in % as of 31.12.	33.0%	33.0%	50.0%	50.0%	37.7%	37.7%
Goodwill	0.0	0.0	0.0	0.0	5.6	5.6
Reported carrying amount of the investment	268.8	290.2	129.3	124.5	572.5	543.4
Income	141.0	140.3	163.0	166.1	1,196.6	1,236.8
Expenses	-138.1	-149.9	-156.0	-159.0	-1,110.2	-1,134.7
Net profit/loss	2.9	-9.6	7.1	7.0	86.4	102.1
Other comprehensive income	-8.7	16.2	2.6	1.7	42.6	-15.3
Comprehensive income	-5.7	6.7	9.7	8.7	129.0	86.8
Recognized proportionate result from associates	1.0	-3.2	3.5	3.5	32.5	38.4
Dividend received	0.0	0.0	0.0	0.0	19.5	11.3

The reported figures are provisional values of the respective companies, with the exception of Swissgrid AG, which is listed with bonds on the

SIX Swiss Exchange. BKW has no final figures for Swissgrid AG. BKW estimates the key figures as of December 31, including the income statement

and net profit, based on Swissgrid AG's annual report from the previous year as well as relevant press releases issued in the current fiscal

year, and reconciles them to IFRS. Deviations from Swissgrid AG's actual results are recognized through profit or loss in the following year.

21 Property, Plant and Equipment, and Leases

Accounting principles

Property, plant and equipment are recorded at acquisition or manufacturing cost less accumulated depreciation and recognized impairment losses. Depreciation is recognized on a straight-line basis over the expected useful life of the assets. Property, plant and equipment dependent on concession arrangements that are subject to reversion without compensation are depreciated over no longer than the expected term of the concession.

Present values of estimated decommissioning and disposal costs are capitalized together with the acquisition or manufacturing costs (see also Note 25).

Borrowing costs for long-term investment projects are capitalized during the construction phase. Land is measured at cost.

The estimated useful lives of property, plant and equipment lie within the ranges listed below and are unchanged compared with the previous year:

Buildings	50 years
Power plants	12 to 80 years
Distribution grid systems	20 to 60 years
IT systems	10 to 30 years
Operating equipment and vehicles	3 to 20 years

Impairment

Property, plant and equipment are tested for recoverability if there are indications of an impairment (triggering event). Recognized assets are tested for impairment by comparing the carrying amount with the recoverable amount of the corresponding cash-generating units. The recoverable amount corresponds to the value in use. The calculations are made based on estimated cash flows from the business plans for the individual assets over their useful lives.

Significant accounting judgments, estimation uncertainties, and assumptions

The impairment test includes various estimates regarding future cash flows, primarily relating to the discounted present value in the last year of the calculation (terminal value) and the appropriate discount rate to be applied. BKW uses sector-specific WACC rates. These estimates have a significant impact on the impairment test.

21.1 Property, plant and equipment

CHF millions	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Construction in progress	Right-of-use assets	Total
Gross values as of 31.12.2024	2,932.8	3,798.2	276.5	441.7	520.1	462.3	8,431.6
Changes in the scope of consolidation				0.1		3.1	3.2
Additions	19.5	9.1	0.6	60.0	287.9	47.5	424.6
Disposals	-40.1	-16.0	-0.2	-41.9	-1.5	-40.6	-140.2
Reclassifications	129.5	158.3	65.4	23.9	-301.7	-75.4	0.0
Contract adjustments						28.6	28.6
Currency translations	-15.4		-0.1	-1.0	-1.6	-2.1	-20.2
Gross values as of 31.12.2025	3,026.4	3,949.6	342.2	482.8	503.2	423.4	8,727.5
Accumulated depreciation and impairments as of 31.12.2024	1,598.3	1,908.6	151.5	255.5	17.0	212.3	4,143.3
Depreciation	76.6	91.3	7.5	38.4		53.6	267.4
Impairment	18.3				1.5		19.8
Disposals	-39.7	-16.0	-0.1	-23.8	-1.5	-35.1	-116.0
Reversal of impairment	-14.4				-1.9		-16.3
Reclassifications	44.9			2.3		-47.2	0.0
Currency translations	-6.9		-0.0	-0.5		-0.8	-8.2
Accumulated depreciation and impairments as of 31.12.2025	1,677.2	1,984.0	158.9	271.9	15.1	182.9	4,290.0
Net values as of 31.12.2025	1,349.2	1,965.6	183.3	210.9	488.1	240.5	4,437.5
– thereof pledged for liabilities	8.7		2.8				11.5

CHF 3.2 million of the change in the gross values in the scope of consolidation relates to business combinations (see Note 5).

The additions to right-of-use assets from leases of CHF 47.5 million are non-cash items.

Borrowing costs of CHF 0.8 million were capitalized in the reporting year (previous year: CHF 0.6 million). In the year under review, compensation of CHF 1.6 million for property, plant and equipment which was impaired, lost, or decommissioned was recognized through profit and loss (previous year: CHF 0.2 million).

The property, plant and equipment of the Mühleberg Nuclear Plant, which is being dismantled and was already written off in full at the end of 2019, will no longer be presented separately but under power plant facilities. As of December 31,

2025, the gross value of these assets was still CHF 220.6 million (previous year: CHF 259.9 million).

Impairment

The calculation for the impairment test was based on a (pre-tax) WACC of 4.1% to 7.0% (previous year: 4.2% to 7.0%).

Changes in the cost of capital in Switzerland and Europe compared with the previous year had an impact on the impairment tests carried out for the power plants in the reporting year. In Switzerland, impairment losses in the Hydro Switzerland area were reversed in the amount of CHF 10.0 million due to lower capital costs. In contrast, the slight increase in capital costs in Europe resulted in impairment losses on assets in the wind power area in the range of CHF 12.1 million.

	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Construction in progress	Right-of-use assets	Total
CHF millions							
Gross values as of 31.12.2023	2,796.0	3,688.7	272.8	416.9	348.8	465.5	7,988.6
Changes in the scope of consolidation	44.9			0.6	-0.2	5.5	50.8
Additions	40.1	8.5	0.1	40.8	344.7	52.2	486.3
Disposals	-28.3	-24.4	-0.2	-37.2	-0.1	-38.6	-128.7
Reclassifications	60.3	125.4	3.7	20.2	-173.1	-36.5	0.0
Reclassification to assets held for sale				-0.6		-2.2	-2.8
Contract adjustments						13.0	13.0
Currency translations	19.7		0.2	1.0	0.0	3.4	24.3
Gross values as of 31.12.2024	2,932.8	3,798.2	276.5	441.7	520.1	462.3	8,431.6
Accumulated depreciation and impairments as of 31.12.2023	1,493.8	1,845.8	144.9	245.8	0.6	222.6	3,953.5
Changes in the scope of consolidation				0.0	-1.7	-0.2	-1.9
Depreciation	75.0	86.9	6.7	33.0		52.7	254.4
Impairment	31.6				18.1		49.6
Disposals	-28.3	-24.0	-0.2	-23.2		-36.4	-112.1
Reversal of impairment	-7.6						-7.6
Reclassifications	26.6		0.0	0.0		-26.6	0.0
Reclassification to assets held for sale				-0.6		-1.3	-1.8
Currency translations	7.1		0.0	0.5	0.0	1.4	9.0
Accumulated depreciation and impairments as of 31.12.2024	1,598.3	1,908.6	151.5	255.5	17.0	212.3	4,143.3
Net values as of 31.12.2024	1,334.5	1,889.5	125.1	186.2	503.1	250.0	4,288.3
– thereof pledged for liabilities	9.9		2.8				12.7

CHF 53.0 million of the change in the gross values in the scope of consolidation relates to business combinations (see Note 5) and CHF -2.2 million relates to disposals of companies.

The additions to right-of-use assets from leases of CHF 52.2 million as well as other amounts of CHF 2.7 million are non-cash items.

Impairment

In the previous year, the impairment test resulted in an impairment requirement in the Hydro division of CHF 16.4 million with a simultaneous reversal of impairment losses of CHF 7.6 million. In the previous year, higher operating costs in the wind turbine segment also led to impairment losses of CHF 31.6 million in the Wind division.

21.2 Leases

Accounting principles

Assets from leased right-of-use assets are reported in the balance sheet item "Property, plant and equipment." See Note 21.1. Adjustments to leased right-of-use assets due to remeasurements of lease liabilities are presented as "Contract adjustments."

Lease liabilities are presented in the balance sheet under current and non-current financial liabilities.

The terms of the lease liabilities are disclosed in Note 32.4. The lease liability is discounted by applying an incremental borrowing rate specific to maturities and countries, unless the interest rate on which the lease payments are based is available.

When determining the terms of leases, extension and termination options are only taken into account in the contract term if it is reasonably certain that they will be exercised or not exercised. The assessment is reviewed if a significant event or material change in circumstances occurs that could have influenced the previous assessment, provided these are within the control of BKW.

The following table contains information on the right-of-use assets from leases by asset class.

CHF millions	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Total
Gross values as of 31.12.2024	67.8	8.3	336.6	49.6	462.3
Changes in the scope of consolidation			2.8	0.3	3.1
Additions	0.9		38.0	8.5	47.5
Disposals		-8.6	-22.8	-9.2	-40.6
Reclassifications	-67.8		0.9	-8.5	-75.4
Contract adjustments		0.3	30.2	-1.9	28.6
Currency translations	-0.0	-0.0	-1.9	-0.2	-2.1
Gross values as of 31.12.2025	0.9	0.0	383.9	38.6	423.4
Accumulated depreciation and impairments as of 31.12.2024	44.4	7.4	141.7	18.8	212.3
Depreciation	0.0	1.2	39.8	12.5	53.6
Disposals		-8.6	-18.2	-8.3	-35.1
Reclassifications	-44.4			-2.8	-47.2
Currency translations	-0.0	-0.0	-0.7	-0.1	-0.8
Accumulated depreciation and impairments as of 31.12.2025	0.0	0.0	162.7	20.2	182.9
Net values as of 31.12.2025	0.9	0.0	221.2	18.4	240.5
– of which land lease for wind parks			48.2		48.2

The following table contains information from the previous year on the right-of-use assets from leases by asset class.

CHF millions	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Total
Gross values as of 31.12.2023	104.3	8.5	296.0	56.6	465.5
Changes in the scope of consolidation			5.4	0.1	5.5
Additions		0.1	30.1	22.0	52.2
Disposals			-14.8	-23.7	-38.6
Reclassifications	-37.6		1.2	-0.1	-36.5
Reclassification to assets held for sale			-2.2		-2.2
Contract adjustments		-0.2	18.8	-5.6	13.0
Currency translations	1.1		2.0	0.2	3.4
Gross values as of 31.12.2024	67.8	8.3	336.6	49.6	462.3
Accumulated depreciation and impairments as of 31.12.2023	68.1	6.2	119.5	28.7	222.6
Changes in the scope of consolidation			-0.1	-0.0	-0.2
Depreciation	2.2	1.1	36.1	13.2	52.7
Disposals			-13.3	-23.2	-36.4
Reclassifications	-26.6				-26.6
Reclassification to assets held for sale			-1.3		-1.3
Currency translations	0.7		0.7	0.1	1.4
Accumulated depreciation and impairments as of 31.12.2024	44.4	7.4	141.7	18.8	212.3
Net values as of 31.12.2024	23.4	0.9	194.9	30.8	250.0
– of which land lease for wind parks			51.4		51.4

The lessee arrangements relate to wind farms, leases for land and distribution facilities, easements on land, building rentals, vehicles and other movable property, plant and equipment.

CHF millions	2025	2024
Income from operating leases	0.7	0.7
Expense relating to short-term leases	-0.2	-0.3
Expense relating to low-value assets	-2.0	-1.4
Expense relating to variable lease payments not included in the measurement of lease liabilities	-0.4	-0.4
Interest expense on lease liabilities	-4.7	-4.4
Leases in the consolidated income statement	-6.6	-5.8
Leases in the consolidated cash flow statement	60.1	59.6

The lessor arrangements mainly concern heating systems under heating contracts. The future undiscounted lease payments as of the balance sheet date were:

CHF millions	31.12.2025	31.12.2024
Up to 1 year	0.7	0.7
Later than 1 year and not later than 2 years	0.7	0.5
Later than 2 years and not later than 3 years	0.7	0.5
Later than 3 years and not later than 4 years	0.6	0.4
Later than 4 years and not later than 5 years	0.5	0.4
More than 5 years	4.1	3.9
Total	7.3	6.4

22 Intangible Assets

Accounting principles

Intangible assets include right-of-use assets as well as contractual or legal rights acquired as part of acquisitions, such as brands, customer relationships, software, and goodwill.

Brands with an indefinite life

Brands include assets with national and international appeal acquired and recognized as part of business combinations. They are long-standing brand names with no expiration date, under which significant revenues are achieved and cash flows generated. BKW intends to continue to maintain and use these brands in the future. For this reason, the brands have an indefinite useful life and are tested annually for their recoverability.

Right-of-use assets

Right-of-use assets comprise contractually agreed one-off compensation to a contractual partner for the use of its operating installations as well as licenses for the construction and operation of BKW's own installations.

Goodwill

Goodwill represents a residual value from business combinations that exceeds the fair value of the identifiable assets and liabilities. Goodwill is recognized as an asset in the balance sheet but is not systematically amortized (impairment-only approach).

Intangible assets are amortized over their useful life, or at most the contract period, using the straight-line method. Goodwill and brands are not amortized but allocated to the relevant cash-generating units and subjected to impairment testing annually or whenever there are indications of impairment.

Right-of-use assets

Licenses	60 to 80 years
Energy purchase rights	36 to 60 years
Plant usage rights	7 to 50 years
Transit rights	25 to 60 years

Other

Software	3 to 8 years
Customer lists, technologies	4 to 10 years

Impairment

Intangible assets with indefinite useful lives and goodwill are tested for impairment annually in the fourth quarter or when there are indications of impairment (triggering events). Other intangible assets are tested for impairment if there are indications of impairment (triggering events).

Significant accounting judgments, estimation uncertainties, and assumptions

The impairment test includes various estimates regarding future cash flows, primarily relating to the discounted present value in the last year of the calculation (terminal value) and the appropriate discount rate to be applied. BKW uses sector-specific WACC rates. These estimates have a significant impact on the impairment test.

CHF millions	Goodwill	Rights of use	Brands with indefinite useful life	Other	Total
Gross values as of 31.12.2024	1,200.9	167.4	58.0	387.5	1,813.8
Changes in the scope of consolidation	39.9			11.1	51.0
Additions from acquisitions		6.4		6.4	12.7
Additions from internally generated intangible assets				4.9	4.9
Disposals		-0.0		-24.7	-24.7
Reclassifications		-0.1		0.1	0.0
Currency translations	-4.6	-0.8		-1.2	-6.6
Gross values as of 31.12.2025	1,236.2	173.0	58.0	384.1	1,851.3
Accumulated depreciation and impairments as of 31.12.2024	93.6	131.0	0.0	289.8	514.4
Depreciation		2.3		22.1	24.3
Disposals		-0.0		-24.5	-24.5
Reclassifications		-0.1		0.1	-0.0
Currency translations	-0.0	-0.8		-0.8	-1.6
Accumulated depreciation and impairments as of 31.12.2025	93.6	132.6	0.0	286.6	512.7
Net values as of 31.12.2025	1,142.7	40.4	58.0	97.5	1,338.6

CHF 51.0 million of the change in gross values in the scope of consolidation relates to business combinations (previous year: CHF 17.9 million). There were no changes in the reporting year due to disposals of companies (previous year: CHF -0.1 million). In the additions to the values in use, CHF 0.4 million are non-cash items and for the remaining intangible assets CHF 0.1 million are non-cash items.

Other intangible assets include customer lists and software recognized from acquisitions.

Brands with an indefinite useful life

Recognized brands were tested for impairment by comparing the carrying amount with the recoverable amount of the corresponding cash-generating unit. The calculations were based on estimated cash flows, long-term growth rates of 1%, and a (pre-tax) WACC of 6.8%–7.2% (previous year: 7.0% to 7.3%). Impairment testing of the recognized brands resulted in no need for impairment in the reporting year as well as the previous year.

Customer lists

Other intangible assets include customer lists amounting to CHF 46.1 million (previous year: CHF 47.9 million). There were no indications of impairment in the current or previous fiscal year.

CHF millions	Goodwill	Rights of use	Brands with indefinite useful life	Other	Total
Gross values as of 31.12.2023	1,178.1	169.7	67.7	368.6	1,784.2
Changes in the scope of consolidation	16.7	0.1		1.0	17.8
Additions from acquisitions		0.5		11.7	12.2
Additions from internally generated intangible assets				9.9	9.9
Disposals		-3.9	-9.7	-1.1	-14.7
Reclassifications		-0.1		0.1	0.0
Reclassification to assets held for sale				-4.2	-4.2
Currency translations	6.0	1.1		1.6	8.7
Gross values as of 31.12.2024	1,200.9	167.4	58.0	387.5	1,813.8
Accumulated depreciation and impairments as of 31.12.2023	93.6	127.8	9.7	261.7	492.8
Changes in the scope of consolidation				-0.1	-0.1
Depreciation		2.3		31.6	33.9
Disposals			-9.7	-0.7	-10.4
Reclassification to assets held for sale				-3.7	-3.7
Currency translations	-0.0	1.0		0.9	1.9
Accumulated depreciation and impairments as of 31.12.2024	93.6	131.0	0.0	289.8	514.4
Net values as of 31.12.2024	1,107.3	36.4	58.0	97.8	1,299.4

Goodwill and brands are allocated to the following cash-generating units on the balance sheet date:

CHF millions	31.12.2025		31.12.2024	
	Goodwill	Brands	Goodwill	Brands
Energy Solutions	174.8	0.0	155.5	0.0
Infrastructure & Buildings	967.8	58.0	951.7	58.0
Total	1,142.7	58.0	1,107.3	58.0

Recognized goodwill was tested for impairment by comparing the carrying amount with the realizable value of the cash-generating units. The recoverable amount corresponds to the value in use. The calculations were made based on estimated cash flows from business projections over

a period of four years. Cash flows beyond this period were extrapolated using an estimated growth rate. The impairment test of the goodwill recognized in the balance sheet did not reveal any need for impairment in either the reporting year or the previous year.

The value in use is measured based on the following material assumptions:

%	WACC (before tax)		WACC (after tax)		Long-term growth rate
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	
Energy Solutions	5.1	5.6	4.7	5.1	1.0
Infrastructure & Buildings	7.1	7.3	6.5	6.7	1.0

The sensitivity analysis for 2025 as well as the previous year showed that a reasonably possible

change in the assumptions would not lead to an impairment.

23 Trade Payables and Other Liabilities

CHF millions	31.12.2025	31.12.2024
Trade accounts payable	357.2	468.7
Other financial liabilities	124.8	134.4
Other liabilities	95.3	77.9
Pension plans	15.2	11.5
Total	592.5	692.4

Other financial liabilities comprise non-interest-bearing obligations that result in a future cash

outflow. This includes the purchase price liabilities from acquisitions.

24 Financial Liabilities

Financial liabilities comprise interest-bearing financial obligations, namely bonds, loans, and leasing liabilities. Bonds and loans are measured

at amortized cost using the effective interest method. Lease liabilities are recognized in accordance with IFRS 16.

CHF millions	31.12.2025	31.12.2024
Bonds	1,197.9	1,197.3
Registered bonds	239.6	241.2
Lease liabilities	243.7	224.9
Bank liabilities	144.3	172.0
Other financial liabilities	66.1	69.4
Total	1,891.5	1,904.8
of which:		
– Current financial liabilities	289.4	298.9
– Non-current financial liabilities	1,602.1	1,605.9

The item "Other financial liabilities" comprises interest-bearing loans.

CHF millions	31.12.2024	Financing cash inflows	Financing cash out-flows	Currency translations	Changes in fair values	Other	31.12.2025
Current financial liabilities	298.9	8.1	-292.8	-0.5	0.0	275.8	289.5
– Bonds	199.9		-200.0			200.2	200.1
– Lease liabilities	49.1		-52.7	-0.2		50.7	46.9
– Bank liabilities	25.8	4.5	-12.5	-0.1		8.6	26.3
– Other financial liabilities	24.1	3.6	-27.6	-0.2		16.3	16.2
Non-current financial liabilities	1,605.9	214.2	-27.8	-4.7	0.5	-186.0	1,602.1
– Bonds	997.4	200.2	-0.5		0.5	-199.8	997.8
– Registered bonds	241.2			-2.5		0.9	239.6
– Lease liabilities	175.8			-1.1		22.1	196.8
– Bank liabilities	146.2	5.5	-24.7	-1.0		-8.0	118.0
– Other financial liabilities	45.3	8.5	-2.6	-0.1		-1.2	49.9
Other non-current liabilities	340.5	20.1	-4.8	-0.1		-24.2	331.5
Total liabilities from financing activities	2,245.3	242.4	-325.4	-5.3	0.5	65.6	2,223.1

Due to changes in the scope of consolidation, liabilities from financing activities increased by CHF 4.9 million in the reporting year (previous year: CHF 51.2 million). The "Other" category includes in particular reclassifications between non-current and current liabilities. The net effect of CHF 65.6 million is mainly due to additions and

accruals to lease liabilities, the reversal of liabilities from the assignment of right-of-use assets through profit or loss, as well as the reclassification of contingent purchase price liabilities between other non-current liabilities and other current liabilities whose cash flows are not reported in financing activities.

CHF millions	31.12.2023	Financing cash inflows	Financing cash out-flows	Currency translations	Changes in fair values	Other	31.12.2024
Current financial liabilities	317.1	11.3	-291.5	0.9	0.0	261.1	298.9
– Bonds	199.9		-200.5			200.5	199.9
– Lease liabilities	51.8	0.3	-53.6	0.4		50.2	49.1
– Bank liabilities	17.7	1.0	-4.7	0.2		11.6	25.8
– Other financial liabilities	47.7	10.0	-32.7	0.3		-1.2	24.1
Non-current financial liabilities	1,561.4	223.9	-31.2	7.0	3.9	-159.1	1,605.9
– Bonds	991.1	202.3		0.0	3.9	-199.9	997.4
– Registered bonds	236.3			3.9		1.0	241.2
– Lease liabilities	157.3			1.3		17.2	175.8
– Bank liabilities	152.3	6.6	-14.5	1.9		-0.1	146.2
– Other financial liabilities	24.4	15.0	-16.7	-0.1		22.7	45.3
Other non-current liabilities	371.6	18.2	-27.5	0.9		-22.7	340.5
Total liabilities from financing activities	2,261.9	253.4	-350.2	9.1	3.9	82.0	2,245.3

25 Provisions, Contingent Liabilities, and Capital Expenditure Commitments

Accounting principles

Provisions are recognized when a past event gives rise to a legal or constructive obligation that is likely to result in an outflow of resources, the timing and amount of which are uncertain but can be reliably estimated.

BKW has non-controlling interests in power generation companies where it has an obligation to purchase the energy produced at production cost. Provisions are recognized for energy purchasing obligations at production costs that exceed the expected selling prices that can be realized in the future (onerous contracts). The calculations are made using the discounted cash flow (DCF) method.

Interest on provisions calculated at present value is charged through financial expenses.

Contingent liabilities and assets

Contingent liabilities and assets are any obligations and rights that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of BKW. Contingent liabilities are not recognized as long as the recognition criteria for a provision are not met. Contingent assets are not recognized until the recognition criteria for an asset are met.

Significant accounting judgments, estimation uncertainties, and assumptions

Obligations for legal disputes include management's estimate of the outcome based on the facts known on the balance sheet date.

In accordance with IFRIC 1, provisions must be recognized for power plants for which there is a restoration obligation (e.g., wind power plants, nuclear power plants, hydropower plants), i.e., an obligation to dismantle and dispose of the power plants at the end of the license or useful life (restoration of the site). The amount of the provisions is largely determined by the estimate of the future costs for dismantling and restoration, as well as the timing. The dismantling costs are measured at the present value of the total future costs and capitalized as part of the acquisition cost of the assets and depreciated over the useful life of the assets.

Provisions for onerous contracts, particularly in energy trading, include assumptions and estimates, forecasts of future electricity and gas prices, investments, the regulatory environment, growth rates, discount rates, and forecasts for the pro-rata annual expenses for energy procurement costs as of the balance sheet date.

Provisions are recognized at present value (DCF method) and discounted using the segment-specific WACC rates. BKW considers the value of associated companies with cost-covering purchase agreements to be recoverable. Any impairments are recognized as provisions for onerous contracts at the acquiring company.

The provisions recognized correspond to the best possible estimate of the obligation on the balance sheet date. Changes in assumptions may lead to significant adjustments in subsequent periods.

25.1 Provisions

CHF millions	Nuclear waste disposal	Onerous contracts	Other provisions	Total
As of 31.12.2024	1,070.7	190.0	72.3	1,332.9
Changes in the scope of consolidation			0.1	0.1
Provisions added		114.9	7.3	122.2
Interest	28.8	4.4	1.1	34.3
Provisions used	-102.7	-20.8	-3.7	-127.2
Provisions released		-12.0	-6.3	-18.2
Currency translations			-0.5	-0.5
As of 31.12.2025	996.8	276.5	70.2	1,343.5
of which:				
– Current provisions	91.4	31.7	6.3	129.4
– Non-current provisions	905.3	244.9	63.9	1,214.1

CHF millions	Nuclear waste disposal	Onerous contracts	Other provisions	Total
As of 31.12.2023	1,141.6	204.8	87.0	1,433.4
Changes in the scope of consolidation			7.0	7.0
Provisions added		13.3	9.0	22.4
Interest	30.9	4.6	0.7	36.2
Provisions used	-103.9	-28.0	-24.9	-156.8
Provisions released		-4.8	-7.1	-11.9
Change in estimate for nuclear disposal	2.1			2.1
Currency translations			0.5	0.5
As of 31.12.2024	1,070.7	190.0	72.3	1,332.9
of which:				
– Current provisions	96.4	9.2	9.2	114.8
– Non-current provisions	974.3	180.8	63.1	1,218.1

Nuclear waste disposal

As of December 31, 2025, the provision for nuclear waste disposal was comprised as follows:

- CHF 289.7 million (previous year: CHF 369.6 million) is earmarked for the decommissioning of the Mühleberg nuclear power plant. This covers the costs of the post-operational phase after shutdown, dismantling, disposing of the plant, and restoration of the surrounding area. Payments are anticipated to continue until the conclusion of the decommissioning activities, anticipated in 2034. Costs for the disposal of decommissioning waste will be incurred until the waste is placed in the repository for low-to-intermediate-level waste (scheduled for 2061).
- Provisions for decommissioning and post-operational activities amounting to CHF 89.4 million were utilized in the reporting year (previous year: CHF 89.5 million)
- An additional CHF 707.0 million (previous year: CHF 701.1 million) is earmarked for the disposal of spent fuel elements and radioactive waste outside the power plant site. These payments will continue until the final repository for high-level waste is closed, probably in 2126. Provisions for waste disposal amounting to CHF 13.4 million were utilized in the reporting year (previous year: CHF 14.4 million).

Mühleberg Nuclear Power Plant (KKM)

As the owner of the Mühleberg Nuclear Plant, BKW is required by law to decommission the plant after the operating phase ended on December 20, 2019, and to dispose of the nuclear waste. Measurement of the provision for decommissioning and nuclear waste disposal is material for assessing BKW's balance sheet and income statement. Detailed costs for decommissioning nuclear power plants and nuclear waste disposal are jointly calculated by the industry and updated every five years (most recently in 2021) in accordance with the Ordinance on the Decommissioning and Waste Disposal Funds for Nuclear Installations (SEFV). These cost calculations are reviewed by independent cost specialists and the Swiss Federal Nuclear Safety Inspectorate (ENSI). The 2021 Cost Study (KS21) estimates the overall costs (referred to as overnight costs) in the baseline variant for the Mühleberg Nuclear Plant to be CHF 3.0 billion. BKW considers it most likely that the "combination repository" (cost-reducing) scenario envisaged in KS21 will be implemented. In addition, BKW takes plant-specific costs (cost-increasing) into account. BKW thus assumes overnight costs of CHF 3.0 billion for the calculation of provisions for nuclear waste disposal. The difference between BKW's estimated overnight costs and the provisions of CHF 1.0 billion recognized as of December 31, 2025, is due to costs of around CHF 1.6 billion that had already been paid by the end of 2025 and the discounting effect of CHF 0.4 billion.

Based on the 2021 cost study, BKW last made payments to the federal decommissioning and waste disposal funds (STENFO) in 2021. The funds reimburse operators for the costs of decommissioning and disposal after the plants have been taken out of service. In its ruling of January 21, 2025, the Federal Supreme Court partially dismissed an appeal by BKW against the decision of STENFO for determining decommissioning and disposal costs for the period 2017–2021. As a result of the legal validity of the order, a subsequent payment of CHF 26.0 million to the disposal fund that did not affect income was made in the reporting year. In the reporting year, BKW also received refunds from STENFO in the amount of CHF 94.0 million (previous year: CHF 93.9 million). The shares in the state funds are reported under Financial Assets (see Note 19).

Work in connection with decommissioning is expected to last until 2034. Costs for operations related to the repository and monitoring of stored nuclear materials are expected to be incurred until 2126.

The SEFV, which was revised in 2019, defines the parameters that are decisive for the determination of contributions. The inflation rate was set at 0.5% and the return on investment at 2.1%.

No macroeconomic studies are available for the period up to 2126 to provide parameters for calculation of long-term provisions. For this reason, BKW applies parameters that have been agreed upon with other nuclear power plant operators for the purposes of decommissioning and waste disposal. A rate of 1% is applied to long-term inflation, based on the Swiss National Bank's target range of 0%–2%. Based on historical real yields on long-term government bonds, an expected real interest rate of 1.75% has been estimated, leading to a nominal discount rate of 2.75% (previous year: 2.75%). Due to the short-term time horizon (until 2027) for the reporting year and the previous year, an inflation rate of 0.7% and an expected real interest rate of 0.014% are applied to the plant-specific provisions. This results in a nominal discount rate of 0.7%.

Changes to cost calculations and the statutory requirements for nuclear waste disposal may have a material effect on the Group's financial position and cash flows. The inflation and discount rate parameters are also particularly relevant when determining the amount of provisions to be made for decommissioning (expected costs until 2034) and nuclear waste disposal (expected costs until 2126). In the event of an increase or decrease in the assumptions shown below, provisions as of December 31, 2025, would change as follows (+ increase in provisions/– decrease in provisions):

CHF millions	Inflation + 0.5%	Inflation – 0.5%	Discount rate + 0.5%	Discount rate – 0.5%
Decommissioning	18.7	–17.6	–7.9	8.5
Waste disposal	129.5	–104.6	–86.6	106.6
Total	148.2	–122.2	–94.5	115.1

Onerous contracts

Provisions for onerous contracts relate mainly to long-term energy procurement contracts where the expected unavoidable fulfillment costs exceed the future realizable economic benefits. These provisions serve to cover future energy purchases from partner plants at production costs that are expected to exceed the achievable selling prices. As of the balance sheet date, of the total amount of provisions recognized in the balance sheet, CHF 268.8 million (previous year: CHF 178.8 million) relate to the onerous energy procurement contract from the Wilhelmshaven coal-fired power plant in Germany.

The cash outflow from provisions results from BKW's obligation to take the electricity produced at production cost and extends over a period of 10 years. Provisions for onerous contracts also include provisions for impending losses on customer contracts. The cash outflow from these provisions is mainly expected in the next two years.

Provision for the onerous energy procurement contract for the Wilhelmshaven coal-fired power plant

BKW has a 33% equity interest in the Wilhelmshaven coal-fired power plant. The partners are contractually obliged to take the energy produced in proportion to their share.

In January 2020, the German government enacted the Coal Phase-Out Act, which set a timetable for phasing out coal by 2038 and has a significant impact on the future economic use of the power plant. Due to the higher estimated production costs compared to the expected electricity market

prices, a provision for the obligation to purchase energy had to be recognized in the past. Updated assumptions confirm that the power plant's electricity production will continue to decline in the coming years due to the accelerated phase-out of coal. At the same time, declining price volatility on the energy markets is leading to lower expected revenues from power plant operations. Against this backdrop, the provision for the onerous energy procurement contract was increased by CHF 113.7 million to CHF 268.8 million. As of December 31, the amount reported corresponds to the proportionate book value of the investment in the Wilhelmshaven coal-fired power plant, whereby future changes in the underlying assumptions may necessitate both an increase and a reduction in the provision.

The estimations of future energy prices, production costs or business developments are subject to significant uncertainties. Deviations in actual market or operating developments from the underlying assumptions may lead to adjustments to the amount of the provision in future periods.

Other provisions

Other provisions include warranty obligations, personnel-related obligations, payments arising from legal disputes that are considered likely as well as various smaller items. The outflow of resources from these provisions is mainly expected over the next three years. In addition, provisions are made for the dismantling and demolition of power plant facilities and for restoration of the surrounding area. These costs are incurred at the end of the useful life of the respective power plants. The cash outflow is expected within the next 20 to 25 years.

25.2 Contingent liabilities and capital expenditure commitments

CHF millions	31.12.2025	31.12.2024
Guarantees		
– in favor of associates	6.6	6.7
– in favor of third parties	33.2	41.2
Investment obligations	216.1	0.0
Total	255.9	47.9

Contingent liabilities

Of the guarantees provided, CHF 3.7 million (previous year: CHF 9.9 million) have a term of up to twelve months. Guarantees in the amount of CHF 13.9 million (previous year: CHF 14.6 million) are open ended.

Nuclear power plant operators are under a limited obligation to make supplementary contributions to the decommissioning and waste disposal funds in the event that an individual primary contributor is unable to pay. As of the balance sheet date, there were no indications that BKW would have to make additional contributions.

Due to existing partner contracts, shareholders in partner plants are obligated to pay the annual costs attributable to their shares (including interest and repayment of borrowed capital).

Investment commitment for Waltrup large-scale battery park

On June 23, 2025, BKW signed a consortium agreement covering the development, construction, and operation of a large-scale battery storage facility with an output of 300 MW and a storage capacity of 600 MWh at the large-scale battery park in Waltrup, Germany. At the same time, BKW and two other partners acquired an equity interest in Trianel Batteriepark Waltrup GmbH & Co. KG, a special purpose entity headquartered in Aachen, Germany, which creates the framework for the entire large-scale battery park (see Note 20). BKW's investment obligations for the project amount to

CHF 216.1 million, with construction scheduled to start in 2026 and commissioning in 2028.

EICom proceedings

The tariffs which BKW is permitted to charge its customers for grid usage and energy are partly reviewed by the Federal Electricity Commission (EICom). Currently several proceedings in connection with the determination of the eligible capital and operating costs for electricity supplied as part of the base service are pending. They apply to the tariff years since 2013 and essentially cover the following topics: The concrete implementation of the average price method developed by EICom against the backdrop of BKW's long position due to its own production portfolio, the WACC applicable to the interest on the capital employed by BKW and the coverage differences, the application of uniform energy costs for all distribution grid operators within the BKW Group and the continuation of coverage differences that are older than three years. The main proceedings are currently pending before the Federal Administrative Court while other proceedings are pending or suspended at EICom. Depending on the outcome of the proceedings, BKW may be required to adjust the cost accounts for the years under review and to take account of any corresponding differences in the coverage differences, which would then have to be reduced over the following three years. It is therefore possible that final decisions will have an impact on the future net asset, financial, and earnings position.

26 Pension Plans

Accounting principles

BKW maintains defined benefit and defined contribution pension plans.

The latter are generally state pension plans for which there are no further obligations beyond the contributions made.

BKW has additional obligations for defined benefit plans. As a rule, the assets cover the pension obligations in independent pension funds. The contributions are made by both BKW and employees. Each fund determines its net pension obligation and net pension assets individually, resulting from the difference between the pension obligation and plan assets. The pension obligation is generally calculated annually on the basis of valuations carried out by independent actuaries using the projected unit credit method. The pension expense consists of the current service cost, past service cost, and interest income. The effects from the actuarial valuation are recognized in other comprehensive income.

Significant accounting judgments, estimation uncertainties, and assumptions

The recognition of defined benefit obligations is based on numerous assumptions, such as future salary and pension developments, employee turnover rates, life expectancy, and an appropriate discount rate. The actuarial assumptions used in the calculation and a corresponding sensitivity analysis are disclosed in Note 26.8.

The assumptions have a material impact on the amounts recognized in the consolidated financial statements.

Pension funds in Switzerland are regulated by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). It stipulates that pension funds are to be managed by independent, legally autonomous bodies. Employees and their surviving dependents are insured against the economic consequences of old age, disability, and death within the framework of the pension plans. All actuarial risks are borne by the pension fund. Pension plans are financed by contributions and returns on assets. The affiliated companies and insured persons pay contributions to the pension fund as a percentage of

the insured salary of the insured persons. The Board of Trustees is responsible for investment of the pension assets.

BKW employees in Switzerland are insured with the BKW Pension Fund and other autonomous pension funds whose pension plans qualify as defined benefit plans in accordance with IAS 19. Some employees abroad are also insured under defined benefit plans in accordance with IAS 19. Expert opinions are prepared annually by independent pension experts in accordance with IAS 19 based on the projected unit credit method.

BKW Pension Fund

Most of the employees of the BKW Group working in Switzerland are insured with the Pension Fund of the Bernische Kraftwerke (BKW Pension Fund). The pension fund is set up as a foundation under private law whose pension plan corresponds to a defined contribution plan in accordance with Swiss law. The governing body of the foundation is the Board of Trustees, which is composed of an equal number of employee and employer representatives. The benefits payable by the pension fund are set out in pension fund regulations. These are determined by the Board of Trustees. The Board of Trustees delegates the management of the Foundation's business to a management team. The Foundation is subject to the supervisory authority of the canton concerned.

The pension assets are invested in a broadly diversified manner in Switzerland and abroad within the framework of the legal provisions and the guidelines issued by the Board of Trustees. The assets are invested so as to ensure the security of and appropriate return on the investments, a balanced distribution of risks, and cov-

erage of foreseeable cash requirements. The occupational pension plan auditor prepares the annual actuarial balance sheet and reviews the financial and actuarial situation of the pension fund. The unaudited actuarial funding ratio of the BKW Pension Fund in accordance with the BVG as of December 31, 2025, is 119.1% (previous year: 116.1%) based on a technical discount rate of 1.50% (previous year: 1.50%).

In the event of a shortfall in cover under the BVG, suitable restructuring measures (e.g., increasing the ordinary contributions or levying restructuring contributions) must be taken by the Board of Trustees in consultation with the pension actuary. The contribution made by the employer must be at least equivalent to the total contributions paid by the employees.

As of December 31, 2025, the BKW Pension fund reported a surplus pursuant to IAS 19. The asset ceiling in accordance with IAS 19 no longer applies as of the 2025 balance sheet date same as of the end of 2024.

26.1 Pension plan items recognized in the balance sheet

CHF millions	31.12.2025	31.12.2024
Present value of defined benefit obligations	-2,353.0	-2,358.9
Fair value of plan assets	2,563.7	2,496.6
Net pension assets recognized in the balance sheet	210.7	137.8
of which amount disclosed as credit	260.9	203.2
of which amount disclosed as liability	-50.2	-65.5

26.2 Pension plan costs according to IAS 19

CHF millions	2025	2024
Current service cost (employer)	64.2	59.3
Past service cost (employer)	1.3	1.4
Interest expenses on defined benefit obligation	23.0	29.8
Interest income from plan assets	-24.9	-31.8
Administration costs excluding costs for management of plan assets	1.1	0.9
Interest on effect of asset ceiling	0.0	1.6
Pension plan expenses	64.8	61.2

26.3 Remeasurement of pension liabilities

CHF millions	2025	2024
Actuarial gains/losses		
– Change in financial assumptions	–52.7	101.2
– Change in demographic assumptions	0.0	–29.4
– Adjustments based on experience	28.7	16.6
Return on plan assets (excluding interest based on discount rate)	–52.4	–113.9
Change in effect of asset ceiling excluding interest expense (+) / income (-)	0.0	–109.0
Total revaluation reported in other comprehensive income	–76.4	–134.5

26.4 Change in the present value of pension liability

CHF millions	2025	2024
Present value of defined benefit obligation as of 01.01.	2,358.9	2,229.7
Interest expenses on defined benefit obligation	23.0	29.8
Current service cost (employer)	64.2	59.3
Contributions paid/benefits paid out	–101.6	–98.1
Employee contributions	46.1	45.5
Past service cost (employer)	1.3	1.4
Business combination	0.0	1.8
Settlement	–15.9	0.0
Administration costs (excluding asset management costs)	1.1	0.9
Actuarial gains/losses	–24.0	88.4
Present value of defined benefit obligations as of 31.12.	2,353.0	2,358.9

As of the balance sheet date, the share of the pension liability for active members was CHF 1,477.8 million (previous year: CHF 1,458.6 million). The share of the pension liability for pensioners amounted to CHF 875.2 million on the balance sheet date (previous year: CHF 900.3 million).

In the course of a change of foundation of a subsidiary of BKW, the existing pension obligations remained with the previous pension fund. The departure of the pensioners represents a settlement within the meaning of IAS 19. As pension obligations and allocated plan assets were derecognized in equal amounts, there was no settlement effect recognized in profit or loss.

26.5 Development of fair value of plan assets

CHF millions	2025	2024
Fair value of plan assets as of 01.01.	2,496.6	2,343.6
Interest income from plan assets	24.9	31.8
Employer contributions	60.6	57.6
Employee contributions	46.1	45.5
Contributions paid/benefits paid out	–101.0	–97.5
Business combination	0.0	1.6
Settlement	–15.9	0.0
Return on plan assets (excluding interest based on discount rate)	52.4	113.9
Fair value of plan assets as of 31.12.	2,563.7	2,496.6

26.6 Development of the effects of the asset ceiling

CHF millions	2,025	2,024
Adjustment to asset ceiling as of 01.01.	0.0	-107.4
Change in effect of asset ceiling excl. interest expense/income	0.0	109.0
Interest on effect of asset ceiling	0.0	-1.6
Adjustment to asset ceiling as of 31.12.	0.0	0.0

26.7 Investment structure of plan assets

CHF millions	31.12.2025	%	31.12.2024	%
Cash and cash equivalents	60.3	2.4	65.8	2.6
Equity instruments	908.5	35.4	833.4	33.4
Debt instruments	791.2	30.9	797.3	31.9
Other instruments	252.8	9.9	269.1	10.8
Properties	550.9	21.5	531.0	21.3
Total plan assets	2,563.7	100.0	2,496.6	100.0
– thereof own transferrable financial instruments	0.0		7.1	
– thereof properties used by BKW	21.0		17.8	

The equity instruments include investments in shares and are generally quoted in an active market at their market price. In Switzerland and abroad, equity investments are made through direct investments (using external asset managers) as well as investment foundations and funds.

The debt instruments consist of bonds, mortgage loans, and Pfandbriefe (mortgage bonds). The bonds and mortgage bonds are quoted in an

active market at their market price, whereas the mortgage loans do not have a market price quotation in an active market.

The other instruments are mainly quoted in an active market at their market price.

The effective return on the plan assets in the reporting year was 3.1% (previous year: 6.2%).

26.8 Actuarial assumptions

	Switzerland 2025	Germany 2025	Switzerland 2024	Germany 2024
Discount rate	1.20%	4.20%	1.10%	3.43%
Expected rate of future salary increases	1.00%	3.00%	1.00%	3.00%
Expected rate of future pension increases	0.00%	2.00%	0.00%	2.00%
Mortality table	BVG 2020 GT	Heubeck 2018 G	BVG 2020 GT	Heubeck 2018 G

The weighted average duration of the employee benefit obligation was 10.9 years (previous year: 10.9 years).

Sensitivity of the key actuarial assumptions

The discount rate, wage development, pension development, and life expectancy are considered to be key actuarial assumptions. These assumptions are therefore subjected to a sensitivity analysis. The pension obligation will change as follows if the assumptions are increased or decreased as shown below:

31.12.2025 CHF millions	Defined benefit obligation	
	Increase	Decrease
Discount rate (0.25% change)	-68.1	71.4
Salary increase (0.25% change)	5.6	-6.7
Changes in pensions (+0.25% change)	53.7	-
Life expectancy (1 year change)	63.3	-65.6

31.12.2024 CHF millions	Defined benefit obligation	
	Increase	Decrease
Discount rate (0.25% change)	-68.6	72.4
Salary increase (0.25% change)	5.8	-6.4
Changes in pensions (+0.25% change)	55.3	-
Life expectancy (1 year change)	65.3	-66.9

The sensitivity analysis was conducted based on a method that extrapolates the impact on the pension obligation as a result of changes in the above assumptions at the end of the reporting period.

26.9 Estimate of contributions for the subsequent period

CHF millions	2025	2024
Expected employer contributions	61.1	59.8
Expected employee contributions	46.5	45.8

27 Other Liabilities

CHF millions	31.12.2025	31.12.2024
Assigned rights of use	323.5	327.2
Other financial liabilities	7.8	8.3
Other liabilities	0.2	5.0
Total	331.5	340.5

The assigned right-of-use assets recognized under other non-current liabilities are contributions paid by third parties for transit rights to transmission facilities, plant usage rights, and grid-cost contributions (connection contributions). They are recognized at the nominal amount of the cash inflow received, less

reversals recognized in profit or loss. The liability is amortized on a straight-line basis over the useful life of the asset up to a maximum of the contractual term of the assigned right.

28 Share Capital and Reserves

28.1 Share capital

BKW AG's issued and fully paid-in share capital amounts to CHF 132.0 million and consists of 52,800,000 registered shares at a nominal amount of CHF 2.50 per share.

Major shareholders

As of December 31, to the best of BKW's knowledge, the following shareholders held more than 3% of the shares:

	31.12.2025	31.12.2024
Canton of Bern	52.54%	52.54%
Groupe E Ltd.	10.00%	10.00%
BlackRock Inc.	> 3%	> 3%

Transactions with treasury shares

	Number	Carrying amount CHF millions	Cash-relevant proportion CHF millions
31.12.2023	18,679	2.8	12.0
Purchases	274,562	41.0	41.0
Sales	-254,237	-37.9	-28.2
31.12.2024	39,004	5.9	12.7
Purchases	120,000	20.1	20.1
Sales	-129,457	-21.1	-14.3
31.12.2025	29,547	4.9	5.8

28.2 Reserves

Capital reserves include the reserves paid in by shareholders.

Retained earnings

Retained earnings consist of legal and statutory reserves (excluding capital reserves), undistributed profits from previous years, and gains and losses on the sale of treasury shares.

On April 29, 2025, the General Meeting of BKW AG approved a dividend distribution of CHF 3.70 per share for the 2024 fiscal year (previous year: CHF 3.40 per share). The dividend for the 2024 fiscal year was withdrawn from retained earnings and paid out on May 6, 2025.

Dividend

The change in retained earnings includes the dividend distribution. A dividend to be distributed is not recognized until it has been approved by the General Meeting. Such a dividend is therefore recognized as an appropriation of profit in the following reporting year.

A dividend of CHF 3.80 per share will be proposed to the General Meeting for the current reporting year. Further information on the proposed appropriation of profit can be found in BKW AG's annual financial statements.

Other reserves

The remaining reserves attributable to BKW shareholders are comprised of the following:

CHF millions	Currency translations	Valuation reserve of financial assets measured at fair value	Cash Flow Hedging	Actuarial gains/losses	Total
As of 31.12.2023	-509.9	-0.0	-71.6	351.0	-230.4
Currency translations					
– Currency translations	14.8				14.8
– Reclassification to the income statement	1.2				1.2
Financial assets at fair value through other comprehensive income					
– Valuation adjustments		-0.7			-0.7
Hedging transactions (Group companies)					
– Valuation adjustments			3.4		3.4
– Reclassification to the income statement			34.8		34.8
Hedging transactions (associates)					
– Valuation adjustments			-0.8		-0.8
– Reclassification to the income statement			-0.2		-0.2
Actuarial gains/losses					
– of Group companies				134.5	134.5
– of associates				1.3	1.3
Income taxes	0.8	0.1	-8.0	-26.9	-33.9
As of 31.12.2024	-493.0	-0.6	-42.4	460.0	-76.0
Currency translations					
– Currency translations	-13.9				-13.9
Hedging transactions (Group companies)					
– Valuation adjustments			-11.3		-11.3
– Reclassification to the income statement			54.9		54.9
Hedging transactions (associates)					
– Valuation adjustments			0.5		0.5
Actuarial gains/losses					
– of Group companies				76.4	76.4
– of associates				12.1	12.1
Income taxes	-0.3		-8.8	-16.9	-26.0
As of 31.12.2025	-507.2	-0.6	-7.1	531.6	16.6

Currency translation

The currency translation reserve contains the currency differences from the translation of financial statements in foreign currencies of foreign Group companies and associates.

It also includes the unrealized changes in the value of financial instruments used to hedge net investments in a foreign operation (net investment hedge) in the amount of the effective portion of the hedge, as well as the realized gains and losses from closed hedges, provided that the underlying hedged item was not yet recognized in profit or loss.

Valuation reserve for financial assets measured at fair value through other comprehensive income

Changes in the value of financial assets measured at fair value through other comprehensive income are recognized in this valuation reserve until they are realized. On the disposal date of these financial assets, the valuation reserve is reclassified to retained earnings.

Cash flow hedging

The hedging reserve comprises the unrealized changes in the value of financial instruments used to hedge cash flows (cash flow hedges).

Actuarial gains/losses

The reserve for actuarial gains and losses includes the effect of periodic actuarial recalculations of pension plan assets/liabilities.

28.3 Accounting principle for hybrid capital

Accounting principles

Hybrid capital is a mixed form of debt capital and equity capital. Equity exists if BKW has no contractual obligation to settle an outstanding amount with cash or cash equivalents or if BKW has the exclusive right to decide on a payment. Otherwise, there is debt capital.

BKW sold a 49% stake in BKW Renewables Partners AG to third-party investors in the 2023 fiscal year. As part of the transaction, a loan was granted to the company by the third-party investors at the beginning of the fiscal year 2023. BKW Renewables Partners AG has sole decision-making authority as to whether and how

interest and any repayments will be made. Consequently, the financial instrument is classified as an equity instrument in accordance with IAS 32, and interest payments, as well as distributions and repayments, are presented as equity transactions in the consolidated statement of changes in equity.

28.4 Capital management

BKW aims to increase and secure the value of the company on a sustainable basis. BKW's capital management aim is to ensure the Group's long-term capital market and financing capability by maintaining a balance sheet structure compatible with the respective target rating and control the potential impact of changes in the value of the overall financial and risk portfolio within narrow limits. BKW aims to maintain a consistent dividend payout based on a payout ratio of 35% to 50% of operating net profit. BKW's financial resources primarily serve the core business and

secure the entrepreneurial scope of action in accordance with the requirements of the Group strategy. There were no significant changes in capital management during the 2025 fiscal year.

29 Hedge Accounting

Accounting principles

BKW hedges financial risks on a case-by-case basis and determines whether the conditions for hedge accounting are met. In order for hedge accounting to be applied, various conditions must be met with regard to documentation, probability of occurrence, and effectiveness.

BKW distinguishes between the following types of hedge accounting:

- Fair value hedge: The hedged item and hedging instrument are measured at fair value as part of the hedge and recognized in the income statement.
- Cash flow hedge: The hedging instrument is measured at fair value and recognized in other comprehensive income as part of the hedge.
- Net investment hedge: The hedging instrument is recognized at fair value and, like the translation difference of the foreign subsidiary, is recognized in other comprehensive income.

Financial instruments may be used to hedge fluctuations in the fair value of a recognized asset or liability (fair value hedge), to hedge cash flows (cash flow hedge), and to hedge net investments in a foreign operation (net investment hedge). This is done in accordance with existing hedging and credit risk policy guidelines.

Realized and unrealized changes in the value of financial instruments that economically serve to hedge exchange rate and interest rate risks from current business activities in accordance with Group guidelines, but that do not qualify as hedging transactions, are recognized through profit or loss in the financial result.

29.1 Energy price risk

The risks from energy price fluctuations of BKW's electricity generation position are hedged. Some fixed-price contracts accounted for as energy derivatives and settled gross have been designated as hedging instruments in cash flow hedges since the 2021 fiscal year in accordance with BKW's risk management policy. The hedged item is the highly probable future energy sale. The economic relationship between the underlying and hedging trans-

action is based on the fact that the key parameters of the underlying and hedging transaction, such as maturity, contract value, and currency, are identical. A hedging ratio of 1:1 is applied. This hedging relationship resulted in ineffectiveness in the reporting year of CHF 4.0 million (previous year: CHF 6.7 million expenses), which was recognized as income.

The following table shows the effects of energy hedges on financial positions:

CHF millions	31.12.2025	31.12.2024
Hedged item		
Nominal amount, net	-53.8	94.2
Change in value used for calculating hedge effectiveness	18.4	-4.4
Hedging instrument		
Contract volume, net	53.8	-94.2
Carrying amount asset ¹	104.7	139.5
Carrying amount liability ¹	-122.0	-198.6
	Derivatives / Cash and Cash Equiva- lents	Derivatives / Cash and Cash Equiva- lents
Line item in the balance sheet		
Change in fair value for calculating hedge effectiveness	-9.0	-1.8
Change in the value of the hedging instrument recognized in equity	-13.0	4.9
Line item in profit or loss affected by the reclassification of the hedge ineffectiveness	Net sales	Net sales
Amount reclassified from the hedge reserve to profit or loss due to the realization of the hedged item	55.0	34.8
Line item in profit or loss affected by the reclassification of the hedge reserve	Net sales	Net sales
Balance remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied	9.6	52.8

1 Includes the impact of accrued changes in the value of open futures on cash and cash equivalents as of the balance sheet date, see Note 32.2.

The following table shows the date of the contract value of the hedging instrument and the average price of the hedging instrument:

	Maturity		
	2026	2027	2028
Commodity contracts – purchases			
Contract volume in CHF million	386.9	339.2	93.3
Average price in CHF			
– Power	88.0	70.2	68.8
Commodity contracts – sales			
Contract volume in CHF million	316.4	295.5	153.7
Average price in CHF			
– Power	89.4	64.1	65.7
	Maturity		
	2025	2026	2027
Commodity contracts – purchases			
Contract volume in CHF million	599.1	290.6	271.3
Average price in CHF			
– Power	107.0	90.4	69.7
Commodity contracts – sales			
Contract volume in CHF million	479.2	304.3	283.2
Average price in CHF			
– Power	102.8	90.0	64.3

29.2 Interest rate risk

Fair value hedge

There is an interest rate swap with a contract volume of CHF 100 million which serves to convert fixed interest rates into variable interest rates, or to hedge fluctuations in the fair values of 50% of the issued green bond (par value CHF 200 million, maturity July 29, 2027, interest

rate 0.25% p.a.). This hedging relationship, classified as highly effective, qualifies as a fair value hedge. The green bond shows a change in fair value of CHF +0.5 million for the reporting year (previous year: CHF +3.9 million). There was no ineffective portion from this hedging relationship in either the reporting year or the previous year.

29.3 Currency risk

Cash flow hedge

In 2025, new hedging transactions were concluded to hedge the net long position in EUR resulting from BKW's trading business. The initial hedge in the amount of EUR 312 million was already finalized at the end of 2024. The position was adjusted several times over the course of the year. The loss of CHF 2.2 million was realized at the end of 2025. USD hedging was carried out for the open net short position in USD at the end of 2024. The loss from the forward transactions of CHF 23 thousand was realized in mid-2025. New USD hedging transactions in the amount of USD 15 million were carried out in mid-2025 for the exposure 2026. The gain on open USD transactions amounting to CHF 204 thousand was recognized in other comprehensive income at the end of the year. New hedging transactions totaling EUR 80 million were concluded to hedge the net long position 2026 in EUR resulting from BKW's trading activities. The profit of CHF 62 thousand from open forward transactions was recognized in other comprehensive income at the end of 2025.

Net investment hedge

In 2012 and 2013, BKW placed three registered bonds with a total par value of EUR 275 million. In May 2022, EUR 10 million of the registered bonds were repurchased, reducing the par value to a total of EUR 265 million. The registered bonds were placed in Germany and hedge part of the net investments there. The registered bonds were designated as net investment hedges. Foreign currency gains or losses on the registered bonds are recognized in other comprehensive income and offset the gains or losses from the currency translation of the designated net investments to a corresponding extent. Neither in the reporting year nor in the previous year did this hedging relationship result in an ineffective portion that required recognition in the financial result.

30 Group Companies with Material Non-Controlling Interests

With BKW Netzbeteiligung AG and BKW Renewables Partners AG, both headquartered in Switzerland, BKW holds two Group companies with material non-controlling interests. BKW Netzbeteiligung AG holds the shares in Swissgrid AG. BKW Renew-

ables Partners AG has equity interests in various wind farms in France, Italy, and Norway.

Disclosed separately in the table below is the financial information of BKW Netzbeteiligung AG, taking into account the shares in Swissgrid AG and BKW Renewables Partners AG, as well as the Group companies controlled by it. The disclosures are before the elimination of intercompany transactions with other Group companies.

The presentation of disclosures on subsidiaries with material non-controlling interests was adjusted in the reporting year. The information is now presented at the level of subgroups instead of individual companies in order to present the economic significance of non-controlling interests within the Group structure more appropriately. The previous year's disclosures have been adjusted accordingly. The change had no impacts on the amounts recognized in the consolidated financial statements.

CHF millions	BKW Netzbeteiligung		BKW Renewables Partners	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Non-controlling interests in %	49.9%	49.9%	49%	49%
Carrying amount of non-controlling interests	270.5	256.7	92.6	94.5
Net income allocated to non-controlling interests	15.3	18.1	8.6	0.3
Dividends/distributions on non-controlling interests	9.2	5.3	7.1	7.5
Balance sheet				
Non-current assets	542.0	514.5	312.0	334.0
Current assets	0.1	0.1	30.2	81.6
Non-current liabilities	0.0	0.0	131.8	147.0
Current liabilities	0.1	0.1	21.3	75.7
Income statement				
Financial income	0.0	0.0	-2.4	-1.6
Net profit	30.7	36.3	17.6	0.7
Cash flow statement				
Cash flow from operating activities	-0.1	-0.0	37.8	43.0
Cash flow from investing activities	18.5	10.7	3.2	2.8
Cash flow from financing activities	-18.4	-10.7	-37.6	-47.2

31 Additional Disclosures on the Cash Flow Statement

Cash and cash equivalents include cash on hand, bank account balances, and cash invested with financial institutions for a maximum period of three months.

CHF millions	31.12.2025	31.12.2024
Bank and cash balances	824.7	792.0
Term deposits	30.0	75.3
Total cash equivalents as shown in the balance sheet	854.7	867.3
Bank balances and cash balances attributable to assets held for sale	0.0	4.9
Total cash and cash equivalents as per cash flow statement	854.7	872.2

The other adjustments to the operating cash flow for non-cash transactions are composed as follows:

CHF millions	2025	2024
Income from associates	-45.2	-47.2
Gains/losses from sale of non-current assets	-8.1	-3.6
Change in non-current provisions (excl. interest and excl. utilization of nuclear provisions)	104.9	1.9
Change in assigned rights of use	-23.6	-14.7
Change from the valuation of energy derivatives	194.4	-32.4
Other non-cash positions	1.1	8.1
Total adjustment for non-cash transactions	223.5	-87.7

The cash outflow for the acquisition of Group companies of CHF 59.0 million (previous year: CHF 32.9 million) comprises the following items:

- payments for business combinations (less acquired cash and cash equivalents) in the reporting year of CHF 40.8 million (previous year: CHF -7.1 million, see Note 5 for details) and
- payments made in 2025 in connection with deferred contingent purchase price payments of CHF 18.7 million (previous year: CHF 40.0 million), of which CHF 0.5 million is reported as additional payments from contingent purchase price payments in cash flows from operating activities.

Subtotal "Cash flow from operating activities before utilization of nuclear provisions"

To ensure better comparability and assist with interpretation of the effective operating cash flow, the "Cash flow from operating activities" item includes a sub-total of the cash flow before utilization of provisions for nuclear decommissioning and waste disposal.

This is because costs for nuclear decommissioning and waste disposal will continue to be incurred in connection with the decommissioning of the Mühleberg Nuclear Plant in the future. These costs represent the utilization of existing

provisions and are therefore charged to "Cash flow from operating activities" determined in accordance with IAS 7. However, nuclear decommissioning is not related to BKW's actual operating performance. Consequently, BKW does not consider the reported "Cash flow from operating activities" to be a suitable metric for assessing operating cash generation.

In addition, since 2024 onwards, the vast majority of the costs for nuclear decommissioning and disposal will be borne by STENFO. BKW is thus entitled to a refund of the costs incurred, although the costs incurred and the refund do not coincide chronologically. Both payments into and refunds from the decommissioning and waste disposal funds are classified in the cash flow statement as part of the "Cash flow from investing activities." This means there is a discrepancy in the presentation of these directly related cash flows. To adequately interpret cash flow, the corresponding individual items presented separately in the cash flow statement should be considered together.

32 Financial Instruments

32.1 Disclosures on financial assets and liabilities

Accounting principles

A financial instrument is a contract that results in a financial asset for one party and a financial liability or equity instrument for the other party.

Financial instruments are divided into three categories based on the business model under which the financial instrument is managed and the contractual cash flows, which describe the subsequent measurement of the financial instrument:

- measured at amortized cost
- measured at fair value through profit or loss
- measured at fair value through other comprehensive income

A financial asset or financial liability is recognized at the time the contract is concluded (e.g., purchase of shares, a trading derivative, a loan agreement, or a fixed-term deposit investment). Initial recognition is at fair value. The BKW Group applies the trade date accounting method.

Financial instruments are initially recognized at fair value which generally corresponds to the value underlying the transaction. Transaction costs are generally part of the acquisition costs, with the exception of financial instruments in the category "Measured at fair value through profit or loss." For this category, transaction costs must be recognized immediately in the income statement upon acquisition.

Financial assets or liabilities are recognized as current if they are due within 12 months of the balance sheet date. Otherwise, they are recognized as non-current.

Carrying amount by balance sheet item and allocation to individual categories in accordance with IFRS 9

Financial assets

CHF millions	Note	Financial assets at amortized cost		Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Total 2025	Total 2024
		2025	2024	2025	2024	2025	2024		
Cash and cash equivalents	31	854.7	867.3					854.7	867.3
Trade accounts receivable	15	837.7	824.3					837.7	824.3
Other current financial receivables	15	105.8	109.3					105.8	109.3
Current financial assets	19	103.3	14.3	0.4	49.7			103.7	64.0
Derivatives (current and non-current)	32.2			90.9	239.5	8.3	59.0	99.2	298.5
Financial accruals	18	166.1	143.0					166.1	143.0
Non-current financial assets	19	33.6	35.1			13.1	12.9	46.7	48.0
Total		2,101.2	1,993.3	91.3	289.2	21.4	71.9	2,213.8	2,354.4

Financial liabilities

CHF millions	Note	Financial liabilities at amortized cost		Financial liabilities at fair value through profit or loss		Financial liabilities at fair value through other comprehensive income		Lease liabilities		Total 2025	Total 2024
		2025	2024	2025	2024	2025	2024	2025	2024		
Trade accounts payable	23	357.2	468.6							357.2	468.6
Other current financial liabilities	23	113.2	118.8		0.9					113.2	119.7
Current conditional purchase price payments	32.3			11.6	14.7					11.6	14.7
Current financial liabilities	24	242.5	250.1					46.9	48.8	289.4	298.9
Derivatives (current and non-current)	32.2			82.8	125.9	7.0	21.3			89.9	147.2
Financial accruals	18	287.7	287.0							287.7	287.0
Non-current financial liabilities	24	1,305.9	1,330.9	99.4	98.8			196.8	176.1	1,602.1	1,605.9
Other non-current financial liabilities	27	1.0	0.7							1.0	0.7
Non-current conditional purchase price payments	27/32.3			6.8	7.6					6.8	7.6
Total		2,307.5	2,456.2	200.7	247.9	7.0	21.3	243.7	224.9	2,758.9	2,950.3

Due to short residual terms to maturity, the carrying amounts of loans and receivables and financial liabilities at amortized cost correspond approximately to the fair values. As of December 31, 2025, there was a difference between these values for the bonds that are included under financial liabilities. The market

price of the bonds (fair value hierarchy Level 1) was CHF 1,223.1 million at the end of the year (previous year: CHF 1,232.4 million), while the carrying amount was CHF 1,197.9 million (previous year: CHF 1,197.3 million). The fair value of the registered bonds was CHF 253.5 million (previous year: CHF 263.1) as of December 31, 2025.

Net results of financial assets and liabilities by measurement category in accordance with IFRS 9**Net result**

CHF millions	Financial assets at amortized cost		Financial assets and liabilities at fair value through profit or loss		Financial assets and liabilities at fair value through other comprehensive income		Financial liabilities at amortized cost		Total 2025	Total 2024
	2025	2024	2025	2024	2025	2024	2025	2024		
Included in net sales:										
– Income from energy hedging (recycling)			-55.0	-34.8					-55.0	-34.8
Included in other operating revenue										
– Income from proprietary energy trading			116.8	61.2					116.8	61.2
– Income from energy hedging			59.7	15.3					59.7	15.3
– Income from (non-)contingent purchase price payments			2.2	2.7			4.7	0.6	6.9	3.3
Included in operating expenses	-5.7	-7.6	-0.7	-1.0			-0.0	-0.0	-6.4	-8.6
– thereof from (non-)contingent purchase price payments			-0.7	-1.0					-0.7	-1.0
Included in financial result	-20.3	18.2	9.0	-20.8	-0.4	2.1	-37.1	-39.6	-48.8	-40.1
Included in other comprehensive income			-0.1	-0.6	-11.3	3.3	2.5	9.7	-8.9	12.4
– thereof from (non-)contingent purchase price payments			-0.1	-0.6			-0.0	1.1	-0.2	0.5
Total	-26.0	10.6	131.9	22.0	-11.7	5.4	-29.9	-29.3	64.2	8.7

In the fiscal years shown, no financial instruments were designated as “at fair value through profit or loss.”

Netting arrangements

BKW concludes reciprocal transactions with a range of contractual partners as part of its business activities. Where netting procedures have been contractually agreed and the pre-

requisites for netting balance sheet items have been met, the resulting receivables and liabilities due and owed are reported as net items in the balance sheet.

The following amounts are presented at net in the balance sheet as of the balance sheet date:

CHF millions	2025			2024		
	Gross values	2025 Netting off	Net values	Gross values	2024 Netting off	Net values
Trade accounts receivable	1,145.4	-307.7	837.7	1,265.1	-436.5	824.3
Trade accounts payable	-664.9	307.7	-357.2	-906.2	436.5	-468.7
Energy derivatives						
Positive replacement values	596.6	-499.5	97.1	461.1	-163.2	297.9
Negative replacement values	-587.6	499.5	-88.1	-300.1	163.2	-136.9

32.2 Derivatives

Accounting principles

Derivatives are recognized in the balance sheet at fair value as positive replacement values (receivables) or negative replacement values (liabilities). The contract volume corresponds to the underlying asset or contract quantity of the underlying derivative financial instrument.

Energy derivatives

BKW trades in contracts in the form of forwards with fixed and flexible profiles, options, and futures with electricity, gas, oil, coal, and certificates as underlying assets. Contracts concluded with the sole intention of achieving a trading margin, as well as hedging transactions resulting from the expanded management activities of the production portfolio, are treated as financial instruments and designated as energy derivatives.

Transactions open on the balance sheet date are recognized at fair value. BKW's receivables from its counterparties are recognized as positive replacement values under assets (Derivatives) in the balance sheet, while liabilities are recognized as negative replacement values under liabilities (Derivatives) in the balance sheet. The positive replacement values correspond to the costs BKW would incur to replace all transactions with a value in favor of BKW if all relevant counterparties were to become insolvent at the same time and the transactions could be replaced immediately. The negative replacement values correspond to the costs that counterparties would incur to replace all transactions with a value in their favor if BKW could no longer meet its obligations. In the case of futures, there is in principle neither a positive nor a negative replacement value as of the balance sheet date due to daily settlement via cash and cash equivalents. Accrued changes in the value of open futures are recognized and presented in the balance sheet under cash and cash equivalents. Netting of current transactions with positive or negative replacement values is performed if the corresponding contractual regulations provide for this and offsetting is legally permitted and intended.

Realized and unrealized gains and losses on energy derivatives are presented as income from proprietary energy trading or income from energy hedging under other operating income. The gains and losses recycled to the income statement in connection with hedge accounting are presented in net revenue.

Significant accounting judgments, estimation uncertainties, and assumptions

When accounting for energy contracts, a distinction must be made as to whether they are to be treated as financial instruments (derivatives) or whether they are to be accounted for as “own use” transactions as pending transactions. At BKW, contracts are accounted for accordingly based on the motive for the transactions. Transactions carried out for the purpose of selling own production volumes or to cover the sales portfolio are treated as “own use” transactions and are not recognized in the balance sheet, but are recognized at gross as energy procurement costs or as net sales upon settlement. Transactions that are entered into solely for the purpose of resale and portfolio optimization are measured at fair value on each balance sheet date, and the resulting net gain/loss is recognized through profit or loss under “Other operating income.” If it is a hedging transaction that can be designated under hedge accounting, changes in the fair value of the hedge are initially recognized in “Other comprehensive income.” As soon as the hedged transaction (e.g., physical delivery) takes place, the cumulative amount is reclassified from “Other comprehensive income” to the income statement and reported as energy procurement costs or net sales depending on the transaction.

The distinction between the transactions and the subsequent definition of the accounting treatment of the contracts represents a discretionary decision by management.

The following table contains information on the replacement values and contract volumes of derivative financial instruments from energy trading transactions and from interest rate and currency hedges that were open on the balance sheet date. Derivatives that qualify as hedging instruments according to IFRS 9 and that are treated in accordance with the provisions of hedge accounting are disclosed separately.

CHF millions	Positive replacement value		Negative replacement value		Contract volume	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Energy derivatives	88.8	239.0	81.1	117.0	1,643.0	1,981.4
Interest rate swaps	1.5		0.6	2.6	32.0	32.3
Currency forward contracts	0.0	0.5	0.4	4.9	595.1	559.1
Hedge accounting						
– Energy derivatives	8.3	58.9	7.0	19.8	53.8	94.2
– Interest rate swaps	0.3		0.8	1.4	0.0	
– Currency forward contracts	0.3	0.1	0.0	1.5	150.9	297.6
Total	99.2	298.5	89.9	147.2	2,474.8	2,964.6
of which:						
– Current derivatives	88.5	266.1	58.3	108.4		
– Non-current derivatives	10.7	32.4	31.5	38.8		

32.3 Assets and liabilities measured at fair value

Accounting principles

Assets and liabilities measured at fair value are assigned to the following hierarchy levels based on their valuation technique:

- Level 1: Valuation techniques based exclusively on listed prices in active markets for identical assets or liabilities. BKW currently classifies listed securities and proprietary trading certificates under this level.
- Level 2: Valuation techniques, the inputs to which are based on directly or indirectly observable market data. The inputs have a material impact on the recognized fair value. BKW classifies over-the-counter derivatives (all forward energy trading contracts, interest rate swaps, and currency forwards) as well as the pro-rata net assets in the Federal Decommissioning and Waste Disposal Funds within this hierarchy level. STENFO's fund assets are managed by the federal government; BKW has no access to the managed assets. These assets are invested in accordance with the defined investment strategy, generally in products that have listed prices on active markets. To a limited extent, investments may also be made in assets for which there are no listed prices on active markets. Such investments are measured by the global custodian. BKW has no influence on the valuation techniques used. The annual statements of the funds are audited by external auditors each year and published by the responsible federal authorities.
- Level 3: Valuation techniques that apply inputs with a material impact on fair value that are not based on observable market data. BKW mainly classifies illiquid energy derivatives, unlisted equity instruments, contingent purchase price payments, and liabilities to non-controlling interests under this level. The illiquid energy derivatives include contracts with physical delivery in subsequent years, which have optionalities with regard to quantities and variabilities with regard to prices. The derivatives are measured using a Monte Carlo simulation. Key inputs are the expected commodity prices and volatilities. The contingent purchase price payments and liabilities to non-controlling interests result from business combinations. The measurement of such assets requires management estimates of non-observable inputs. The fair values take into account expected cash flows, sales forecasts, and other performance criteria.

There were no transfers between the different levels in the reporting period or the comparative period.



CHF millions	Carrying amount as of 31.12.2025	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Financial assets (current and non-current)				
– Interest in STENFO	1,200.9		1,200.9	
– Debt instruments	0.4		0.4	
Derivatives (current and non-current)	90.9		67.7	23.2
Inventories				
– Certificates (proprietary trading)	16.9	16.9		
Financial assets at fair value through other comprehensive income				
Derivatives (current and non-current) – Hedge Accounting	8.3		8.3	
Non-current financial assets				
– Equity instruments	13.1			13.1
Financial liabilities at fair value through profit or loss				
Other financial liabilities (current and non-current)				
– Contingent purchase price liabilities in relation to business combinations	18.5			18.5
Derivatives (current and non-current)	82.8		25.8	57.1
Financial liabilities at fair value through other comprehensive income				
Derivatives (current and non-current) – Hedge Accounting	7.0		7.0	

CHF millions	Carrying amount as of 31.12.2024	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Financial assets (current and non-current)				
– Interest in STENFO	1,225.4		1,225.4	
– Money market funds	49.6	49.6		
– Debt instruments	0.2		0.2	
Derivatives (current and non-current)	239.5		220.8	18.7
Inventories				
– Certificates (proprietary trading)	14.1	14.1		
Financial assets at fair value through other comprehensive income				
Derivatives (current and non-current) – Hedge Accounting	59.0		59.0	
Non-current financial assets				
– Equity instruments	12.9			12.9
Financial liabilities at fair value through profit or loss				
Other financial liabilities (current and non-current)				
– Contingent purchase price liabilities in relation to business combinations	22.4			22.4
– Other financial liabilities	15.1			15.1
– Liabilities relating to non-controlling interests	0.9			0.9
Derivatives (current and non-current)	125.9		51.6	74.3
Financial liabilities at fair value through other comprehensive income				
Derivatives (current and non-current) – Hedge Accounting	21.3		21.3	

In addition, as of December 31, 2025, bonds in the amount of CHF 99.4 million (previous year: CHF 98.8 million) are measured as part of a fair value hedge (Level 2).

The Level 3 assets and liabilities measured at fair value developed as follows during the reporting period:

CHF millions	2025	Assets 2024	2025	Liabilities 2024
As of 01.01.	31.7	15.3	90.2	105.0
Additions	5.8	1.8	18.8	20.2
Disposals	-0.2	-1.6	-14.1	0.0
Changes in value included in profit or loss	-0.9	17.0	-37.8	-35.1
Changes in value included in other comprehensive income	-0.0	-0.7	0.0	0.1
As of 31.12.	36.4	31.7	57.1	90.2

The changes in value included in profit or loss include:

– in assets: CHF –0.9 million (previous year CHF 17.0 million) from derivatives,

– in liabilities: CHF –36.0 million (previous year: CHF –32.8 million) from derivatives and CHF –1.8 million (previous year: CHF –2.3 million) from other financial liabilities.

Accounting principles

Recognition of contingent purchase price liabilities

Other financial liabilities (see Note 23) include contingent purchase price liabilities recognized at fair value. The fair value is measured on the basis of the expected cash flows, taking into account the probability of occurrence and current market interest rates, and classified as Level 3 instruments.

CHF millions	Contingent purchase price considerations	
	2025	2024
As of 01.01.	22.4	28.3
Additions	14.1	5.9
Disposals	-16.7	-10.6
Changes in value included in profit or loss	-1.5	-1.7
Changes in value included in other comprehensive income	0.1	0.6
As of 31.12.	18.5	22.4

Sensitivities of contingent purchase price liabilities

A contingent purchase price liability of EUR 5.4 million was recognized in connection with the acquisition of Stein und Partner Projektmanagement Beratende Ingenieure GmbH & Co. KG, which is based on the expected EBIT targets for 2025 to 2027. The possible future cash outflows are between zero and EUR 7.0 million. If the annual target EBIT is achieved, an amount of EUR 1.8 million will be paid out; if the annual target EBIT is exceeded, an additional 30% of the excess after-tax EBIT share will be paid out up to a maximum amount of EUR 0.5 million per year. Conversely, if the EBIT achieved is below the target EBIT in a given year, no payment will be made for that year.

A contingent purchase price liability of EUR 9.0 million was recognized in connection with the acquisition of the 33% interest in Trianel Batteriepark Waltrop GmbH & Co. KG, which is contingent upon

the large-scale battery storage facilities reaching construction readiness and the amount of a construction cost subsidy to a third party. The possible future cash outflows are between zero and EUR 22.5 million.

A contingent purchase price liability of EUR 0.5 million was recognized in connection with the acquisition of AMP Parking Europe GmbH, which is based on the expected EBIT targets for 2025 to 2027. The possible future cash outflows are between zero and EUR 0.5 million. If the target EBIT is reached or exceeded in a year, an amount of EUR 0.2 million will be paid out. Conversely, if the EBIT achieved is below the target EBIT in a given year, no payment will be made for that year.

Accounting principles**Recognition of day-one gains and losses**

BKW offers long-term power purchase agreements (PPA) for renewable energy sources in order to counteract the increasing volatility in the energy markets. Their classification as a Level 1, 2, or 3 instrument is based on the total term of the contract (one unit of account approach) and the underlying measurement parameters.

When assessing financial instruments using measurement parameters that are not fully based on traded prices in active markets, the measurement of the fair value at the time the contract is concluded may differ from the transaction price. This deviation is treated as a deferred day-one gain or loss and amortized on a straight-line basis until the markets on which the measurement parameters are based become liquid.

The following table shows the reconciliation of the change in deferred day-one gains and losses. These positions are entirely related to Level 3 energy derivatives.

CHF millions	Day-one-gains		Day-one-losses	
	2025	2024	2025	2024
As of 01.01.	41.6	39.1	-0.6	-0.4
Deferred gains or losses from new transactions	18.8	19.4	-5.4	-0.5
Changes in gains and losses included in profit or loss	-25.4	-16.8	1.4	0.3
As of 31.12.	35.0	41.6	-4.6	-0.6

32.4 Financial risk management**Principles of risk management**

Risk management is viewed as a supporting function for senior management. Its purpose is to provide decision makers with a transparent representation of the risks associated with individual business activities. The core element is the risk management process, which systematically identifies, assesses, and manages risks and monitors the implementation of measures.

The spectrum of risk monitored by the BKW Executive Committee includes external risks such as cybersecurity, the regulatory environment, climate and environmental issues, in addition to risks from the company's operating activities and strategy. Risks are quantified based on their financial impact and probability of occurrence and presented as deviations from planned values. Non-financial dimensions are also always taken into account.

Market price, share price, currency, liquidity, interest rate, and credit risks are measured, monitored, and controlled on a continuous basis and reviewed regularly as part of the periodic risk management process. In addition to management of operational risks, there are also principles for

management of liquid assets, as well as current and non-current financial investments. Risk management therefore forms an integral part of all BKW business and management processes (including strategic planning).

The Risk Management team reports directly to the CFO. It prepares the guidelines and tools for the systematic handling of risk, coordinates the risk management process across the Group, and supports management in assessing and managing the risk situation. Risk Management works closely with the Executive Committee and provides regular information on existing risk positions. The office also reports directly to the Board of Directors several times a year. The Board of Directors last assessed the risks related to operating activities at its meeting on December 4, 2025.

Credit risks

Credit risk is defined as the potential loss that may arise due to a possible deterioration in creditworthiness up to and including the insolvency of business partners or the non-fulfillment of contractual obligations. Credit risk comprises replacement value, receivables, and advance

performance risks. Credit risks are managed centrally by Risk Management. The risk management process includes credit assessment of counterparties, rating and limit allocation, exposure monitoring and control, and reporting.

Credit risks are managed by means of credit limits. Credit checks involve the use of an internal rating system which assigns a credit rating class to counterparties. The checks also take into account external ratings by recognized rating

agencies. Depending on the credit rating class determined and the equity statement, a credit limit is assigned to the counterparty and then monitored on a daily basis. If a credit limit is exceeded, measures are initiated immediately in cooperation with operational units. To assess the risk of the overall portfolio, risk weights are calculated using the Basel II internal ratings-based approach.

The following table presents the credit risk from trade receivables, derivatives with a positive replacement value (excluding day-one accruals), and current accounts and term deposits at banks as of the balance sheet date, broken down by credit rating class. The standardized rating process covers trading, bank, and sales counterparties, as well as other counterparties above a certain credit risk threshold. Other counterparties are monitored decentrally using individual approaches.

CHF millions	31.12.2025	31.12.2024
Rating AAA to AA-	232.5	153.7
Rating A+ to BBB-	1,170.0	1,281.6
Rating BB+ and lower	68.8	63.9
Other counterparties	555.9	628.6
Total	2,027.2	2,127.8
Included under:		
– Cash and cash equivalents	854.7	867.3
– Trade accounts receivable	866.1	851.9
– Other financial receivables	105.8	109.3
– Current financial assets (term deposits only)	101.5	1.4
– Derivatives (current and non-current)	99.2	298.5

The maximum credit risk (excluding guarantees granted) corresponds to the amount of outstanding monetary financial assets on the balance sheet date. As of December 31, 2025, BKW's maximum credit risk amounted to CHF 2,200.7 million (previous year: CHF 2,346.3 million), corresponding to the carrying amount of all financial assets in accordance with Note 32.1, with the exception of the equity instruments contained therein. The maximum loss presented is based on the assumption that all counterparties would become insolvent simultaneously and that existing collateral and netting arrangements could not be enforced.

As of the balance sheet date, there were guarantees granted in the amount of CHF 39.8 million (previous year: CHF 47.9 million), which increase the maximum credit risk correspondingly.

Collateral is required primarily for counterparties in the energy trading business, with the credit-worthiness of the collateral issuer being assessed

and rated. Customers may be granted a higher limit than defined for the assigned credit rating class if collateral is provided. The collateral can cover both invoiced and non-invoiced items. Collateral amounting to CHF 41.8 million was held for trade receivables and derivatives recognized as of December 31, 2025 (previous year: CHF 119.8 million).

A cluster risk would arise if excessive credit were granted to a single customer. The potential loss and resultant impairment requirement would be disproportionately high were the counterparty to default. For this reason, care is taken to ensure risks are adequately distributed, with a maximum limit (maximum permissible loan amount) set for each counterparty or group.

As of the balance sheet date, counterparties in Switzerland accounted for 70% of the credit risk (previous year: 69%).

Liquidity risks

Liquidity is defined as the ability to satisfy liabilities that fall due at any time and without restrictions. At Group level, liquidity management is based on the Group's midterm planning, budget, and forecast.

Rolling liquidity plans with a twelve-month horizon are drawn up for the entire Group on the basis of these documents as well as current findings. These plans are used to examine the rationale behind long-term measures in light of the latest information, as well as to identify potential liquidity shortfalls and formulate tactics to optimize the financial result.

BKW hedges energy positions on exchanges or with other energy traders. In energy trading on exchanges, counterparty risks are usually reduced by means of collateral in the form of liquidity. In addition, collateral in the form of liquidity or bank guarantees is also used to reduce counterparty risks for transactions with a few energy traders. Price fluctuations on the energy markets thus have a direct impact on BKW's liquidity. BKW manages these risks through positions that are settled on exchanges or with energy traders by offsetting collateral. In addition, BKW absorbs the remaining liquidity fluctuations through specific forward planning of liquidity risks from energy trading via a liquidity-coverage ratio approach, by holding appropriate liquidity reserves in cash and having potential liquidity through credit lines with banks.

Residual terms to maturity of financial liabilities

The following tables provide information on the residual terms to maturity and cash flows of financial liabilities on a non-discounted basis.

CHF millions		Carrying amount as of 31.12.2025	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 5 years	Due after 5 years
Non-derivative financial liabilities							
Trade accounts payable	23	357.2	357.2				
Other current financial liabilities	23	124.8	124.8				
– thereof conditional purchase price		11.6	11.6				
Financial accruals	18	287.7	287.7				
Financial liabilities	24	1,891.5	306.6	340.8	81.2	550.9	834.0
– of which lease liabilities	24	243.7	54.0	47.2	36.9	54.5	91.7
Other non-current financial liabilities	27	7.8		5.5	2.0	0.3	
– thereof conditional purchase price		6.8		5.0	2.0	0.0	
Total non-derivative liabilities		2,669.0	1,087.9	346.3	83.2	551.1	834.0
Derivative financial assets and liabilities							
Energy derivatives							
– Positive replacement values	32.2	97.1	92.0	15.4	6.2	21.0	-1.1
– Negative replacement values	32.2	-88.1	-62.0	-22.6	-10.3	-28.6	-1.2
Net replacement values		8.9	29.9	-7.3	-4.1	-7.6	-2.3
Forward exchange contracts and interest rate swaps							
– Positive replacement values	32.2	2.1	0.3				1.8
– Negative replacement values	32.2	-1.8	-0.8	-0.5			-0.6
Net replacement values		0.4	-0.5	-0.5	0.0	0.0	1.2
Gross cash flows related to derivatives							
– Gross outflow			-13,129.1	-1,553.1	-407.2	-66.9	-61.0
– Gross inflow			14,901.7	1,539.2	556.8	88.2	70.0

Amounts in foreign currency are translated at the exchange rate on the balance sheet date. The table shows the cash flows for interest-bearing liabilities, including the corresponding interest

payments. The cash flows for derivative financial instruments do not take netting arrangements into account.

CHF millions	Note	Carrying amount as of 31.12.2024	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 5 years	Due after 5 years
Non-derivative financial liabilities							
Trade accounts payable	23	468.7	468.7				
Other current financial liabilities	23	134.4	134.4				
– thereof conditional purchase price		12.6	12.6				
Financial accruals	18	287.0	287.0				
Financial liabilities	24	1,904.8	316.5	362.8	311.1	60.8	1,108.5
– of which lease liabilities	24	224.9	52.9	67.4	22.7	17.1	96.0
Other non-current financial liabilities	27	8.3		2.6	4.8	0.2	
– thereof conditional purchase price		7.6		2.6	4.8	0.2	
Total non-derivative liabilities		2,803.1	1,219.2	365.4	315.9	61.0	1,108.5
Derivative financial assets and liabilities							
Energy derivatives							
– Positive replacement values	32.2	297.9	266.0	41.3	8.7	2.4	0.6
– Negative replacement values	32.2	-136.9	-102.1	-23.5	-16.5	-8.6	-7.3
Net replacement values		161.0	164.0	17.8	-7.8	-6.2	-6.7
Forward exchange contracts and interest rate swaps							
– Positive replacement values	32.2	0.6	1.0				0.0
– Negative replacement values	32.2	-10.4	-6.4			-1.4	-2.6
Net replacement values		-9.8	-5.4	0.0	0.0	-1.4	-2.6
Gross cash flows related to derivatives							
– Gross outflow			-15,866.8	-1,830.0	-417.6	-44.7	-115.2
– Gross inflow			16,096.0	1,837.3	600.6	46.4	125.6

Market risks

Market risks arise from price and exchange rate fluctuations on unhedged positions in the energy and financial business. In accordance with BKW's risk policy, the procedure for measuring, managing, and monitoring risk positions has been defined. Tradable energy and certificate price risks are managed in the Energy Markets Business Area. When setting effective limits for overall risk, market correlations and market liquidity are considered using the value-at-risk-based market risk capital (MRC) ratio. BKW's interest rate, share price risk, and exchange rate risks are aggregated in a Group-level risk portfolio. The MRC and VaR limits, as well as the position limits required for management purposes are approved by the Executive Committee. Risk management ensures risks are continuously monitored and reported.

Share price risk

BKW is exposed to a share price risk for financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss, as well as for interests in STENFO (see Note 19). Receivables from state funds do not come under the definition of a financial instrument under the terms of IAS 32 and, consequently, are not covered by the following statements on risk measurement.

Interest rate risks

The production of power and operation of transmission and distribution networks are capital-intensive. Financing is generally long-term with staggered maturities. This minimizes the impact of interest rate changes on cash flows. Interest rate risks also exist due to forward exchange rates. Interest rate hedging instruments are used where necessary. Cash is invested over the short to medium-term, primarily in variable interest positions.

Currency risks

Energy trading is largely conducted in euros. Exchange rate fluctuations have an impact on the financial position and cash flows presented in Swiss francs. To the extent considered necessary, foreign currency positions are secured by means of currency forwards or currency swaps.

Energy price risks/CO₂ certificate price risks

Energy and certificate positions are entered into in asset management and proprietary trading. Non-hedged material energy and CO₂ management positions are permitted in the current year and in up to 13 subsequent years.

Value at risk

CHF millions	31.12.2025	31.12.2024
Interest	1.1	1.7
Share price ¹	2.8	2.6
Currencies	2.5	2.3

1 Related to "Financial assets at fair value through other comprehensive income"

The value at risk shows value fluctuation risk based on individual risks that, given no change, could occur in a twelve-month (share price) or one-day (interest rates, currencies) period, taking into account the specified confidence level.

The values shown would impact income as well as equity.

Fluctuations in the value of financial assets measured at fair value through other comprehensive income have no impact on the annual result but are recognized directly in other comprehensive income.

The risk of unfavorable price movements for unhedged positions in electricity, gas, CO₂, coal, and oil is determined using the market risk capital ratio (MRC) method. As a supplement to the VaR approach, the MRC ratio indicates the minimum risk capital that should be available to ensure that trading losses arising from adverse market developments do not cause a liquidity bottleneck. The calculations are based on a Monte Carlo method, which takes into account both market correlations and market liquidity. The model parameters are estimated based on a rolling 130-day observation period. Risk management is based on MRC, VaR, and position limits. Additional loss limits apply to proprietary trading. As of

Risk measurement

The market risks of energy and certificate products are measured using the market risk capital ratio (MRC), while interest rate, exchange rate, and share price risks are measured using a value-at-risk (VaR). For the VaR calculation, BKW uses a confidence level of 99% with a one-year (interest rate products and equities) or one-day (currencies) holding period. For the MRC, a confidence level of 97.5% and a maximum holding period of six months is used in accordance with Basel III rules.

December 31, 2025, the MRC for proprietary trading amounted to CHF 27.5 million (previous year: CHF 18.7 million).

Sustainability-related risks

Sustainability risks include environmental, social, and governance (ESG) factors that have the potential to negatively impact BKW's business and long-term success. BKW therefore systematically monitors sustainability risks in these three categories:

- environmental and climate risks, which include, among others, potential damage to production facilities or power grid outages;
- social risks, which include problems such as shortages of skilled workers and reputational risks, as well as
- governance risks, which include threats such as cyber risks.

BKW's monitoring system enables timely and forward-looking strategic and operational preparation for changes caused by climate change, resource scarcity, regulatory requirements, and social change. The methodology for monitoring sustainability risks is the same as for other financial risks. The following measures are used as part of the Group's risk mitigation strat-

egy: Reduce, avoid, transfer, manage, and accept risks. Sustainability issues will be increasingly integrated into risk management processes in order to meet legal and regulatory requirements

and create added value for BKW. For example, new processes are being set up to analyze climate risks in greater detail.

33 Relationships with Related Parties

In the periods under review, BKW had the following financial relationships with related parties. Unless otherwise stated below, all transactions were conducted at arm's-length terms.

CHF millions	2025	Parent 2024	2025	Associates 2024	2025	Pension funds 2024
Income						
– Energy sales	0.8	0.8	43.8	68.2		
– Other sales and services	5.0	5.7	13.5	15.5	1.4	1.3
– Financial income			0.3	1.3		
Expenses						
– Energy purchases			317.3	296.7		
– Water charges	16.2	16.0				
– Other purchases and services	1.7	1.2	141.1	195.6	43.3	41.0
– Fees and charges	2.2	2.1				
– Financial expenses			0.0	0.4	0.1	0.1
Assets						
– Cash and cash equivalents	33.8	11.4				
– Receivables and accruals	2.4	3.0	65.4	53.1		
– Current financial assets			0.0	9.0		
– Non-current financial assets			10.8	10.1		
– Rights of use			10.4	5.2		
Liabilities						
– Liabilities and accruals	41.7	69.7	56.5	60.4	15.1	10.9
– Loans	1.7	2.0				
– Rights of use			0.6	0.6		

In the reporting year, BKW also acquired treasury shares in the amount of CHF 7.6 million from pension funds.

33.1 Transactions with the owner

The Canton of Bern is the largest shareholder in BKW. As majority shareholder, the Canton has a decisive influence on all decisions taken at the General Meeting, including the election of the members of the Board of Directors and the allocation of profits. BKW has a wide range of relationships with the Canton of Bern, its authorities and

public-law institutions as well as the private-law companies it controls: BKW provides energy supplies and other services, procures materials and services, and pays taxes, water rates, and other levies and fees. In addition, financial transactions are conducted with the Berner Kantonalbank, in which the Canton of Bern holds a majority interest.

33.2 Transactions with associates

Reported transactions consist of energy deliveries, energy transports, dividends, construction/engineering services (income), operational management and maintenance/servicing (income), energy purchases, material/third-party services,

and other services (expense). Energy produced by partner plants is billed to shareholders at production cost (including interest and repayment of borrowed funds) on the basis of existing partner contracts.

33.3 Transactions with pension funds

Transactions with pension funds are conducted as part of the occupational pension plan and consist of employer contributions, administrative charges (personnel, operating, and administra-

tive costs), real estate services (management of properties), and financial transactions (liquidity management).

33.4 Transactions with the board of directors and executive committee

Remuneration

CHF millions	2025	2024
Short-term benefits	7.2	7.3
Contributions to pension plans	1.4	1.4
Share-based payments	1.0	0.5
Total	9.6	9.2

34 Events After the Balance Sheet Date

Acquisition of VOLTERRES SAS

BKW France SAS, based in Paris and part of the BKW Group, is in advanced negotiations to acquire 100% of the shares in VOLTERRES SAS. An agreement was concluded in this connection under which BKW undertakes to conclude the corresponding purchase agreements if the agreed conditions are met. The agreed purchase price is in the mid double-digit million range.

VOLTERRES SAS, based in Paris and Lyon, is active in the premium segment of green electricity supply in France. The company supplies business

customers as well as local and municipal authorities and specializes in the aggregation of renewable electricity generation. In addition, VOLTERRES SAS holds several patents in the field of innovative green electricity solutions, which underscore its technological positioning and differentiation in the market.

The final closing of the transaction is subject to legal and regulatory approvals and is expected in the first half of 2026.

Group Companies and Associates

As of 31.12.2025	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
Group companies									
Switzerland									
A. Dietrich Kälte Klima Lüftung AG			●		Beringen	0.2	CHF	100.0	31.12.
ActVisual GmbH			●		Kloten	0.04	CHF	100.0	31.12.
AEK AG			●		Solothurn	0.1	CHF	100.0	31.12.
AEK Pellet AG	●				Balsthal	9.0	CHF	100.0	31.12.
Aerovent Crissier SA			●		Crissier	0.1	CHF	100.0	31.12.
Aerovent Service SA			●		Villars-Ste-Croix	0.1	CHF	100.0	31.12.
ahochn AG			●		Dübendorf	0.3	CHF	100.0	31.12.
Aicher, De Martin, Zweng AG			●		Lucerne	0.1	CHF	100.0	31.12.
Arnold AG			●		Wangen an der Aare	0.5	CHF	100.0	31.12.
ASAG Air System AG			●		Langenthal	0.1	CHF	100.0	31.12.
b+s Elektro Telematik AG			●		Ormalingen	0.1	CHF	100.0	31.12.
Balzer Ingenieure AG			●		Chur	0.1	CHF	100.0	31.12.
Baumeler Leitungsbau AG			●		Buchrain	0.1	CHF	100.0	31.12.
BelpmoosSolar AG	●				Belp	0.1	CHF	51.0	31.12.
BKW AEK Contracting AG	●				Solothurn	0.2	CHF	100.0	31.12.
BKW Building Solutions AG			●		Ostermundigen	0.2	CHF	100.0	31.12.
BKW Energie AG	●	●	●	●	Bern	132.0	CHF	100.0	31.12.
BKW Engineering AG			●		Bern	0.1	CHF	100.0	31.12.
BKW Infra Services AG			●		Wangen an der Aare	0.1	CHF	100.0	31.12.
BKW Management AG				●	Bern	0.1	CHF	100.0	31.12.
BKW NEE Beteiligungs AG	●				Bern	0.1	CHF	100.0	31.12.
BKW Netzbeteiligung Ltd.				●	Bern	25.2	CHF	50.1	31.12.
BKW Rail AG			●		Ibach	0.1	CHF	100.0	31.12.
BKW Renewables Partners AG	●				Bern	0.1	CHF	51.0	31.12.
ceed Ltd.			●		Solothurn	0.1	CHF	100.0	31.12.
Curea Elektro AG			●		Landquart	0.2	CHF	100.0	31.12.
Duvoisin-Groux SA			●		Bussigny	0.1	CHF	100.0	31.12.
E3 HLK AG			●		St. Gallen	0.1	CHF	100.0	31.12.
E3 Zentralschweiz AG			●		Kriens	0.1	CHF	100.0	31.12.
Elektro Feuz AG			●		Grindelwald	0.1	CHF	100.0	31.12.
Elektro Naegelin AG			●		Frenkendorf	0.1	CHF	100.0	31.12.
Elektro Winter AG			●		Rapperswil-Jona	0.3	CHF	100.0	31.12.
Enerpeak ag			●		Dübendorf	0.1	CHF	100.0	31.12.
Equinox Holding SA			●		Lausanne	0.1	CHF	100.0	31.12.
Fernwärme Selhofen AG	●				Solothurn	3.0	CHF	90.0	31.12.
Frey + Gnehm Ingenieure AG			●		Olten	0.1	CHF	100.0	31.12.
Gebr. Bräm AG			●		Zurich	0.2	CHF	100.0	31.12.
Gesellschaft Mont-Soleil	●				Bern	-	CHF	85.0	31.12.
Gloor Planzer AG			●		Volketswil	0.1	CHF	100.0	31.12.
Guggisberg Kurz AG			●		Ostermundigen	0.2	CHF	100.0	31.12.
Hensel AG Elektrotechnische Unternehmungen			●		Zurich	0.2	CHF	100.0	31.12.
Hertli & Bertschy AG, elektrische Anlagen			●		Tafers	0.1	CHF	70.0	31.12.
Hinni AG			●		Biel-Benken	0.2	CHF	100.0	31.12.
Holzwärme Grindelwald AG	●				Grindelwald	2.5	CHF	93.4	31.12.
Idro Arvigo SA	●				Calanca	0.8	CHF	95.2	31.12.
inelectro sa			●		Porrentruy	0.5	CHF	100.0	31.12.
Infracon Ingenieure AG			●		Burgdorf	0.1	CHF	100.0	31.12.

As of 31.12.2025	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
Group companies (continued)									
ISP Electro Solutions AG			●		Ostermundigen	0.9	CHF	100.0	31.12.
IWM AG			●		Monthey	0.1	CHF	100.0	31.12.
Jaggi & Rieder AG			●		Saanen	0.1	CHF	100.0	31.12.
Juvent SA	●				Saint-Imier	6.0	CHF	70.0	31.12.
Karl Waechter AG			●		Zurich	0.1	CHF	100.0	31.12.
Kraftwerk Augand AG	●				Thun	15.0	CHF	51.0	31.12.
Kraftwerk Gohlhaus AG	●				Lützelflüh	1.3	CHF	59.9	31.12.
Kraftwerk Lauenen AG	●				Lauenen	2.0	CHF	85.0	31.12.
Kraftwerk Sousbach AG	●				Lauterbrunnen	2.8	CHF	90.0	31.12.
Kraftwerk Spiggebach AG	●				Reichenbach i. K.	3.8	CHF	51.0	31.12.
Kraftwerk Turbach AG	●				Gstaad	0.1	CHF	55.0	31.12.
Kraftwerke Fermelbach AG	●				St. Stephan	4.5	CHF	80.0	31.12.
Kraftwerke Kander Alp AG	●				Kandersteg	2.5	CHF	60.0	31.12.
Kraftwerke Milibach AG	●				Wiler (Lötschen)	1.0	CHF	80.0	31.12.
Kraftwerke Ragn d'Err AG	●				Surses	6.0	CHF	80.0	31.12.
Kull Elektro AG			●		Birmensdorf	0.1	CHF	100.0	31.12.
Lutz Bodenmüller AG			●		Beringen	0.1	CHF	100.0	31.12.
Marcel Rieben Ingenieure AG			●		Köniz	0.1	CHF	100.0	31.12.
Michel Rime SA			●		Echallens	0.2	CHF	100.0	31.12.
MontSol SA	●				Saint-Imier	0.1	CHF	100.0	31.12.
Neukom Marzolo AG			●		Rafz	0.2	CHF	100.0	31.12.
pi-System GmbH			●		Oberkirch LU	0.02	CHF	100.0	31.12.
ProBAS AG			●		Affoltern im Emmental	0.1	CHF	100.0	31.12.
R. Monnet & Cie SA			●		Lausanne	0.2	CHF	100.0	31.12.
Raboud Energie SA			●		Bulle	0.1	CHF	100.0	31.12.
Regionaler Wärmeverbund AG Heimberg-Steffisburg (REWAG)	●				Heimberg	2.5	CHF	51.0	31.12.
Schmid, Amrhein AG			●		Lucerne	0.3	CHF	100.0	31.12.
Schönenberger & Partner AG Sanitäre Anlagen			●		Tobel-Tägerschen	0.1	CHF	100.0	31.12.
Sigren Engineering AG			●		Winterthur	0.1	CHF	100.0	31.12.
Simmentaler Kraftwerke AG	●				Erlenbach i. S.	7.3	CHF	84.3	31.12.
Société des Forces Electriques de la Goule SA	●	●			Saint-Imier	3.5	CHF	84.3	31.12.
sol-E Suisse AG				●	Bern	0.1	CHF	100.0	31.12.
Solstis Energy AG			●		Solothurn	0.1	CHF	100.0	31.12.
Solstis SA			●		Lausanne	0.1	CHF	100.0	31.12.
swisspro Automation AG			●		Urdorf	0.1	CHF	100.0	31.12.
swisspro Ltd.			●		Urdorf	0.5	CHF	100.0	31.12.
swisspro NW Ltd.			●		Allschwil	0.3	CHF	100.0	31.12.
swisspro SR Ltd.			●		Renens	0.1	CHF	100.0	31.12.
Thermo-Chauffage Sàrl			●		Sullens	0.02	CHF	100.0	31.12.
UMB AG			●		Cham	0.1	CHF	100.0	31.12.
UMB Communication AG			●		Urdorf	0.1	CHF	100.0	31.12.
UMB Group Ltd			●		Cham	0.1	CHF	100.0	31.12.
WAB Technique S.à r.l.			●		Marly	0.02	CHF	100.0	31.12.
Weber AG, Stäfa			●		Stäfa	0.1	CHF	100.0	31.12.
Werner Electro AG			●		Brig-Glis	0.1	CHF	100.0	31.12.
Wind Energy Trading WET AG	●				Lausanne	0.1	CHF	100.0	31.12.
Winkelmann Elektro AG			●		Kerzers	0.1	CHF	100.0	31.12.

As of 31.12.2025	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
Group companies (continued)									
Austria									
AEP Planung und Beratung GmbH			●		Schwaz	0.04	EUR	100.0	31.12.
Geotechnik Tauchmann GmbH			●		Steinhaus bei Wels	0.04	EUR	100.0	31.12.
IGBK GmbH			●		Graz	0.04	EUR	100.0	31.12.
IKK Group GmbH			●		Graz	0.1	EUR	100.0	31.12.
plan & co. das zeichenbüro GmbH			●		Wiener Neudorf	0.04	EUR	100.0	31.12.
TBH Ingenieur GmbH			●		Graz	0.04	EUR	100.0	31.12.
Croatia									
igr d.o.o.			●		Zagreb	0.003	EUR	100.0	31.12.
France									
BKW Energie France SAS	●				Courbevoie	0.2	EUR	100.0	31.12.
BKW France SAS	●				Paris	4.0	EUR	100.0	31.12.
BKW Renewables France SAS	●				Paris	42.9	EUR	100.0	31.12.
Eoliennes de Julie SASU	●				Amiens	0.02	EUR	100.0	31.12.
Eoliennes de la Camomille SASU	●				Amiens	0.001	EUR	100.0	31.12.
Eoliennes des Oeillets SASU	●				Amiens	0.01	EUR	100.0	31.12.
Ferme Eolienne de Saint Germier SAS	●				Paris	3.0	EUR	100.0	31.12.
Ferme Eolienne de Saint Julien du Terroux SAS	●				Paris	2.8	EUR	100.0	31.12.
Les Eoliennes du Coquelicot 1 SAS	●				Amiens	0.02	EUR	100.0	31.12.
Parc Eolien de Fresnoy Brancourt SAS	●				Paris	0.04	EUR	100.0	31.12.
Parc Eolien Nordex LII SAS	●				Paris	2.3	EUR	100.0	31.12.
Parc Eolien Nordex LIII SAS	●				Paris	3.3	EUR	100.0	31.12.
Sameole Bois du Goulet SAS	●				Paris	2.3	EUR	100.0	31.12.
Société RAZ Energie 3 SAS	●				Paris	3.9	EUR	100.0	31.12.
Germany									
ABE Energietechnik GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
ABE Gruppe GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
ABE Ingenieurbüro GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
ABE Nord Energietechnik GmbH			●		Leck	0.03	EUR	100.0	31.12.
ABE Zertifizierung GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
AMP Parking Europe GmbH			●		Karlsruhe	0.03	EUR	100.0	31.12.
Arnold und Gladisch Objektplanung Generalplanung GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Assmann Beraten + Planen GmbH			●		Berlin	0.6	EUR	100.0	31.12.
Assmann Climaplan GmbH			●		Munich	0.1	EUR	100.0	31.12.
Assmann Emutec GmbH			●		Norderstedt	0.03	EUR	100.0	31.12.
BKW Anlagentechnik GmbH			●		Geisenhausen	0.1	EUR	100.0	31.12.
BKW Energie Deutschland GmbH	●		●		Berlin	0.1	EUR	100.0	31.12.
BKW Energie Wilhelmshaven Beteiligungs-GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BKW Energy Solutions GmbH			●		Weiterstadt	0.03	EUR	100.0	31.12.
BKW Engineering Beteiligung GmbH			●		Berlin	0.03	EUR	100.0	31.12.
BKW Engineering SE			●		Berlin	0.1	EUR	100.0	31.12.
BKW Infra Services Europa SE			●		Radebeul	0.1	EUR	100.0	31.12.
BKW Storage Solutions GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
BSP Brandschutz GmbH			●		Eckernförde	0.03	EUR	100.0	31.12.
DfN Dienstleistungen für Nukleartechnik GmbH			●		Heidelberg	0.03	EUR	100.0	31.12.
Elektroanlagen Dresden-Mitte GmbH			●		Dresden	0.03	EUR	100.0	31.12.
EWIS GmbH			●		Speyer	0.03	EUR	100.0	31.12.

As of 31.12.2025	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
Group companies (continued)									
Hascher Jehle Assoziierte GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Berlin GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Design GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Generalplanungsgesellschaft mbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Objektplanung GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Planen und Beraten GmbH			●		Berlin	0.03	EUR	100.0	31.12.
HelveticWind Deutschland GmbH	●				Berlin	0.03	EUR	59.0	31.12.
HelveticWind Gross Welle GmbH	●				Berlin	0.03	EUR	100.0	31.12.
HelveticWind Lüdersdorf-Parstein GmbH	●				Berlin	0.03	EUR	100.0	31.12.
HelveticWind Sendenhorst GmbH	●				Berlin	0.03	EUR	100.0	31.12.
HelveticWind Wulkow GmbH	●				Berlin	0.03	EUR	100.0	31.12.
IFB Eigenschenk GmbH			●		Deggendorf	0.03	EUR	100.0	31.12.
IHB Lindschulte Ingenieurgesellschaft mbH			●		Leipzig	0.1	EUR	100.0	31.12.
ingenhoven associates gmbh			●		Düsseldorf	0.3	EUR	100.0	31.12.
Ingenieurbüro Prof. Dr.-Ing. Vogt Planungsgesellschaft mbH			●		Leipzig	0.03	EUR	100.0	31.12.
Institut Dr.-Ing. Gauer Ingenieurgesellschaft mbH			●		Regenstauf	0.03	EUR	100.0	31.12.
KAE Kraftwerks- & Anlagen-Engineering GmbH			●		Hausen	0.03	EUR	100.0	31.12.
KFP Ingenieure GmbH			●		Buxtehude	0.03	EUR	100.0	31.12.
KFP Prüfindenieure GmbH			●		Buxtehude	0.03	EUR	75.0	31.12.
KMT Planungsgesellschaft mbH			●		Hamburg	0.1	EUR	100.0	31.12.
Lindschulte BauConsult GmbH			●		Düsseldorf	0.03	EUR	90.0	31.12.
Lindschulte Industrial Engineering GmbH			●		Lingen	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Krefeld	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Erfurt	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH Ammersee			●		Inning Ammersee	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH Kaiserslautern			●		Kaiserslautern	1.9	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Düsseldorf	0.03	EUR	60.0	31.12.
Lindschulte Ingenieurgesellschaft mbH Emsland			●		Meppen	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Münster	0.03	EUR	87.5	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Nordhorn	0.3	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Regensburg	0.03	EUR	100.0	31.12.
Lindschulte Ingenieur-Holding GmbH			●		Nordhorn	0.1	EUR	100.0	31.12.
Lindschulte Planungsgesellschaft mbH			●		Koblenz	0.03	EUR	100.0	31.12.
Lindschulte Planungsgesellschaft mbH			●		Oldenburg	0.03	EUR	100.0	31.12.
Lindschulte Prüf- und Sachverständigen GmbH			●		Nordhorn	0.03	EUR	75.0	31.12.
LTB Leitungsbau GmbH			●		Radebeul	1.0	EUR	100.0	31.12.
osd GmbH			●		Frankfurt am Main	0.03	EUR	100.0	31.12.
PALATIA Ingenieur- und Städtebau GmbH			●		Kaiserslautern	0.04	EUR	100.0	31.12.
plan & co. das zeichenbüro GmbH			●		Munich	0.03	EUR	100.0	31.12.
Planquadrat Elfers Geskes Krämer GmbH			●		Darmstadt	0.03	EUR	100.0	31.12.
Planungsgruppe Schweitzer GmbH			●		Braunschweig	0.1	EUR	100.0	31.12.
Podufal & Wiehofscky Generalplanung GmbH			●		Löhne	0.03	EUR	100.0	31.12.
R & P Prüfen und Beraten GmbH			●		Nuremberg	0.03	EUR	95.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Limburg a. d. Lahn	0.1	EUR	100.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Halle	0.03	EUR	100.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Erfurt	0.03	EUR	100.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Düsseldorf	0.03	EUR	95.0	31.12.

As of 31.12.2025	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
Group companies (continued)									
R & P RUFFERT Ingenieurgesellschaft mbH			●		Hamburg	0.03	EUR	100.0	31.12.
Ranner Projektmanagement GmbH			●		Munich	0.03	EUR	100.0	31.12.
Solar-Log GmbH	●				Geislingen	0.03	EUR	100.0	31.12.
Stein und Partner Projektmanagement GmbH			●		Berlin	0.03	EUR	100.0	31.12.
studio grüngrau GmbH			●		Düsseldorf	0.03	EUR	100.0	31.12.
Südvolt GmbH	●				Munich	0.03	EUR	100.0	31.12.
Tropp Lighting Design GmbH			●		Weilheim	0.03	EUR	100.0	31.12.
WALD + CORBE Consulting GmbH			●		Hügelsheim	0.03	EUR	100.0	31.12.
Windpark Parsteinsee GmbH	●				Steinhagen	0.03	EUR	60.0	31.12.
Italy									
BKW Hydro Italia S.r.l.	●				Milan	25.4	EUR	100.0	31.12.
BKW Italia S.p.A.	●		●		Milan	13.4	EUR	100.0	31.12.
Genzano Solar S.r.l.	●				Milan	0.01	EUR	100.0	31.12.
Green Castellaneta S.p.A.	●				Milan	0.1	EUR	100.0	31.12.
HelveticWind Eolo S.r.l.	●				Milan	0.03	EUR	100.0	31.12.
HelveticWind Italia S.r.l.	●				Milan	0.01	EUR	60.0	31.12.
Pantalla Solar S.r.l.	●				Milan	0.01	EUR	100.0	31.12.
Tamarete Energia S.r.l.	●				Ortona	3.6	EUR	60.0	31.12.
Veneta Energia S.r.l.	●				Milan	0.6	EUR	100.0	31.12.
Ventisei S.r.l.	●				Milan	0.01	EUR	100.0	31.12.
Volturno Wind S.r.l.	●				Milan	0.03	EUR	100.0	31.12.
Wind Farm S.r.l.	●				Milan	0.02	EUR	100.0	31.12.
Wind International Italy S.r.l.	●				Milan	52.2	EUR	100.0	31.12.
Norway									
Arowya AS	●				Oslo	0.1	NOK	100.0	31.12.
BKW Norway NWP AS	●				Oslo	0.1	CHF	100.0	31.12.
Marker Vindpark AS	●				Oslo	0.003	EUR	100.0	31.12.
Poland									
BKW Energia Polska Sp. z o.o.	●				Warsaw	0.01	PLN	100.0	31.12.
Romania									
BKW Engineering Romania S.r.l.			●		Bucharest	0.001	EUR	100.0	31.12.
Singapore									
BKW Energy Singapore Pte. Ltd.	●				Singapore	-	SGD	100.0	31.12.
ingenhoven LLP			●		Singapore	-	SGD	100.0	31.12.
Spain									
UMB Spanien SL			●		Madrid	0.003	EUR	100.0	31.12.
Sweden									
Hedesta Wind Farm AB	●				Hässleholm	0.002	EUR	100.0	31.12.
Rosenskog Wind Farm AB	●				Hässleholm	0.01	EUR	100.0	31.12.
Vietnam									
DCMVN Company Limited			●		Ho Chi Minh City	0.03	EUR	100.0	31.12.

As of 31.12.2025	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
Joint operations									
Switzerland									
Bieleree Kraftwerke AG BIK	●				Biel	20.0	CHF	50.0	31.12.
Kraftwerk Sanetsch AG (KWS)	●				Gsteig	3.2	CHF	50.0	31.12.
Wärme Mittelland AG	●				Solothurn	1.0	CHF	50.0	31.12.
Associates									
Switzerland									
EDJ, Energie du Jura SA	●				Delémont	7.4	CHF	41.0	30.09.
Electra-Massa AG	●				Naters	20.0	CHF	16.1	31.12.
Electricité de la Lienne SA	●				Sion	6.0	CHF	33.3	30.09.
ETRANS Ltd.		●			Baden	7.5	CHF	11.5	31.12.
EVTL Energieversorgung Talschaft Lötschen AG	●				Wiler (Lötschen)	1.3	CHF	49.0	31.12.
Forces Motrices de Mauvoisin SA	●				Sion	100.0	CHF	19.5	30.09.
GEBNET AG	●				Buchegg	7.4	CHF	38.5	31.12.
Grande Dixence SA	●				Sion	300.0	CHF	13.3	31.12.
Kernkraftwerk Leibstadt AG	●				Leibstadt	450.0	CHF	14.5	31.12.
Kernkraftwerk-Beteiligungsgesellschaft AG (KBG)	●				Bern	150.0	CHF	33.3	31.12.
Kraftwerk Berschnerbach AG	●				Walenstadt	4.5	CHF	49.0	31.12.
Kraftwerk Wannenfloh AG	●				Rüderswil	0.3	CHF	31.9	31.12.
Kraftwerke Hinterrhein AG	●				Thusis	100.0	CHF	7.7	30.09.
Kraftwerke Mattmark AG	●				Saas-Grund	90.0	CHF	11.1	30.09.
Kraftwerke Oberhasli AG	●				Innertkirchen	120.0	CHF	50.0	31.12.
Kraftwerke Wiler-Kippel AG	●				Kippel	6.0	CHF	34.0	31.12.
Metanord SA	●				Bellinzona	18.0	CHF	33.3	31.12.
Nagra BEVA AG	●				Wettingen	1.0	CHF	14.3	31.12.
Nagra gTL AG	●				Wettingen	1.0	CHF	14.3	31.12.
Nagra, National Cooperative for the Disposal of Radioactive Waste	●				Wettingen	–	CHF	14.3	31.12.
NIS AG		●			Sursee	1.0	CHF	25.0	31.12.
Oberland Energie AG	●				Thun	9.1	CHF	49.0	31.12.
Officine Elettriche dell'Engadina SA	●				Zernez	140.0	CHF	30.0	30.09.
Officine Idroelettriche della Maggia SA	●				Locarno	100.0	CHF	10.0	30.09.
Officine idroelettriche di Blenio SA	●				Blenio	60.0	CHF	12.0	30.09.
Société des Forces Motrices du Châtelot SA	●				Les Planchettes	6.0	CHF	11.7	31.12.
Swisseldex Ltd.		●			Bern	1.0	CHF	21.1	31.12.
Swissgrid Ltd.			●		Aarau	334.5	CHF	37.7	31.12.
Thermosource AG	●				Biel	2.0	CHF	50.0	31.12.
Trinkwasserkraftwerk Saas-Grund AG	●				Saas-Grund	1.2	CHF	40.0	31.12.
Zwilag Zwischenlager Würenlingen AG	●				Würenlingen	5.0	CHF	10.7	31.12.
Germany									
Onyx Grundstück Wilhelmshaven GmbH & Co. KG	●				Wilhelmshaven	–	EUR	33.0	31.12.
Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG	●				Wilhelmshaven	–	EUR	33.0	31.12.
Trianel Batteriepark Waltrop GmbH & Co. KG	●				Aachen	–	EUR	33.3	31.12.
Trianel Batteriepark Waltrop Verwaltungs GmbH	●				Aachen	0.03	EUR	33.3	31.12.
Italy									
EP Produzione Centrale Livorno Ferraris S.p.A.	●				Rome	10.0	EUR	25.0	31.12.
Sottostazione Società Consortile S.r.l.	●				Milan	0.01	EUR	35.0	31.12.
Norway									
Nordic Wind Power DA	●				Oslo	–	EUR	28.1	31.12.

Report of the Statutory Auditor on the Consolidated Financial Statements



Report of the statutory auditor to the General Meeting of BKW AG, Bern

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of BKW AG and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated balance sheet as at 31 December 2025, the changes in consolidated equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 28 to 113) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Our audit approach



Overview

Overall group materiality: CHF 44.7 million

The entities addressed by our full scope audit work as well as specific scope audit contribute to 69% of the Group's total operating income.

As key audit matters the following areas of focus have been identified:

- Classification and valuation of energy trading contracts
- Valuation of the provision for nuclear waste disposal
- Valuation of onerous contracts
- Recoverability of goodwill

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	CHF 44.7 million
Benchmark applied	Total operating income
Rationale for the materiality benchmark applied	<p>We chose total operating income as the benchmark for determining materiality.</p> <p>In our view, this takes into account the business activities of the BKW Group with the regulated areas of basic supply and grids as well as services, which are subject to lower and/or partially fluctuating margins. Furthermore, the figure calculated in this way appropriately reflects the Group's investment intensity. In addition, revenue-related reference figures are generally recognised reference figures for materiality considerations.</p>



We agreed with the Audit & Risk Committee that we would report to them misstatements above CHF 2 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Classification and valuation of energy trading contracts

Key audit matter	How our audit addressed the key audit matter
<p>Recognition in energy trading is based on the underlying transaction motive. Energy transactions are concluded for the active management of the power plant portfolio and to cover energy supply or procurement contracts. In addition, energy transactions are concluded with the sole intention of realising a trading margin.</p> <p>All these transactions qualify either as 'own use' transactions or financial instruments (hedging or trading transactions). 'Own use' transactions are subject to the provisions of IFRS 15 and are recognised gross in net sales and energy procurement at the time of delivery.</p> <p>Energy transactions classified as financial instruments follow the accounting logic of IFRS 9 and are recognised in net sales, energy procurement or other operating income.</p>	<p>We gained an understanding of the accounting and valuation principles as well as the processes for classifying and valuing energy trading transactions. Specifically, we performed the following control-based and sample-based audit procedures:</p> <ul style="list-style-type: none"> • Evaluation of the accounting and valuation principles. • Audit of internal controls for operating effectiveness and results-oriented audit procedures relating to the correct classification of energy trading transactions. • Control- and sample-based audit procedures of the energy price curves to ensure market conformity, with the involvement of valuation specialists and independently procured market data.



These energy transactions, which are classified as financial instruments, are subsequently measured using specific energy price curves.

The risk of classifying and valuing energy trading contracts is a key audit matter, as the allocation of individual transactions to hedging or trading transactions significantly determines the accounting result, and the valuation is subject to certain estimation uncertainties.

Please refer to notes 7, 8, 29 and 32 in the notes to the consolidated financial statements.

Valuation of the provision for nuclear waste disposal

Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2025, BKW reported total provisions of CHF 1,343.5 million. Of these provisions, CHF 996.8 million is attributable to the provision for nuclear waste disposal.</p> <p>The Mühleberg nuclear power plant was decommissioned on 20 December 2019. BKW is required by law to cover the costs of decommissioning the power plant and disposing of nuclear waste.</p> <p>We consider the measurement of the provision for nuclear waste disposal to be a key audit matter for the following reasons:</p> <ul style="list-style-type: none"> • At CHF 996.8 million as at 31 December 2025, the provision for nuclear waste disposal represents a significant component of liabilities. • Due to the extended time horizon and the lack of experience in some cases, the provision for nuclear waste disposal is subject to significant uncertainties. <p>Every five years (most recently in 2021), an updated cost calculation is conducted – the so-called cost study – which is reviewed by the Swiss Federal Nuclear Safety Inspectorate (ENSI). The cost calculation is updated on behalf of and in accordance with the specifications of the Administrative Commission of the Decommissioning and Waste Disposal Fund for Nuclear Installations (VK STENFO) and in collaboration with swissnuclear. Based on this cost estimate, the provision for nuclear waste disposal may be adjusted in the event of a reassessment.</p>	<p>In order to assess the measurement of the provisions for nuclear waste management, we obtained an understanding of the accounting policies and the process for measuring the provisions for nuclear waste disposal.</p> <p>Specifically, we performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • Verification of the mathematical accuracy of the calculation model. • Verification of correct data transfer from the last available cost study. • Critical assessment and plausibility check of BKW-specific assumptions and parameters such as inflation rates and real interest rates, also involving valuation specialists. • Sample-based audit of the reversal of provisions for nuclear waste disposal. • Critical appraisal of the disclosure of the provision in the consolidated financial statements in accordance with IFRS requirements.



BKW reviews the parameters for determining the discount rates annually.

Please refer to note 25, 'Provisions and contingent liabilities and commitments for investments', in the notes to the consolidated financial statements.

Valuation of onerous contracts

Key audit matter	How our audit addressed the key audit matter
<p>BKW holds shares in various associated companies. BKW has undertaken to purchase energy from its so-called partner plants at production cost plus a margin. Depending on the cost structure of the partner plant in question and the current and expected price development (electricity price curve), this can lead to an onerous contract. BKW does not recognise such losses as an impairment on its investment, but instead recognises a corresponding provision for onerous contracts for energy procurement.</p> <p>We consider the measurement of onerous contracts to be a key audit matter for the following reasons:</p> <ul style="list-style-type: none"> • In the case of onerous contracts, various assumptions are made about future values, specifically about expected price developments, which can have a significant impact on the measurement of onerous contracts. • At CHF 276.5 million as at 31 December 2025, the provisions for onerous contracts represent a significant item for our audit in terms of amounts. <p>Please refer to note 25, 'Provisions and contingent liabilities and commitments for investments', in the notes to the consolidated financial statements.</p>	<p>Our response to the audit risks identified in the valuation of the onerous contracts for energy procurement are included in the following audit procedures, specifically:</p> <ul style="list-style-type: none"> • Discussion of the procedure for evaluating onerous contracts with the management. • Involvement of internal valuation specialists to assess the valuation procedures and to check the mathematical correctness of the models used. • Critical appraisal of the underlying electricity price curve and other key assumptions such as power plant utilisation and costs, in some cases with the assistance of an industry specialist. • Analysis of the WACC rates used and their derivation with the involvement of valuation specialists. • Critical appraisal of the disclosure of the provision in the consolidated financial statements in accordance with IFRS requirements.

Recoverability of goodwill

Key audit matter	How our audit addressed the key audit matter
<p>To test goodwill for impairment, BKW calculates the value in use annually based on a discounted cash flow method and compares this with the carrying amount of the cash-generating units.</p> <p>We consider the assessment of the recoverability of goodwill to be a key audit matter for the following reasons:</p>	<p>As part of our audit, with the involvement of valuation specialists, we assessed whether a methodologically correct valuation procedure was selected for the impairment test, whether the calculation was comprehensible and whether the assumptions made were appropriate.</p>



- Goodwill is a significant item in the balance sheet at CHF 1,142.7 million as at 31 December 2025.
- As part of the annual goodwill impairment test, management applies considerable judgement regarding the expected future cash flows, the discount rates applied (WACC) and the forecast growth.

Please refer to note 22, 'Intangible assets', in the notes to the consolidated financial statements.

Specifically, we critically scrutinised the input data and assumptions for the underlying cash flows of the impairment test. In addition, we compared the business results of the reporting year with last year's assumptions for the reporting year in order to assess the appropriateness of last year's assumptions.

We analysed the WACC rates used and their derivation with the help of valuation specialists. We compared certain assumptions underlying the WACC rates, the growth rate in the terminal value and the inflation rate with externally available data.

We have assessed whether the disclosures on impairment testing in the notes to the consolidated financial statements are presented correctly and whether the sensitivity analyses presented adequately reflect the impairment risks.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer
Licensed audit expert
Auditor in charge

Matthias Zimny
Licensed audit expert

Bern, 9 March 2026

BKW AG

Annual Financial Statements of BKW AG

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Income Statement

CHF millions	2025	2024
Dividend income	235.3	215.0
Other operating income	0.7	1.2
Total operating income	236.0	216.2
Other operating expenses	-16.1	-11.6
Depreciation, amortization, and impairment	0.0	-0.1
Total operating expenses	-16.1	-11.7
Operating result	219.9	204.5
Financial income	30.4	30.3
Interest expense	-36.5	-36.9
Other financial expenses	-2.9	-6.4
Profit before taxes	210.9	191.5
Direct taxes	-0.0	0.0
Net profit	210.9	191.5

Balance Sheet

CHF millions	31.12.2025	31.12.2024
Assets		
Cash and cash equivalents	0.1	0.9
Other receivables		
– from third parties	1.7	2.0
– from subsidiaries	211.4	200.0
Prepaid expenses and accrued income	4.4	4.8
Total current assets	217.6	207.8
Financial assets		
– from third parties	1.9	1.9
– from subsidiaries	1,790.5	1,811.4
Investments	1,894.4	1,894.4
Total non-current assets	3,686.7	3,707.7
Total assets	3,904.3	3,915.5
Liabilities		
Trade accounts payable	0.5	0.3
Current interest-bearing liabilities		
– Bonds	200.0	200.0
– to subsidiaries	515.3	536.1
Other current liabilities	1.9	1.7
Deferred income and accrued expenses	7.4	7.3
Total current liabilities	725.1	745.4
Non-current interest-bearing liabilities		
– Bonds	1,000.0	1,000.0
– Loans payable	239.6	241.2
Total non-current liabilities	1,239.6	1,241.2
Total liabilities	1,964.7	1,986.6
Share capital	132.0	132.0
Statutory capital reserves	26.1	26.1
Statutory retained earnings		
– Statutory retained earnings	1,155.0	1,149.1
– Reserve for treasury shares	0.0	5.9
Treasury shares	–4.9	0.0
Profit carried forward	420.5	424.4
Net profit	210.9	191.5
Total shareholders' equity	1,939.7	1,929.0
Total liabilities and shareholders' equity	3,904.3	3,915.5

Notes to the Financial Statements

Accounting policies

These financial statements of BKW AG, domiciled in Bern, were prepared in accordance with the provisions of the Swiss Act on Accounting and Financial Reporting (Title 32 of the Swiss Code of Obligations). The material measurement principles applied, which are not prescribed by law, are described below. It must be taken into account that the ability to establish and release hidden reserves is exercised.

BKW AG prepares consolidated financial statements in accordance with recognized accounting standards (IFRS Accounting Standards). For this reason, in accordance with the statutory provisions, the additional disclosures in the notes, the presentation of a cash flow statement and the management report pursuant to Art. 961d of the Swiss Code of Obligations have been omitted from these financial statements.

Other receivables

Other receivables are presented at their nominal amount less operationally necessary valuation allowances. The other receivables presented in the balance sheet are mainly current loans to BKW Energie AG.

Equity investments

In all cases, the equity interest corresponds to both the percentage of capital and voting rights. The companies in which BKW AG holds indirect interests are listed in the list of shareholdings on pages 108 to 113.

Non-current assets

The equity investments held by BKW AG are reported at cost less any necessary impairment losses.

Financial assets are recognized at the nominal amount. These are mainly long-term loans to BKW AG's equity investments.

Current debt capital

Liabilities are presented at the nominal amount. The liabilities to equity investments presented in the balance sheet are mainly current account liabilities to BKW Energie AG.

Non-current debt capital

Non-current liabilities are measured at the nominal amounts. Loans payable include the existing registered bonds.

Treasury shares

Treasury shares are recognized at cost as a contra-equity item at the acquisition date. If treasury shares are acquired by equity investments or subsidiaries, a reserve for treasury shares is established in the amount of the acquisition costs.

Company name, legal form, headquarters	Business Segment	Share capital CHF	Capital share	Capital share
			31.12.2025 %	31.12.2024 %
BKW Energie AG, Bern	Energy Solutions, Power Grid, Infrastructure & Buildings	132,000,000	100.0	100.0
BKW Building Solutions AG, Ostermundigen	Infrastructure & Buildings	200,000	100.0	100.0
BKW Engineering AG, Bern	Infrastructure & Buildings	100,000	100.0	100.0
BKW Infra Services AG, Wangen an der Aare	Infrastructure & Buildings	100,000	100.0	100.0
BKW Management AG, Bern	Other	100,000	100.0	100.0

Bonds

CHF millions	31.12.2025	31.12.2024
0.75% debenture bond, 2018–2025	0.0	200.0
0.875% debenture bond, 2022–2026	200.0	200.0
0.25% green bond, 2019–2027	200.0	200.0
1.125% green bond, 2022–2029	100.0	100.0
2.5% debenture bond, 2010–2030	300.0	300.0
0.875% debenture bond, 2025–2031	200.0	0.0
1.5% green bond, 2024–2034	200.0	200.0
Total	1,200.0	1,200.0

Share capital

BKW AG's share capital as of December 31, 2025, was unchanged from the previous year at CHF 132 million and is divided into 52,800,000 registered shares with a par value of CHF 2.50 each.

Treasury shares

	CHF millions	BKW AG Number	CHF millions	Group companies Number	CHF millions	Total Number
As of 31.12.2023	1.7	10,251	1.2	8,428	2.8	18,679
Additions	39.1	260,527	1.9	14,035	41.0	274,562
Transfer	-27.2	-178,357	27.2	178,357	0.0	0
Disposals	-13.6	-92,421	-24.3	-161,816	-37.9	-254,237
As of 31.12.2024	0.0	0	5.9	39,004	5.9	39,004
Additions	12.5	70,000	7.6	50,000	20.1	120,000
Transfer	-7.6	-40,453	7.6	40,453	0.0	0
Disposals	0.0	0	-21.1	-129,457	-21.1	-129,457
As of 31.12.2025	4.9	29,547	0.0	0	4.9	29,547

Contingent liabilities

CHF millions	31.12.2025	31.12.2024
Guarantees for consolidated companies in favor of third parties	431.9	489.0

Number of full-time positions

As in the previous year, BKW AG had no employees in the 2025 fiscal year.

Number and value of participation rights allocated to the board of directors

The board of directors receives 25% of its fee each first quarter in the form of shares in BKW AG. In 2025, 1,529 shares (previous year: 1,576 shares) were used for this at a market price of CHF 157.50 (previous year: CHF 146.90) and a corresponding expense of CHF 240,818 was recognized (previous year: CHF 231,514).

Release and approval of the annual financial statements

BKW AG's Board of Directors approved the release of these annual financial statements on March 9, 2026. There were no significant events after the balance sheet date up to this date. The annual financial statements will be submitted to the General Meeting of the shareholders of BKW AG on April 28, 2026 for approval.



APPROPRIATION OF RETAINED EARNINGS

Proposal to the General Meeting

CHF	
Profit carried forward	420,536,193
Net profit	210,910,745
Unappropriated retained earnings	631,446,938

The board of directors proposes that retained earnings be appropriated as follows:

CHF	
Dividend of CHF 3.80 per share entitled to a dividend ¹	200,527,721
Balance carried forward	430,919,217
Total	631,446,938

1 No dividend will be distributed on treasury shares held by BKW AG or its fully-owned subsidiaries (100% direct or indirect equity interest). Therefore, the number of shares authorized to receive a dividend as of December 31, 2025, was 52,770,453 shares.

Subject to approval by the General Meeting, the following distribution will be made as follows:

CHF	
Dividend per share	3.80
Minus 35% withholding tax	1.33
Net dividend	2.47

Bern, March 9, 2026

On behalf of the board of directors
The Chairman
Roger Baillod

Report of the Statutory Auditor on the Financial Statements



Report of the statutory auditor to the General Meeting of BKW AG, Bern

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BKW AG (the Company), which comprise the income statement for the year ended 31 December 2025, the balance sheet as at 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 122 to 125) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



Overview

Overall materiality: CHF 39 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of investments and loans to investments

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 39 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark for determining materiality as, in our view, this is the figure that is relevant for a holding company. In addition, 'total assets' is a generally recognised benchmark for materiality considerations.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of investments and loans to investments

Key audit matter	How our audit addressed the key audit matter
<p>Impairment testing of investments and loans to investments was a key audit matter for the following reasons:</p> <p>At CHF 1,894.4 million and CHF 1,790.5 million respectively, investments and loans to investments represent a significant portion of the assets in the balance sheet.</p> <p>Investments and loans to investments are recognised at cost or at nominal value, less any necessary value adjustments.</p> <p>The loans to investments are mainly long-term loans due from investments.</p> <p>The company valuations used in this context are prepared by BKW using the net asset value or discounted cash flow (DCF) method, whereby a high degree of discretion is applied in the determination of parameters such as the discount rates (WACC).</p> <p>Please refer to the notes to the financial statements under accounting policies – non-current assets.</p>	<p>Specifically, we performed the following audit procedures to assess the recoverability of the investments and loans to investments.</p> <p>We compared the carrying amounts of the investments as at 31 December 2025 with the respective pro rata equity of the investments.</p> <p>For company valuations using the DCF method, we performed the following audit procedures in detail:</p> <ul style="list-style-type: none"> • Assessment of the appropriateness of the business valuation methods applied and verification of the mathematical correctness of the models used. • Comparison of the values assumed in the previous year with the current results to assess the accuracy of management's estimates. • We analysed the WACC rates used and their derivation with the assistance of valuation specialists. We compared the key assumptions underlying the WACC rates, the growth rate used for the residual value and the inflation rate with externally available data.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer
Licensed audit expert
Auditor in charge

Matthias Zimny
Licensed audit expert

Bern, 9 March 2026

BKW GROUP

Sustainability Report

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INTRODUCTION

We Anchor Sustainability in Our Activities

In 2025, BKW worked on pursuing strategic sustainability-related goals in our “Solutions 2030” strategy. We have achieved our first successes: clear responsibilities, integration into business processes, and last but not least, internal training.

Dear readers of the Sustainability Report,

In 2024 we anchored sustainability as a core strategic element of our “Solutions 2030” strategy at BKW. In 2025, we worked on implementing the BKW sustainability framework with its five fronts of climate, energy, nature, people, and governance. In spring 2025, the executive committee also defined the responsibilities for all fronts and set out the measures and next milestones. Implementation work is now underway in the support functions and business areas. In order to specifically promote the topic of people, BKW has adopted a new HR strategy. And, of course, we want to regularly review how far we have already come in terms of sustainability. An annual progress measurement will be introduced for this purpose in spring 2026. As part of the further development of our management and reporting, selected quantitative key performance indicators (KPIs) were audited externally for the first time in 2025.

The Group-wide management and governance of sustainability is based on the Group Sustainability Management Directive, which was adopted by the BKW Group Executive Committee in October 2025. However, a document alone does not create sustainability. It is important that all BKW employees understand how we want to tackle the issue

together. What is key for me is to systematically integrate the principle of sustainability set out in the directive into the relevant business processes. This applies equally to the development of new products and the procurement of materials and services. In procurement, the Supplier Code of Conduct was also updated this year. Sustainability is therefore not just a management task at the highest level, but a shared objective that is to be practiced throughout the entire company and implemented in day-to-day work.

Let me pick out one more aspect of our work for greater sustainability at BKW that I was particularly pleased with last year: I was able to persuade the entire BKW Board of Directors to invest two half-days in their own further training in sustainability. The Board of Directors called in external and internal experts for this purpose. We gained valuable insights and learned a lot.

Kind regards,



Roger Bailod
Chairman of the Board of Directors



“Sustainability is not just a management task at the highest level, but a shared objective that is to be practiced throughout the entire company.”

At a Glance: Sustainability at BKW

BKW sees sustainability as a core element of its strategy. To this end, it is pursuing ambitious sustainability-related goals on the climate, energy, nature, people, and governance fronts. The latter forms the foundation for all sustainability-related activities.

On the climate front, BKW is aiming for net-zero emissions in Scopes 1 and 2 as a Group by 2040 and halving greenhouse gas (GHG) intensity by 2030 compared to 2022. To this end, it is looking into phasing out coal early and electrifying its fleet of over 3,500 vehicles by 2030. In terms of emissions from the upstream and downstream value chain (Scope 3), BKW aims to achieve net zero by 2050.

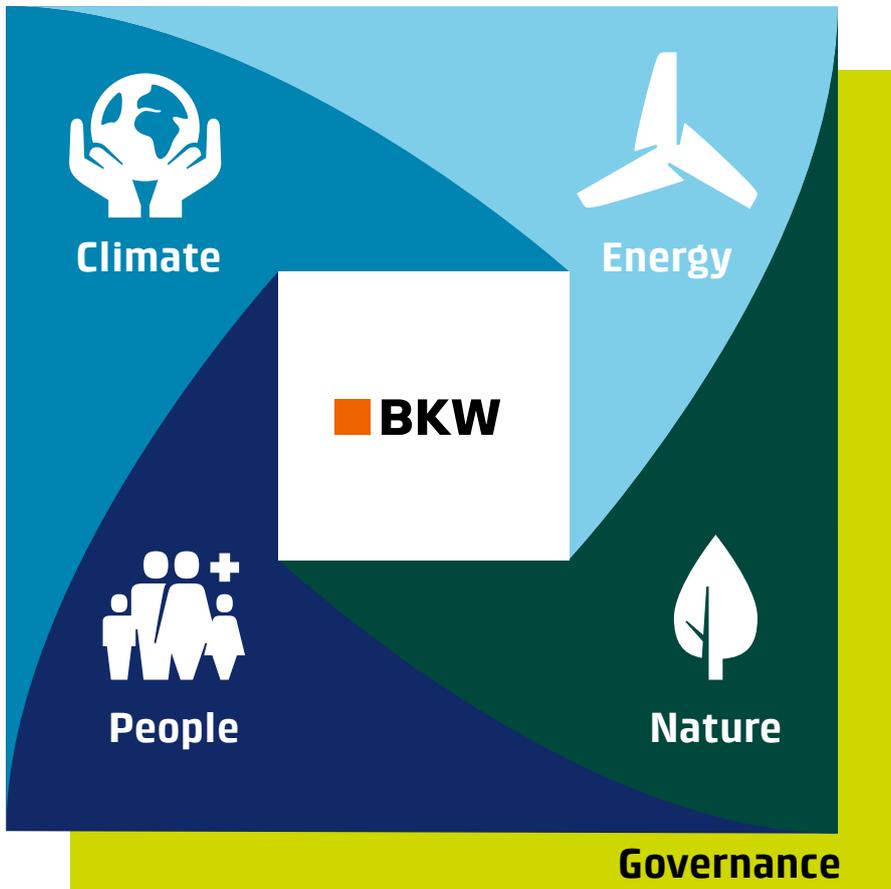
On the energy front, BKW is focusing on investments in renewable and efficient energy infrastructures. It aims to increase the installed capacity from renewable energies from 2.7 gigawatts (GW) in 2024 to 3.4 GW by 2030.

On the nature front, BKW aims to strengthen its commitment to natural ecosystems and biodiversity, including through increasingly nature-oriented management of its land.

The people front stands for the importance of BKW stakeholders. The more than 12,000 employees ✓ are BKW's greatest asset, and their health and safety are the top priority. BKW therefore invests in occupational safety, attractive development opportunities, appreciative leadership, equal opportunity, and flexible work conditions.

More information at:
bkw.ch/sustainability

Sustainability framework



✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

General Information

Arzberg battery storage

Laura Wilkat, Project Manager, and Thomas Braun, Technical Manager, both BKW Storage Solutions GmbH, BKW Infra Services.



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Basis for Preparation

ESRS 2 BP-1 | ESRS 2 BP-2

ABOUT THIS REPORT

The scope of consolidation for sustainability reporting corresponds to that of financial reporting. Unless specified otherwise in an individual case, all information and figures relate to the entire BKW Group and the period from January 1, 2025, to December 31, 2025.

BKW's sustainability reporting meets the requirements of the Swiss Code of Obligations and complies with the requirements of the Ordinance on Climate Disclosures. An overview of the reported Swiss disclosure requirements can be found in the Appendix starting on page 250. The report is not yet fully compliant with ESRS reporting. In terms of content and structure, however, already uses the ESRS as reference Framework, to which it will be subject in the future. As a reading aid, the report refers to the respective disclosure requirements of the ESRS¹, even if these have not yet been fully implemented in individual cases as of the end of 2025. A complete list of the reported ESRS disclosure requirements can be found in the Appendix starting on page 246.

The contents of the sustainability report are based on a double materiality analysis, which BKW carried out in 2024 at the topic level based on ESRS requirements and the available implementation aids. BKW's overall value creation was analyzed, along with the upstream and downstream value chains. Where material, the impacts, risks, and opportunities in the value chain are addressed in the respective sections.

In some cases, disclosures in the sustainability report are subject to significant uncertainties with respect to outcomes. This applies in particular to forward-looking statements (for example in the context of climate scenarios) and quantifications of GHG emissions. These uncertainties result from incomplete scientific knowledge about the measurement of GHG and from the limited availability and quality of data, particularly from the upstream and downstream value chains. BKW endeavors to reduce such uncertainties as far as possible.

In this fiscal year, a selection of numerical key performance indicators (KPIs) was subjected to an external audit for the first time. These KPIs are indicated by ✓ in the report. The audit report can be found on pages 254 to 259. Going forward, the company's sustainability reporting is to be prepared fully in accordance with the ESRS and audited externally. This would exempt all BKW Group companies based in EU Member States from their respective possible individual reporting obligations.

BKW is committed to the ten principles of the UN Global Compact (UNGC). As a participant, the company publishes a corresponding annual Communication on Progress ("COP") on the UNGC website.

WE SUPPORT



More information at:
globalcompact.ch

¹ The report is based on the ESRS in accordance with Commission Delegated Regulation (EU) 2023/2772 dated July 31, 2023. The planned ESRS amendments are to be applied in the next reporting cycles once the corresponding EU delegated act has entered into force.

Sustainability Governance

ESRS 2 GOV-1

SUSTAINABILITY MANAGEMENT AT BKW

The board of directors is the highest management body of the BKW Group. Its members contribute substantial knowledge and experience from a wide range of areas to the strategic management of the Group. The board of directors bears ultimate responsibility for the material sustainability impacts, risks, and opportunities associated with BKW's business activities for society and the environment and approves the sustainability-related goals and the annual sustainability report.

Composition of the board of directors by executive and non-executive members

Function	Number	Share in %
Executive members	0 ✓	0% ✓
Non-executive members	8 ✓	100% ✓
Total	8 ✓	100% ✓

Composition of the board of directors by gender

Gender distribution	Number	Share in %
Female	4 ✓	50% ✓
Male	4 ✓	50% ✓
Total	8 ✓	100% ✓

Share of independent members of the board of directors

Independence	Number	Share in %
Independent members	8 ✓	100% ✓

The executive committee is responsible for ensuring that sustainability-related goals are developed and implemented. As an overall body, it makes strategic decisions on the management of sustainability-related impacts, risks, and opportunities for the entire BKW Group. The executive committee's members are also responsible for implementing the sustainability requirements, goals, and targets in their respective business areas. Further information on the composition, independence, and competencies of the board of directors and executive committee can be found in the Corporate Governance Report starting on page 276 and in the ESRS 2 GOV-2 section on page 140.

Group Sustainability, which is part of Group Strategy & Sustainability, supports the organization in Group-wide sustainability management as a support function. As a staff unit of the CEO, Group Sustainability coordinates BKW's sustainability activities, ensures their coherence with the Group strategy, and advises the board of directors and executive committee.

Depending on the topic, different support functions or business areas are responsible for dealing with sustainability-related impacts, risks, and opportunities. They report to the executive committee in accordance with their reporting lines (see the relevant section of the sustainability report).



ESRS 2 GOV-2

SUSTAINABILITY TOPICS AT THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE LEVEL

In 2024, the members of the executive committee completed additional training on topics such as sustainability trends and their relevance, sustainability management models, and strategic sustainability governance for BKW. In 2025, the board of directors and executive committee continued to address a wide range of sustainability topics. In addition, the members of the board of directors took part in two further trainings on sustainability with several external partners, which covered

topics including regulatory issues, sustainability governance, sustainable finance, sustainability as a value driver, sustainability communication, and the sustainability framework (see also page 144).

The board of directors and executive committee addressed the following sustainability topics in 2025 (not exhaustive):

Sustainability topics addressed in Group committees

	Board of Directors	Human Resources & Compensation Committee (HRCC)	Audit & Risk Committee (ARC)	Executive Committee
2024 Sustainability Report	●		●	●
2024 Integrity Report	●			●
Group risk report	●		●	●
Sustainability framework, including Sustainability Implementation Planning	●			●
Corporate Sustainability Performance Goal	●	●		●
HR strategy (including diversity, equity & inclusion strategy)		●		●
Board of directors sustainability training	●			
Board of directors sustainability governance	●			
New or updated policies: Occupational Health and Safety, Human Resources, Cybersecurity & Data Privacy, and Human Rights policy	●			●
Directive Management Concept, including Group policies	●			
New or updated Group directives: Sustainability Management, Human Rights, and Procurement Management				●
Supplier Code of Conduct				●
Internal/external compliance investigations and actions	●		●	●
Corporate Sustainability Reporting Directive (CSRD) audit			●	
ESG regulatory requirements			●	●
Monthly compliance status report				●
Occupational safety status report	●			●
Group Security update			●	●

ESRS 2 GOV-3 | ESRS E1 GOV-3

SUSTAINABILITY-RELATED COMPONENTS OF REMUNERATION

Since the 2024 fiscal year, BKW has linked progress in sustainability to its incentive and remuneration system. In the 2025 fiscal year, the corresponding performances were again comprehensively evaluated by an external rating agency. The progress of the 2025 rating results compared to 2024 serves as the baseline for measuring target achievement. The rating assesses corporate governance, social aspects, and the environment and compares these areas with the previous year's rating. As part of the environment area, direct climate, and energy-related factors, such as the development of GHG emissions, energy consumption, and climate change mitigation management, are also assessed. In addition, indirect climate and energy-related factors are included in various overarching assessment categories such as organizational anchoring, sustainability strategy, and responsible supply chains.

For the members of the executive committee, the achievement of sustainability-related targets determines 20% of the short-term incentive remuneration (STI). The targeted relative improvement was determined by the Human Resources & Compensation Committee (HRCC) at the beginning of the year and assessed at the end of the year based on the external rating. Further information on the remuneration of the executive committee can be found on page 314 of the Annual Report (Remuneration Report).

In addition to the members of the executive committee, sustainability performance influences 25% of the variable remuneration component for senior management and 50% of the performance bonus for other employees of BKW Energie AG² and BKW Management AG.

ESRS 2 GOV-4

STATEMENT ON DUE DILIGENCE

BKW's Executive Committee is aware of its responsibility for the health and safety of its employees and customers. This includes ensuring compliance with human rights and international labor standards along the company's value chain. BKW is also responsible for data security, combating corruption, and protecting natural resources within its sphere of influence. To fulfill the relevant due diligence obligations and legal requirements, different management systems and control mechanisms have been established depending on the topic and business segment.

BKW fulfills its obligations in connection with child labor and minerals and metals from conflict areas in accordance with the provisions of the Swiss Code of Obligations. The due

diligence and reporting obligations relating to conflict minerals and metals do not apply to BKW, as the Group neither imports nor processes these raw materials. With regard to child labor in BKW's own business activities, there are no reasonable grounds to suspect violations of applicable regulations in BKW companies. However, certain categories of goods in BKW's upstream supply chain may contain raw materials with a potential risk with regard to child labor. BKW has reviewed this risk, as well as other social and environmental risks in the supply chain, and obtained appropriate information from relevant suppliers. It also found no reasonable suspicion of child labor in the supply chain. Further detailed information can be found on pages 221 to 225.

² Including subsidiaries. As management responsibility increases, so does the variable remuneration component, making sustainability performance more important.

ESRS 2 GOV-5**RISK MANAGEMENT OF SUSTAINABILITY TOPICS**

In the 2025 reporting year, BKW further intensified the review of sustainability-related risks and opportunities at the Group level. Sustainability-related risks have been explicitly reported as part of the risk report to the Audit & Risk Committee (ARC)³ and the executive committee since 2023. In 2024, Risk Management was given the mandate to fully integrate sustainability topics into the risk management framework. Further information on Group Risk Management can be found on page 292 of the Annual Report.

In order to meet the requirements of the Swiss Ordinance on Climate Disclosures, BKW conducted a comprehensive assessment of its climate-related risks and opportunities in 2024. A selected portfolio of assets was examined in detail in the context of three different climate scenarios. This

analysis was further developed in 2025 and methodologically sharpened to meet the requirements of the expected disclosure obligations under the ESRS. The aim was to refine the measurement approaches, increase the informative value of the results, and ensure greater consistency with European reporting standards. Further information on the procedure and the findings can be found in the Climate Change Mitigation section on pages 164 to 168.

Sustainability risks in the upstream supply chain are continuously managed by Procurement Services. To this end, the supply chain risk analysis carried out in 2023 was refined and extended to other product groups. Additional information on this can be found on pages 221 to 225.

³ For responsibilities of the ARC, see the Corporate Governance report on page 288.

Strategy

ESRS 2 SBM-1

STRATEGY, BUSINESS MODEL, AND VALUE CHAIN

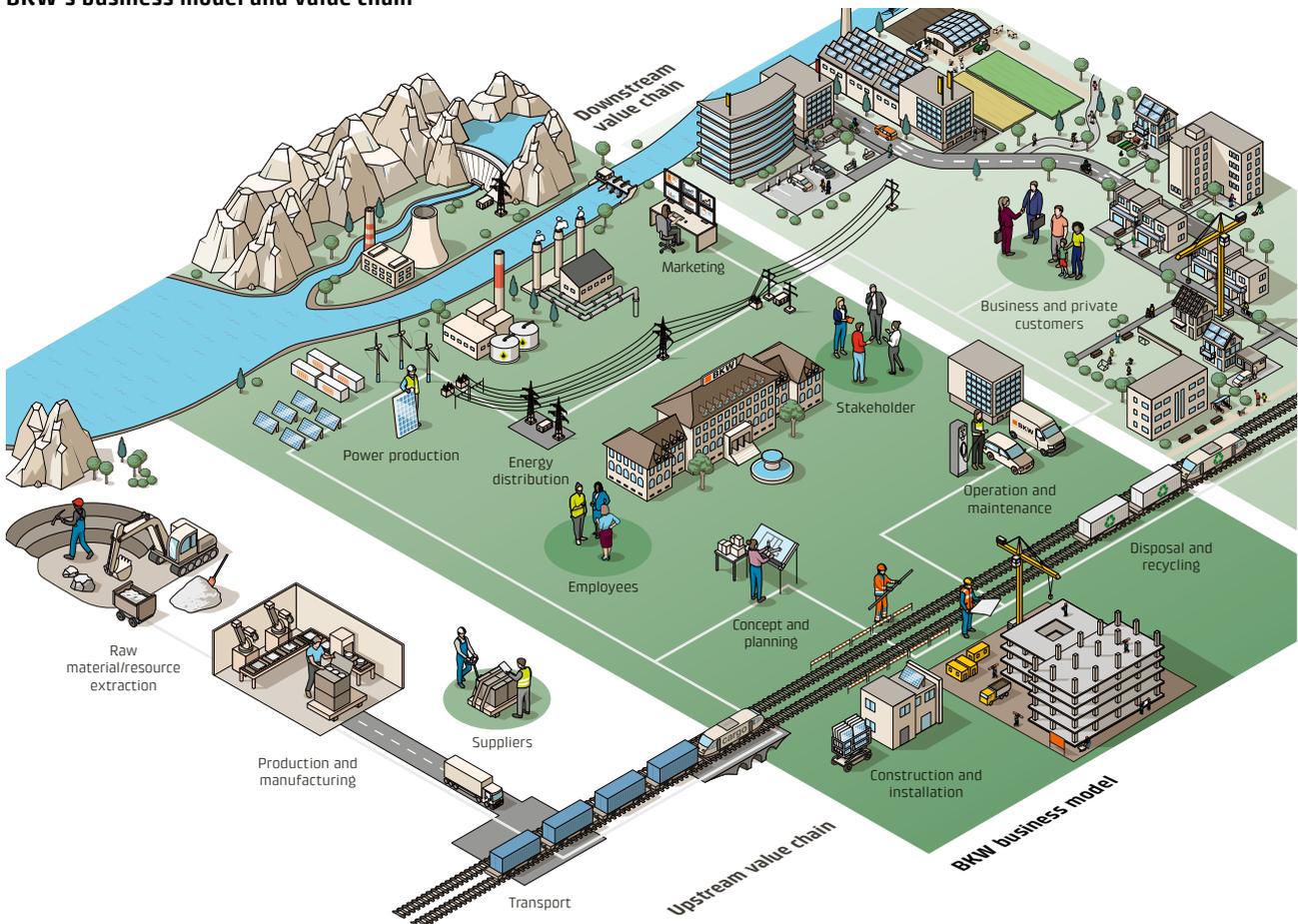
BKW is a leading Swiss energy and infrastructure company with more than 12,000 employees[✓] and branches with their own staff in eleven countries⁴. It has a broad portfolio of products and services in the Energy Solutions, Power Grid, and Infrastructure & Buildings Business Segments. It serves a wide range of customer groups, including private households, companies, and public institutions.

BKW's business model comprises the generation, marketing, and distribution of energy⁵ as well as the planning, realization, and maintenance of infrastructure and buildings (see also page 6). BKW's activities are part of a value chain that extends from the extraction of resources by suppliers, to customers, and ultimately to the dis-

posal or recycling of products at the end of their life cycle. BKW's solutions make a significant contribution to a reliable and renewable supply of electricity and heat, and at the same time support the resource-efficient and sustainable design of buildings and infrastructures.

In 2024, BKW updated its corporate strategy and defined new targets up to 2030. Alongside growth and excellence, sustainability is one of three core elements of the strategy. As part of the double materiality analysis (see also pages 156 to 157), in 2024 BKW analyzed its sustainability-related impacts, risks, and opportunities along the entire value chain and updated its sustainability framework on this basis.

BKW's business model and value chain



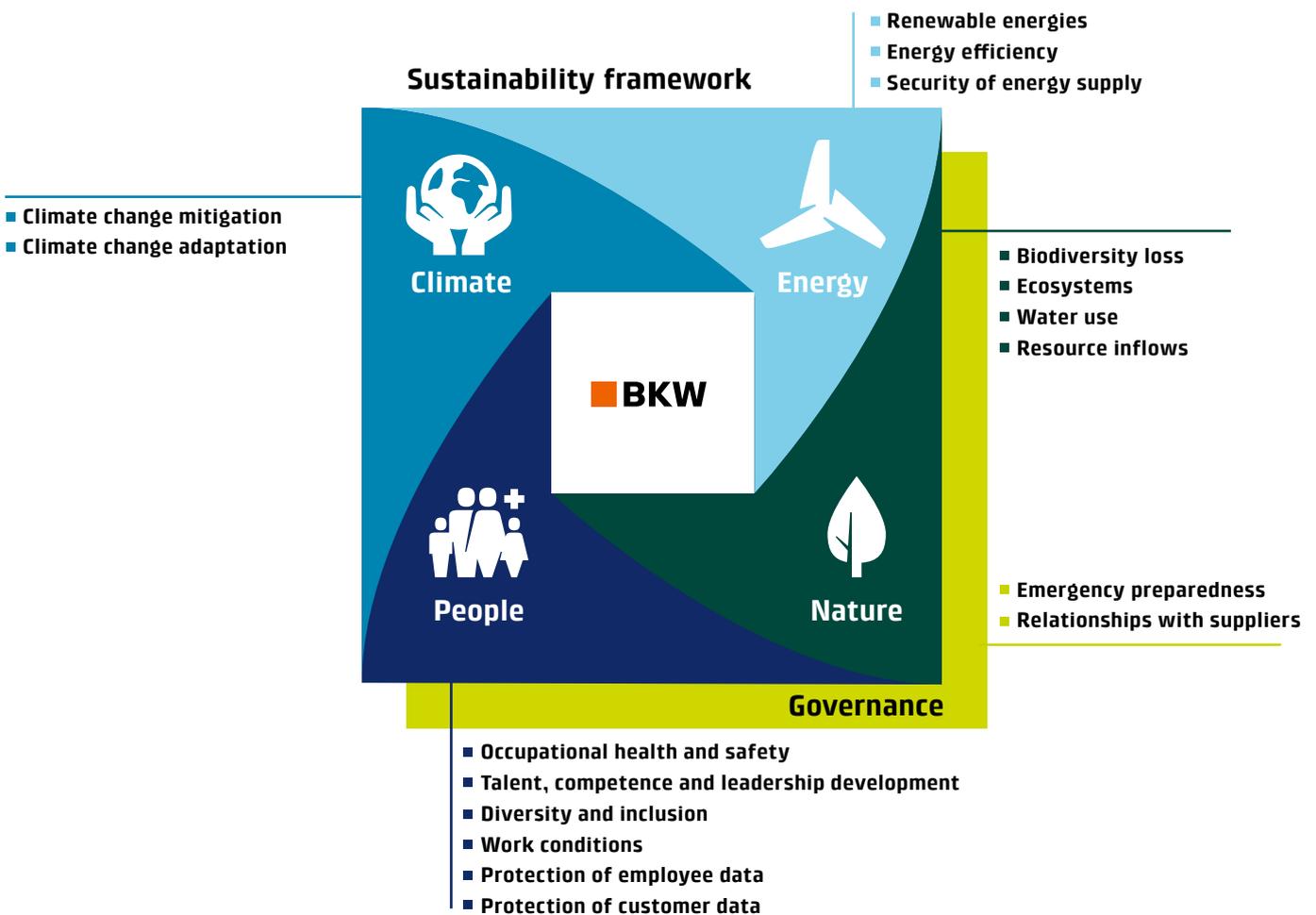
4 Switzerland, Germany, France, Italy, Croatia, Norway, Austria, Romania, Singapore, Spain, Vietnam.
 5 In Switzerland, BKW also physically supplies small quantities of natural gas to end customers.
 ✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

This framework consists of five strategic fronts and takes into account BKW's key sustainability matters (see below). BKW has defined strategic targets for all five fronts, which will be pursued during implementation of the new corporate strategy⁶.

Strong governance is the basis for achieving the sustainability-related goals. BKW understands

this to mean adherence to all regulatory requirements and internal guidelines (compliance), clearly defined responsibilities, and professional risk and data management.

In 2025, BKW pressed ahead with the planning and implementation of actions in all areas of the sustainability framework.



⁶ See page 252 for the contribution from these fronts to the Sustainability Development Goals (SDG) of the 2030 Agenda.

Sustainability framework – overview of the status of target achievement

Strategic front	Material topics	Strategic targets	as of 31.12.2025
Climate	Climate change mitigation	Scopes 1 and 2 reduction to net zero by 2040, Scope 3 by 2050.	Being implemented
		Reduce Scopes 1 and 2 GHG intensity (in t CO ₂ /kWh) by at least 50% by 2030 compared to 2022.	-24%
	Climate change adaptation	Climate-related risks were assessed for all new strategically relevant projects from 2025 onwards.	Being implemented
Energy	Renewable energies	Expansion to 1.5 GW of wind and PV capacity by 2030.	1,022 MW
		Targeted installed capacity from renewable energy (hydro, wind, solar, biomass) of 3.4 GW by 2030.	2.8 GW
		Expansion of battery storage capacity to 500 MW by 2030 to accelerate the integration of renewable energies.	0 MW
	Energy efficiency	Increase in energy efficiency (MWh/employee) within BKW by 15% by 2030 compared to 2022, excl. energy for electricity and heat production.	+0.2%
	Security of supply	BKW maintains the high availability level in its distribution grid.	Being implemented
We are investing more than CHF 1 billion (CAPEX) in grid expansion by 2030 to enable the energy transition and maintain the distribution grid.		CHF 166.9 million	
Nature	Biodiversity loss	Negative impacts of our own ⁷ energy and infrastructure projects on biodiversity are reduced beyond the statutory requirements, and BKW is aiming for a net positive impact ⁸ when implementing projects from 2030 onwards.	Being implemented
	Ecosystems	Increasingly nature-oriented management of land owned and managed by BKW (influenced in the longer term).	Being implemented
	Water use	Create a data basis for water use and water efficiency at all locations by 2026.	Being implemented
	Resource inflows	Establishment of Environmental Product Declarations (EPDs) ⁹ as a procurement criterion in all five risk areas defined by Procurement Services (photovoltaics, wind, large-scale batteries, power grids, and hydro) by 2027.	Being implemented
By 2028, the life cycle costs will provide a structured basis for decision-making for Asset Management to increase the service life (in terms of new construction, replacement, and repair) of photovoltaics, wind, large-scale batteries, power grids, and hydro.		Being implemented	

⁷ Facilities in which BKW holds a majority interest.

⁸ A Net Positive Impact (NPI) is achieved when negative impacts on biodiversity are not only mitigated but overall exceeded through measures to avoid and reduce these impacts, as well as through restoration actions benefiting the affected species and ecosystems.

⁹ Standardized, objective environmental assessment of products.



Strategic front	Material topics	Strategic targets	as of 31.12.2025
People	Occupational health and safety	Focus on prevention and promoting a culture of occupational safety. All managers take part in mandatory training on "Resilience and safety in leadership." Avoidance of serious accidents at work and no work-related fatalities.	Being implemented Being implemented
	Talent, competence, and leadership development	By 2030, BKW aims to be able to fill 50% of all top management positions with internal applicants in the event of succession.	Being implemented
	Diversity and inclusion	By the end of 2027, 90% of all employees will have completed the diversity, inclusion, and unconscious bias training.	Being implemented
		By 2030, 30% of the top management level across the Group will be women.	Being implemented
		The proportion of women (currently 22.34%) in the BKW Group will increase by 2030.	Being implemented
	Work conditions	By the end of 2026, an additional 120 employees will receive training on the early detection of mental stress (ensa – Mental Health First Aid).	Being implemented
	Protection of employee data	BKW will have a uniform, standardized, and Group-wide privacy information management system in place by 2028.	Being implemented
Protection of customer data			
Governance	Relationships with suppliers	All relevant Group-wide suppliers (with potential environmental and social risks) have a sustainability rating that is at least equivalent to the industry average by 2026.	46 %
		Responsible procurement practices, including due diligence procedures, will be standardized across the Group by the end of 2025 through a robust set of rules and implemented in all procurement organizations from 2026.	Being implemented
	Emergency preparedness	Annual cybersecurity training and campaigns implemented and continually developed for all employees.	Being implemented

ESRS 2 SBM-2

STAKEHOLDERMANAGEMENT

BKW builds respectful, appreciative relationships based on mutual trust with its internal and external stakeholders. BKW relies on long-term partnerships: BKW participates in the UN Global Compact initiative and is a member of the Swiss Association for Sustainable Business (öbu). The Code of Conduct and the values it contains form the basis of daily action for management and all employees (see also page 219).

In the reporting year, BKW continued to use the platforms that have existed for many years for dialog with employees. As part of the 2024

materiality analysis, selected employees from all business areas and various support functions were asked about their assessment of BKW's impacts, risks, and opportunities on numerous sustainability matters (see also pages 156 to 157).

BKW also fosters exchanges with external stakeholders in various ways, as the following table shows. As part of the 2024 materiality analysis, many of them were invited to assess BKW's impacts on sustainability matters (see also pages 156 to 157).

Interactions with stakeholders

Stakeholder	Main interactions (not exhaustive)	Purpose
Employees	<ul style="list-style-type: none"> – Digital communication channels – Employee discussions – Brochures and magazines – Events and topic-specific roadshows 	<ul style="list-style-type: none"> – Transparent, proactive information for employees about BKW's activities and other relevant information
Customers	<ul style="list-style-type: none"> – Customer surveys (B2C) – Customer discussions (B2B) – Various newsletters ("Flash" customer newsletter every six months, corporate newsletter several times a year) – Webinars on energy market development with B2B customers – Website and customer center – Social media 	<ul style="list-style-type: none"> – Establishment and further development of customer relationships (customer loyalty) – Knowledge transfer – Mandatory communications – Image cultivation
Suppliers	<ul style="list-style-type: none"> – Regular supplier discussions 	<ul style="list-style-type: none"> – Trusting business relationship – Ensuring sustainability requirements
Shareholders, investors, and analysts	<ul style="list-style-type: none"> – General meeting – Analyst and media presentations – Roadshows – Investor conferences – Investor and analyst meetings 	<ul style="list-style-type: none"> – Transparent communication on financial, strategic, and ESG-related developments and risks – Building and maintaining reputation and trust – Retaining existing and attracting potential investors – Exchange of information and feedback



Stakeholder	Main interactions (not exhaustive)	Purpose
Associations	<ul style="list-style-type: none"> – Memberships – Board meetings – Working group meetings – Specialist departments – Issue-focused exchange 	<ul style="list-style-type: none"> – Exchange of expertise – Networking with other companies – Training and continuing education – Preparation of industry documents – Presenting BKW's positions on political issues and joint representation of interests – Exploiting synergies between interests
Politics and authorities	<ul style="list-style-type: none"> – Newsletter (quarterly) – Regular exchange on specific topics – Working groups – Opinions on amendments to laws and ordinances – Issue-focused exchange 	<ul style="list-style-type: none"> – Representation of interests – Exchange of expertise – Compliance with statutory disclosure requirements – Communicating BKW's expertise on political and regulatory issues – Maintaining continuous dialog
Non-governmental organizations	<ul style="list-style-type: none"> – Issue-focused exchange and information events, such as for project proposals 	<ul style="list-style-type: none"> – Early identification of project risks and finding solutions in partnership
Local environment (such as municipalities)	<ul style="list-style-type: none"> – Issue-focused exchange and information events – Municipal mayoral events (annual) or Journée des Maires in the Jura (annual) 	<ul style="list-style-type: none"> – Maintain continuous dialog with the municipalities – Explain BKW's positions on political issues
General public and media	<ul style="list-style-type: none"> – Media relations (media releases, media events, inquiries) – Social media – Presentation of the company at events – Specialist departments – Website 	<ul style="list-style-type: none"> – Transparent and proactive information for the media and the public about BKW's activities

ESRS 2 SBM-3

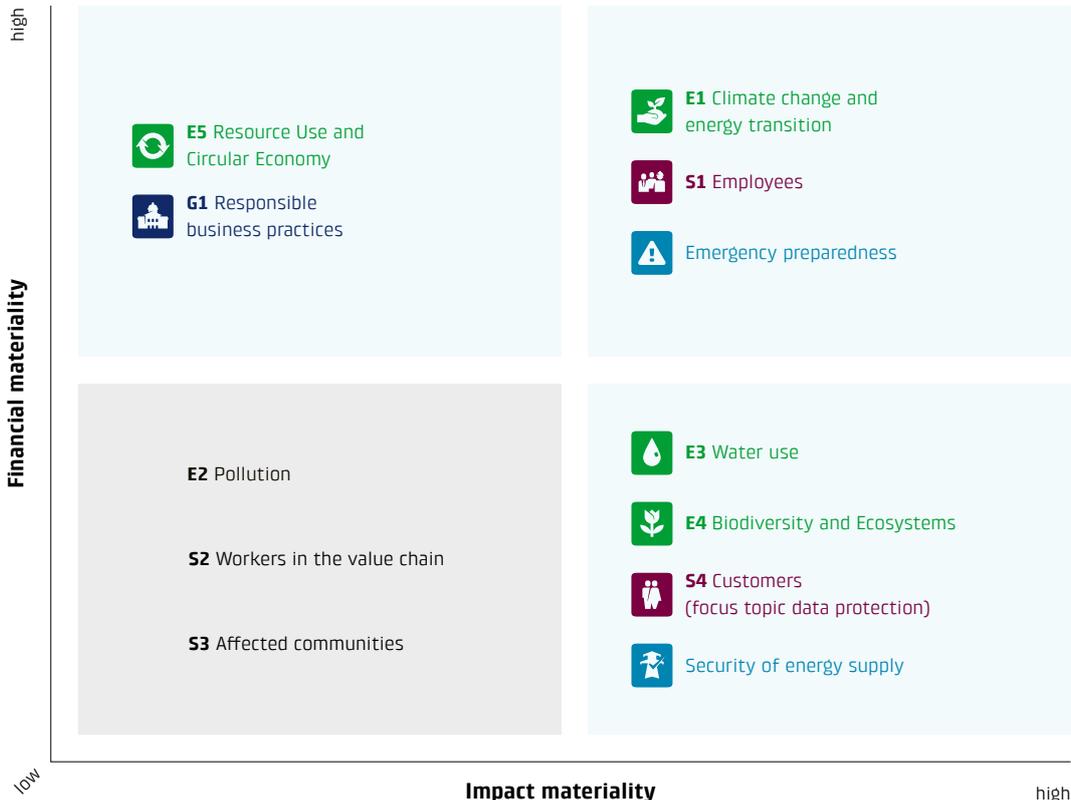
MATERIAL SUSTAINABILITY-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

In 2024, BKW updated its double materiality analysis in accordance with the European Sustainability Reporting Standards (ESRS, for the procedure see pages 156 to 157). Impacts, risks, and opportunities were assessed as material in 17 sustainability topics relating to seven of the ten ESRS topic standards and two company-specific topics (see materiality matrix below)¹⁰.

Against this backdrop, BKW regularly reviews the resistance and resilience of its strategy vis-à-vis external influences. A stress test was carried out in 2024 as part of the strategy development process in which the Group-wide and business-specific risks, including individual climate risks, were taken into account. By continuously developing the climate scenario analysis (see page 164), BKW can identify potential challenges at an early stage and incorporate them into its strategic decisions in a targeted manner. The analysis thus helps achieve long-term sustainability-related goals and ensures the company's success.

The following tables describe the material sustainability topics with relevant impacts, risks, and opportunities for each ESRS topic standard. The impacts can be both positive and negative. Detailed information on the management of these impacts, risks, and opportunities can be found in the following sections.

BKW's materiality matrix pursuant to ESRS



¹⁰ The topics of emergency preparedness and security of supply were also included as company-specific topics. Information on this is reported in separate sections (from page 228 and 232).



ESRS E1

Climate change mitigation and energy transition

Topic	Impacts	Risks	Opportunities
<p>Climate change mitigation Reducing GHG emissions in step with Swiss climate targets</p>	<ul style="list-style-type: none"> – GHG emissions from energy production from coal, gas, and wood – GHG emissions from commercial vehicles – GHG emissions from switchgear 	<ul style="list-style-type: none"> – Higher CO₂ prices/levies – Higher raw material and material costs and supply bottlenecks – Reputational risks 	<ul style="list-style-type: none"> – Increasing demand for climate-friendly and/or energy-efficient products and services – Promotion of energy efficiency actions – High demand for renewable energy production
<p>Climate change adaptation The capacity to adjust the business model to climate changes and to developments or uncertainties related to climate change</p>	<ul style="list-style-type: none"> – Solutions in the areas of flood protection, heavy rainfall precautions, and green architecture – Implementation of ecological remediations 	<ul style="list-style-type: none"> – Increase in extreme weather events such as heat waves, heavy precipitation, etc. – Shift in climatic conditions, e.g., thawing of permafrost 	<ul style="list-style-type: none"> – Increasing demand for climate-resilient and efficient building solutions – More resilient value chain
<p>Renewable energies Expansion of renewable energy production (water, wind, solar, biomass)</p>	<ul style="list-style-type: none"> – Planning, operation, and expansion of power plants for electricity from renewable energies – Expansion of decentralized renewable energy production for customers 	<ul style="list-style-type: none"> – Decreasing diversification of the electricity generation mix – High costs in the expansion of the company's own distribution grid 	<ul style="list-style-type: none"> – Decrease in GHG intensity of own energy production – Technological progress in distribution grid expansion, e.g., smart grid
<p>Energy efficiency Increasing energy efficiency in the company's overall energy use and offering efficiency services relating to buildings and infrastructure to third parties</p>	<ul style="list-style-type: none"> – Increasing efficiency for customers (energy-efficient heating, ventilation, automation) – Increased efficiency in own business activities 	<ul style="list-style-type: none"> – Declining energy sales – Increased energy costs for own business activities 	<ul style="list-style-type: none"> – Demand for services to increase energy efficiency, e.g., in-house production, smart control – Declining energy requirements in own business activities



ESRS E3

Water use

Topic	Impacts	Risks	Opportunities
<p>Water use Use of water that is dammed or extracted for energy generation or cooling, and after use, released back into the environment clean</p>	<ul style="list-style-type: none"> – Water damming and extraction for energy production in hydropower plants – Water withdrawal for cooling thermal power plants 	<ul style="list-style-type: none"> – Restricted access to water (availability and regulations) 	<ul style="list-style-type: none"> – Reputation and long-term access with efficient, clean use



ESRS E4

Biodiversity and ecosystems

Topic	Impacts	Risks	Opportunities
<p>Biodiversity loss due to changes in land and freshwater use</p> <p>Impact on biodiversity by activities that change the use of land or freshwater, e.g., soil sealing, fragmentation, management of previously unmanaged forests, planning and construction of facilities, power plants</p>	<ul style="list-style-type: none"> – Land-use change due to the construction of power plants and grid systems – Change in water use due to the construction of hydropower plants – Land required for new construction of own sites, such as warehouses – Land required for resource extraction and processing (value chain) 	<ul style="list-style-type: none"> – Increasingly restricted access to land and freshwater (regulations and objections) – Delays in projects – Additional costs for the use of land 	<ul style="list-style-type: none"> – High acceptance of energy projects where high standards for biodiversity protection are satisfied
<p>Impacts on the extent and condition of ecosystems</p> <p>Impact on ecosystems through activities that cause land-use change, land degradation, desertification, and soil sealing</p>	<ul style="list-style-type: none"> – Restoration of habitats through renaturation, revitalization, dismantling, and ecological rehabilitation of infrastructures – Habitat modification due to the construction of power plants, grid systems, and infrastructure – Impacts on suppliers and their suppliers due to the extraction of raw materials (value chain) 	<ul style="list-style-type: none"> – Delays in projects – Penalties and reputational damage in the event of damage to ecosystems in direct operations or in the value chain 	<ul style="list-style-type: none"> – Demand for renaturation services – Enhanced reputation through stringent biodiversity standards



ESRS E5

Resource use and circular economy

Topic	Impacts	Risks	Opportunities
<p>Resource inflows</p> <p>Procurement of raw materials in the form of goods, operating materials, and property, plant and equipment required for business activities</p>	<ul style="list-style-type: none"> – Demand for resources for the construction and operation of power plants and power grids – Demand for resources in the Services business, e.g., vehicles, electrical equipment, safety clothing 	<ul style="list-style-type: none"> – Legal and reputational risks in the event of violations of environmental, social, and ethical standards in the value chain – Project risks due to delays in delivery by suppliers 	<ul style="list-style-type: none"> – Cost savings through efficient resource use and procurement of secondary raw materials, as well as a switch to less critical resources – Market advantages through the establishment of a circular economy



ESRS S1
Employees

Topic	Impacts	Risks	Opportunities
<p>Appropriate work conditions Offering attractive and secure jobs with adequate/ fair wages and regulated work and rest time, social protection against loss of income in the event of major life events, and job security</p>	<ul style="list-style-type: none"> - Market-driven and transparent work conditions and non-discriminatory remuneration models - Ensuring social security and compliance with labor rights 	<ul style="list-style-type: none"> - Lack of competitiveness as an employer - Legal and compliance risks 	<ul style="list-style-type: none"> - Increase in employer attractiveness - Reduction in employee turnover - Increase in employee satisfaction
<p>Occupational health and safety Actions and practices aimed at protecting the physical and mental health of employees. This includes the safest possible workplace design and work conditions that promote health.</p>	<ul style="list-style-type: none"> - Health risks from high-risk activities at heights, near water, when working with electricity, and in contact with harmful substances - Prevention of accidents through high safety standards and protocols - Increasing the well-being and health of employees - Professional integration 	<ul style="list-style-type: none"> - High costs due to downtime and rising insurance costs - Loss of reputation - Reduction in employee productivity (lack of, but also excessive protective measures) 	<ul style="list-style-type: none"> - High productivity - Reduction in healthcare and downtime costs - Increasing resilience and employee health - Improved employee retention
<p>Diversity and inclusion Inclusive corporate culture to promote diversity among employees, provide work-life balance with flexible work models, and ensure equal opportunities and a non-discriminatory work environment</p>	<ul style="list-style-type: none"> - Training for managers and employees on diversity and inclusion topics - Personal and anonymous channels for cases of potential discrimination and zero-tolerance policy - Transparent and non-discriminatory human resources processes - Flexible work models for a better work-life balance 	<ul style="list-style-type: none"> - Low productivity and commitment - Damage to image and reputation - Limited competitiveness 	<ul style="list-style-type: none"> - Higher productivity and efficiency - Increase in employee satisfaction - Increase in labor market participation

Topic	Impacts	Risks	Opportunities
<p>Talent, competence, and leadership development BKW's initiatives to improve the skills and knowledge of its own workforce and open up career prospects</p>	<ul style="list-style-type: none"> – Regular development meetings – Promotion of training and further education opportunities – Internal mobility programs – Targeted management development – Establishment of a learning culture 	<ul style="list-style-type: none"> – Decline in the qualification level of employees – Reduced productivity and innovative ability – Reduced competitiveness 	<ul style="list-style-type: none"> – Increase in employer attractiveness – Increase in adaptability and future viability – Increase in employee retention
<p>Protection of employee data Protection of personal employee data that is collected, stored, processed, or transferred by BKW</p>	<ul style="list-style-type: none"> – Impacts on informational self-determination – Social, health, and financial impacts of inadequate data protection 	<ul style="list-style-type: none"> – Reputational damage, negative reporting, and loss of trust among employees – Criminal investigations, orders by supervisory authorities, and fines – Liability vis-à-vis employees 	<ul style="list-style-type: none"> – Employee loyalty



ESRS S4

Customers (focus topic: data protection)

Topic	Impacts	Risks	Opportunities
<p>Protection of customer data Protection of personal customer data that is collected, stored, processed, or transferred by BKW</p>	<ul style="list-style-type: none"> – Impacts on informational self-determination – Social, health, and financial impacts of inadequate data protection 	<ul style="list-style-type: none"> – Reputational damage, negative reporting, and loss of trust among customers – Criminal investigations, orders by supervisory authorities, and fines – Liability vis-à-vis customers, affected persons, or shareholders 	<ul style="list-style-type: none"> – Increased customer trust and reputation gains through the implementation of strict data protection actions



ESRS G1

Responsible business practices

Topic	Impacts	Risks	Opportunities
<p>Relationships with suppliers Proactively shaping sustainability with suppliers for long-term partnerships based on trust</p>	<ul style="list-style-type: none"> - Potential linking of BKW with negative impacts on people and the environment through supplier relationships - BKW as a partner to suppliers in achieving sustainability-related goals 	<ul style="list-style-type: none"> - Increase in regulatory and reputational risks, particularly in the area of due diligence - Hampered availability of suppliers due to burdensome sustainability requirements 	<ul style="list-style-type: none"> - Greater attractiveness for customer acquisition (sustainability as a unique selling point) - Greater resilience in procurement projects due to clear requirements and deep supplier relationships

Company-specific sustainability matters

Topic	Impacts	Risks	Opportunities
<p>Security of supply Contribution to ensuring a stable power supply at all times, even during peak loads and in the event of planned or unplanned outages in the entire grid and in BKW's power plants</p>	<ul style="list-style-type: none"> - Expansion, operation, and maintenance of the distribution grid in Switzerland - Expansion, operation, and maintenance of power plants - Preventive maintenance strategy for critical infrastructures 	<ul style="list-style-type: none"> - Disruptions in the grid and grid control - Outage of production facilities - Reputational damage in the event of supply outage - Increasing regulation and overriding of corporate decisions - High investment and maintenance costs to maintain security of supply 	<ul style="list-style-type: none"> - High level of trust and undisputed "license to operate" thanks to high availability levels and forward-looking planning - Energy transition and/or expansion of the distribution grid as an opportunity for growth
<p>Emergency preparedness (incl. cybersecurity) Preventive protection as well as emergency and disaster planning to ensure the functionality of (critical) energy supply structures, including IT and Operational Technology (OT) infrastructures, data security, and cybersecurity</p>	<ul style="list-style-type: none"> - Functioning emergency and crisis organization - Redundancies for IT and OT structures - Strengthening security awareness among employees 	<ul style="list-style-type: none"> - High costs and loss of confidence if critical supply structures fail - Insufficient responsiveness - Costs due to bad investments in the use of new technologies - Customer losses in the event of insecure digital products 	<ul style="list-style-type: none"> - Business potential through a high level of trust from business partners and customers - Adequate emergency preparedness in crisis situations

Management of Impacts, Risks, and Opportunities

ESRS 2 IRO-1

METHODOLOGY TO IDENTIFY AND ASSESS THE MATERIAL TOPICS

In 2024, BKW carried out a double materiality analysis to identify and assess the material impacts, risks, and opportunities according to the ESRS requirements. The analysis was supported methodologically by external expertise and based on input from a large number of internal and external stakeholders.

The analysis of the value chain was the basis for determining double materiality (see page 143). Based on internal expertise, findings from the 2022 materiality analysis and an external peer analysis, the potential and actual impacts, risks, opportunities, and dependencies in the company's own business activities and in the upstream and downstream value chain were described qualitatively. The affected stakeholders were also identified. For this analysis, BKW drew on expertise from all business areas and from all affected support functions¹¹.

Along the entire value chain, 56 sustainability matters were identified in which either relevant impacts by BKW or risks and opportunities for BKW may exist. The company assessed these sustainability matters along the two materiality dimensions (impact and financial materiality) and proceeded as described below.

Impact materiality

BKW conducted a comprehensive stakeholder survey to assess the impact materiality. In addition to internal experts, stakeholders from the six categories listed below were involved, which resulted from the analysis of the value chain:

- Customers
- Suppliers
- Investors, shareholders
- Workforce in the value chain
- Affected communities/local environment (e.g., municipalities)
- Environmental organizations

BKW was able to identify suitable representatives for all stakeholder categories. Of 192 stakeholders contacted, 34% participated in the materiality analysis. This means that the assessments of 28 internal and 38 external stakeholders were included in the materiality assessment.

To measure the impacts, all stakeholders were given the opportunity to categorize all 56 sustainability matters according to the respective severity of the impacts using an online questionnaire. This assessment was made up in equal parts according to the specified ESRS criteria of scale, scope, and irremediability, each of which was rated on a four-point scale. To simplify the survey, the probability of occurrence of the impacts was not assessed, and a probability of occurrence of 100% was assumed in accordance with the principle of prudence.

For each category, the ratings of the external stakeholders were averaged and then aggregated at a 1:1 ratio to the rating of the internal stakeholders to produce an overall value.

The materiality threshold was defined by Group Sustainability in consultation with the executive committee in such a way that sustainability matters are material if they are associated with rather high to very high impacts.

Financial materiality

Internal experts from the support functions and all business areas were involved in the assessment of financial materiality. For reasons of complexity, external stakeholders were not surveyed on this materiality dimension. Internal stakeholders were asked to provide their assessment of the probability of occurrence (in years) and the level of financial impacts (in CHF million) with regard to the 56 sustainability topics using an online questionnaire on a four-point scale. The mean value was calculated from this assessment for each sustainability matter.

¹¹ Group Strategy and Sustainability, Group Finance including Risk Management, Group Human Resources, Group Health & Safety, Group Communications, Group Compliance, Group Legal Services, Group Procurement Services, Group Security.

Group Sustainability, with the inclusion of Risk Management, has defined the materiality threshold such that sustainability matters with rather high to very high financial risks and opportunities for BKW are material.

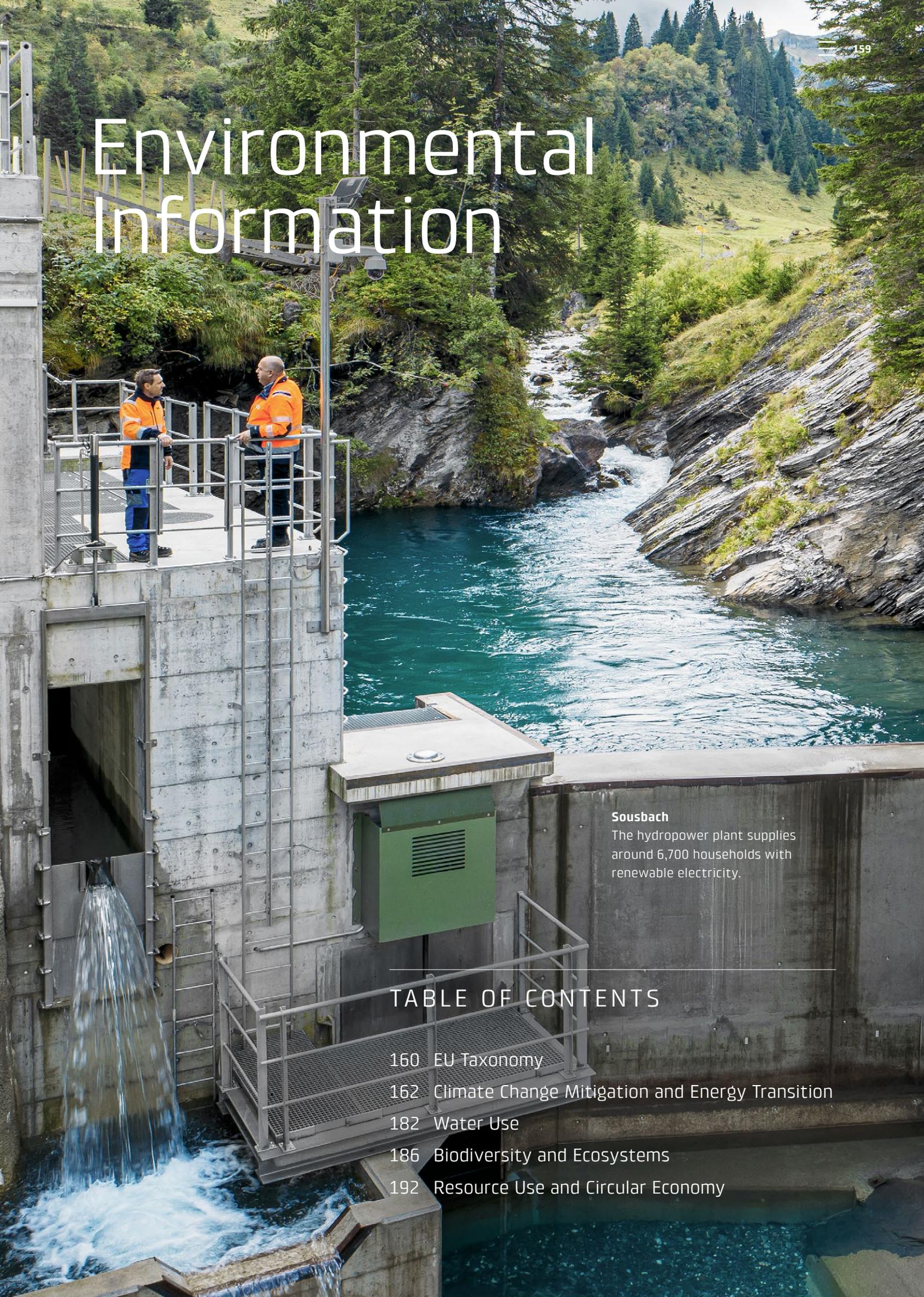
Stakeholder and management review

As part of its materiality analysis, BKW identified a total of 15 sustainability matters, four of which were identified as material in both reviewed dimensions: climate change mitigation, renewable energy production, occupational health and safety, and emergency preparedness. The results were

presented to various support functions, in particular Risk Management, Group Procurement Services, and Group Human Resources, for validation of the respective strategic priority. As a result of this validation step, the topics of diversity and inclusion as well as talent, skills, and leadership development were also determined to be material due to their strategic relevance.

The final result of the analysis, with a total of 17 material sustainability matters, was approved by the executive committee and the board of directors.

Environmental Information



Sousbach
The hydropower plant supplies around 6,700 households with renewable electricity.

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EU Taxonomy

In 2025, BKW continued its work on reporting its environmentally sustainable economic activities (implementation of the EU Taxonomy), taking into account the new regulations (Omnibus I simplification package). Pursuant to these new requirements, the date for the first disclosure of the key figures under the EU Taxonomy Regulation (Regulation (EU) 2020/852) has been postponed to the 2027 fiscal year at the earliest (“stop-the-clock” directive).

The classification system of the EU taxonomy distinguishes between “taxonomy-eligible” and “taxonomy-aligned” economic activities: taxonomy-eligible economic activities are those that can, in principle, be assigned to one of the defined ecologically sustainable economic activities (“eligibility”). Taxonomy-aligned activities are the share of eligible activities that also fulfill the associated criteria (see below) (“alignment”).

Going forward, BKW will report the taxonomy-eligible and taxonomy-aligned proportion of each relevant economic activity for the taxonomy KPIs of revenue, operating expenses, and capital expenditures. To this end, BKW started identifying its taxonomy-eligible economic activities and implementing processes and analyses to review taxonomy alignment in 2024. This work was continued in the 2025 fiscal year.

In total, BKW performs 21 economic activities that are taxonomy-eligible under the EU Delegated Acts. The identification process is ongoing, and activities may be added or dropped in subsequent years.

Pursuant to the EU's Omnibus I simplification package, economic activities are exempt from the mandatory assessment of their taxonomy eligibility and alignment if they account for less than

ten percent of total revenue, operating expenses, or capital expenditures.

EU Regulation 2020/852, Article 3, defines the criteria that an economic activity must meet in order to qualify as taxonomy-aligned:

- The economic activity contributes substantially to at least one of the six EU environmental objectives of climate change mitigation, climate change adaptation, sustainable use of water resources, transition to a circular economy, pollution prevention, and protection of ecosystems and biodiversity.
- The economic activity does not significantly harm any other environmental objectives (“do no significant harm”).
- The economic activity complies with minimum safeguards.

BKW took important steps to strengthen minimum safeguards in the 2025 fiscal year. Status assessments were carried out in the areas of human rights due diligence, consumer interests, anti-corruption, competition, and taxation. Based on this, new guidelines were developed or revised where necessary, and the documentation was supplemented. BKW has also improved processes and initiated further actions. The focus in the 2025 fiscal year was on human rights due diligence, for which actions have already been planned for the coming years.

In 2026, BKW will continue the preparatory work on the EU Taxonomy. The focus here is on the process of collecting the KPIs in order to meet the expected reporting obligation starting from the 2027 fiscal year.

Taxonomy-eligible economic activities of the BKW Group¹²

Environmental objective (EO)	Activity number	Activity as per the EU taxonomy
E01 Climate change mitigation	3.1	Manufacture of renewable energy technologies
E01 Climate change mitigation	3.20	Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that results in or enables a substantial contribution to climate change mitigation
E01 Climate change mitigation	4.1	Electricity generation using solar photovoltaic technology
E01 Climate change mitigation	4.3	Electricity generation from wind power
E01 Climate change mitigation	4.5	Electricity generation from hydropower
E01 Climate change mitigation	4.9	Transmission and distribution of electricity
E01 Climate change mitigation	4.10	Storage of electricity
E01 Climate change mitigation	4.15	District heating/cooling distribution
E01 Climate change mitigation	4.16	Installation and operation of electric heat pumps
E01 Climate change mitigation	4.28	Electricity generation from nuclear energy in existing installations
E01 Climate change mitigation	4.29	Electricity generation from fossil gaseous fuels
E01 Climate change mitigation	6.5	Transport by motorbikes, passenger cars and light commercial vehicles
E01 Climate change mitigation	6.14	Infrastructure for rail transport
E01 Climate change mitigation	7.3	Installation, maintenance, and repair of energy efficiency equipment
E01 Climate change mitigation	7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
E01 Climate change mitigation	7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
E01 Climate change mitigation	7.7	Acquisition and ownership of buildings
E01 Climate change mitigation	8.1	Data processing, hosting, and related activities
E02 Climate change adaptation	6.15	Infrastructure enabling road transport and public transport
E02 Climate change adaptation	8.2	Provision of information technology services
E02 Climate change adaptation	14.2	Flood risk prevention and protection infrastructure

¹² Without taking the materiality thresholds of the Omnibus I simplification package into account.

ESRS E1

Climate Change Mitigation and Energy Transition



As an energy and infrastructure service provider, BKW operates in areas that are relevant to the energy transition. For example, BKW supports the expansion of renewable energy and is assessing an early phase-out of coal-fired power generation. In the Infrastructure & Buildings Business Segment, BKW provides energy-efficient products and services. BKW is also working to improve its own energy efficiency, reduce its GHG emissions, and implement measures to adapt to the impacts of climate change.

Strategy

ESRS E1-1

TRANSITION PLAN RELATED TO CLIMATE CHANGE MITIGATION

BKW strengthened its net-zero commitment in 2024 with the further development of its "Solutions 2030" corporate strategy and adopted a transition plan for climate change mitigation. The transition plan aims to systematically address climate-related risks and take strategic opportunities into account. Its implementation depends in part on external conditions.

BKW aims to reduce its own emissions Group-wide in Scopes 1 and 2 to net zero by 2040. To achieve this, it plans to reduce its GHG intensity by 50% by 2030 and by 93% by 2040 compared to 2022. In terms of emissions from the upstream and downstream value chain (Scope 3), BKW aims to achieve net zero by 2050. BKW thus fulfills the requirement of the Swiss Ordinance on Climate Disclosures to present a transition plan comparable with the Swiss climate targets. In the coming years, BKW regularly reviews the option of having its reduction path certified externally for its coherence with limiting global warming to 1.5°C in accordance with the Paris Agreement [for example through the Science Based Targets initiative (SBTi)]. However, the first priority is to achieve the targets already set and to improve the data situation for Scope 3 emissions.

BKW is focusing on its largest sources of emissions to reduce Scopes 1 and 2 GHG intensity. Of the 861 kilotonnes of Scopes 1 and 2 emissions in 2025, 97% came from investments in power plants in Germany and Italy that run on fossil

fuels. In addition, the combustion of fossil fuels through the operation of our own vehicles and properties is the main relevant source of emissions. Against this backdrop, BKW has defined the following three priority actions:

- Expansion of renewable electricity production to around 3.4 GW by 2030
- Examination of an early phase-out of coal before the statutory phase-out in Germany (2038)
- Electrification of the entire own vehicle fleet of all BKW Group companies by 2030

The transition plan for climate change mitigation was approved by BKW's Executive Committee and Board of Directors in the fall of 2024 and is a key component of the new "Solutions 2030" corporate strategy.

As part of the implementation planning of the sustainability framework, the implementation of the transition plan was also clearly defined and then approved by the executive committee in spring 2025. The implementation plan specifies the responsibilities for each action and defines the milestones to be achieved. Annual progress measurement in the form of an implementation report is planned to ensure target achievement for the first time in spring 2026. Additional information on the risks, opportunities, actions, and objectives that form part of the transition plan can be found on pages 164 to 174.

ESRS 2 SBM-3

MATERIAL RISKS AND OPPORTUNITIES IN THE AREA OF CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

Climate change presents both risks and opportunities for BKW's strategy and business model. BKW therefore carried out a climate scenario analysis in 2024 in order to better understand the potential impacts of climate change on BKW's facilities and the associated risks. This first-time analysis focused in particular on physical risks such as extreme weather events, temperature increases, and changes in precipitation patterns to the distribution grid and power generation facilities¹³. The calculations for the analysis are naturally subject to considerable uncertainty.

Based on this analysis, BKW introduced a standardized process for assessing climate risks in 2025 and consequently further developed its risk models in collaboration with the affected business areas.

Key findings from the three scenarios examined are presented below: The results of the climate scenario analysis by technology with regard to the physical risks on which it focused are displayed in the table on the right.

Key findings from the climate scenario analysis

**Low emissions scenario (SSP1-2.6):
Immediate and extensive decarbonization
(0.9 to 2.3°C)**

In a low emissions scenario, which is based on a strict global reduction in GHG emissions, BKW is primarily affected by transition risks. These arise, for example, when the economy and society have to implement political objectives in order to achieve the Swiss and EU climate goals.

In the low emissions scenario, demand for climate-friendly energy sources increases sharply, which offers BKW opportunities for a rapid expansion of its renewable energy portfolio. A stronger focus on low-emission technologies also increases investment in innovations such as smart grids and storage systems.

An assessment of selected transition risks and climate-related opportunities can be found in the tables on page 166.

**Medium emissions scenario (SSP2-4.5):
Emissions peak around 2040 and then decline
(1.7 to 3.2°C)**

In the medium emissions scenario, GHG emissions do not stabilize until the middle of the century. Political objectives for reducing emissions are being set only hesitantly. While transition risks exist, these are less pronounced than in the low emissions scenario. At the same time, the physical impacts of climate change are increasing, which means greater susceptibility to extreme weather events and therefore an increasing risk for BKW's assets.

Hesitant regulatory requirements, particularly gradual carbon pricing, are leading to a continual increase in demand for renewable energies. This offers BKW the opportunity to gradually expand its own portfolio and drive forward strategic investments in renewable energies. The increasing importance of technologies such as energy storage and smart grids means that the necessary investments can be planned for the long term.

**High emissions scenario (SSP5-8.5):
Emissions will continue to rise steadily in the
21st century (3.2 to 5.4°C)**

The high emissions scenario assumes a continued sharp rise in GHG emissions. This means that strong physical impacts of climate change are to be expected with fewer transition risks.

The demand for renewable energy remains limited. At the same time, it is expected that BKW's assets will be exposed to high physical risks, particularly as a result of extreme weather events and long-term changes in weather phenomena.

13 The methodological approach and data sources of the climate scenario analysis are described on pages 167 to 168.

Physical risks for BKW's power generation facilities and distribution grid according to the climate scenario analysis

Technology	Climate risks	Findings	Actions
Wind energy	<p>Changes in wind patterns (chronic)</p> <p>Outages and damage to facilities due to wind gusts (acute)</p>	<p>There appear to be no significant changes to the wind patterns at the analyzed locations by 2050 compared to today. However, the strength of the wind gusts will tend to increase. The potential risk of an outage or physical damage to the facilities increases accordingly but remains at a low level even in the high emissions scenario.</p>	<p>Conclusion of insurance policies. Wind power is a self-adapting technology, i.e., as a result of repowering, old turbines are replaced by new ones that are adapted to the changed operating conditions in the face of climate change.</p>
Thermal power plants	<p>Change in the efficiency of the plants (chronic) Extreme flood and drought events (acute)</p>	<p>The increase in water and air temperatures can lead to a reduction in efficiency for all plants with water or air cooling. The greatest impacts are to be expected for nuclear power plants with continuous production (base profile). On the other hand, the anticipated impacts are much smaller for gas and coal-fired power plants, as the reduction in efficiency is particularly pronounced in summer and the power plants produce less during that time of year anyway.</p> <p>Nuclear power plants are designed to withstand rare weather events (one event in 10,000 years)¹⁴. In the climate scenarios examined, only minor operational restrictions are therefore to be expected from flood and drought events for the two nuclear power plants in which BKW has a stake. Nor are any significant outages due to extreme weather events expected for the gas and coal-fired power plants examined.</p>	<p>Among others, protective walls against coastal flooding for the Wilhelmshaven coal-fired power plant. Overall, the sites are only slightly susceptible to extreme weather events due to their design and the existing protective measures.</p>
Hydropower (Hydro)	<p>Glacier melt (chronic) Outages due to heavy precipitation (acute)</p>	<p>The expected impacts from glacier melt are rather low for flexible pumped-storage power plants, while they tend to be higher for storage power plants with reduced flexibility.</p> <p>An increase in extreme precipitation can lead to increased water pollution and thus potentially to more shutdowns in order to avoid turbine damage.</p>	<p>Among other things, protective actions for buildings below endangered slopes, slope stabilization, actions against glacial drift, deposits and sediments (e.g., flushing, dredging), seismic reinforcement, design of new small hydropower plants for HQ 300 (i.e., 300-year flood) including freeboard for adaptation to more extreme weather events.</p>
Distribution grid	<p>Extreme weather events (acute): e.g., avalanches, floods, landslides, and rockfalls</p>	<p>It is expected that by 2050 there will be more and more hazard zones in which BKW assets are located.</p>	<p>This includes seepage pits, protective walls on steep slopes, increasing the height of substations.</p>

14 WENRA Guidance on Extreme Weather Conditions.

Transition risks in the context of climate change

Climate-related risk	Assessment	Time of occurrence ¹⁵
Markets	Higher raw material and material costs due to increased requirements (e.g., standards) for energy-efficient infrastructure. As a result, customers are potentially more reluctant to make decisions on new, expansion, or maintenance measures; and revenue may be lost.	Short-term
	The expansion of the decentralized energy infrastructure requires a significant expansion of the grid infrastructure, which is associated with numerous uncertainties in terms of feasibility.	Medium- and long-term
Politics and legislation	Potentially declining profitability of BKW's investments in fossil fuel power plants due to stricter emissions regulations and rising CO ₂ prices.	Short-term
	An increase in the carbon tax on fossil fuels can lead to additional costs for operational activities, e.g., for fossil-fueled vehicles.	Medium- and long-term
Reputation	Reputational damage possible due to non-compliance with strict legal requirements as well as customer and investor expectations.	Short-, medium-, and long-term

Transition opportunities in the context of climate change

Climate-related opportunity	Measurement	Time of occurrence ¹⁵
Resource efficiency	Increased revenue due to the growing demand for integrated energy and building solutions for efficient and needs-based provision of electricity, heating, and cooling.	Short-term
Markets	Increased revenue due to growing customer demand for BKW's climate-friendly and/or energy-efficient products and services. This leads to growth in new profitable business lines, e.g., e-mobility and battery storage.	Short- and medium-term
Politics and legislation	Tapping into new market potential through climate-related public funding actions in the areas of energy, transportation, telecommunications, and water.	Short- and medium-term
Energy systems	Increased revenue and growth opportunities due to the need to expand and convert the distribution grid as a result of decentralized energy supply.	Medium- and long-term

BKW continuously reviews its business model with regard to the growing significance of climate risks. Strategic considerations within the Group take into account both the contribution to the energy transition – for example by expanding renewable energies, strengthening grid stability, and securing supply – as well as the impacts of climate change on the Group's own business model.

Based on a climate scenario analysis, BKW assesses how robust its value creation is against climate-related risks. These findings are incorporated into strategic planning and help to strengthen entrepreneurial resilience – i.e., the ability to adapt to new conditions and remain successful in the long term.

¹⁵ Short-term: 1 to 4 years, medium-term: 5 to 10 years, long-term: >10 years.

Management of Impacts, Risks, and Opportunities

ESRS 2 IRO-1

DESCRIPTION OF THE PROCEDURES TO IDENTIFY AND ASSESS THE MATERIAL CLIMATE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

BKW prepares an annual GHG balance sheet to identify and assess the climate-related impacts. It is based on the Greenhouse Gas Protocol. Additional information on this can be found on pages 178 to 181.

BKW carried out a climate scenario analysis in 2024 to identify and assess climate-related risks and opportunities. The analysis had a time horizon of 2030 and 2050 and focused on the distribution grid and on power generation facilities with high revenue, production, and risk relevance in BKW's portfolio¹⁶. It fulfills the requirements of the Swiss Ordinance on Climate Disclosures and follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

The climate scenario analysis considers various risk categories, including both chronic and acute physical risks. Chronic risks include long-term climate changes, such as changes in wind patterns or glacier melt, which can affect energy production. Acute risks include extreme weather events that can lead to network disruptions and physical damage to infrastructure.

Transition risks are also taken into account. Relevant risk factors were integrated into existing models based on their potential development under the various scenarios. For example, BKW expanded its price forecast models to include potential CO₂ certificate prices under various scenarios. In addition, other factors that influence material transition risks, such as risks related to political decisions relating to fossil energy technologies, have been included in the Group risk management portfolio.

Opportunities arising from climate change are continuously analyzed from the perspective of the business unit and its strategic processes.

Three emission scenarios were modeled to assess the impacts. The scenarios were based on the "Shared Socioeconomic Pathways" (SSP) used by the Intergovernmental Panel on Climate Change (IPCC), which take into account socioeconomic developments and the associated emission trajectories. These scenarios help to assess different developments in GHG emissions and their potential impacts on energy infrastructure.

GHG scenarios examined

Low emissions scenario (SSP 2.6)

The low emissions scenario is characterized by strong climate change mitigation actions and low emissions. It aims to limit global warming to less than 2°C, ideally to 1.5°C.

Medium emissions scenario (SSP 4.5)

The medium emissions scenario envisages a stabilization of emissions by the middle of the century and a slow reduction thereafter. The global temperature rises moderately, with a warming of around 2°C to 3°C by 2100.

High emissions scenario (SSP 8.5)

There are no material climate change mitigation actions in the high emissions scenario. Global warming could exceed 4°C by 2100.

16 More than 50% of energy production covered, reference year 2023.

Various impacts on BKW were examined as part of the scenario analysis. These include possible damage to the infrastructure, downtimes, changes in production output, and grid disruptions. BKW has started to integrate these metrics directly into its models in order to be able to estimate the potential financial impacts on assets and business activities in the future, such as the impacts of temperature changes on the efficiency of thermal power plants.

Both internal information and external data sources were used for the analysis. These include Correntics climate data for Switzerland and Europe, scientific studies, and relevant climate indicators. This combination ensures that the forecasts and assessments are based on solid, well-founded data.

Building on the original analysis in 2024, BKW introduced a standardized process for assessing

climate-related risks in 2025. This new approach makes it possible to identify materiality and vulnerability in a structured and comprehensible manner and to clarify whether or to what extent BKW assets are exposed to climatic influences. The risks analyzed so far and those to be analyzed in the future largely correspond to the scenarios and risk categories listed by the Federal Office for the Environment (FOEN) in its "Climate Risk Analysis for Switzerland" report from 2025. This ensures that potential financial impacts are taken into account as realistically and comprehensively as possible. In addition, climate-related risks and opportunities are incorporated into the assessment of relevant investment decisions, thereby strengthening BKW's strategic focus and resilience. The gradual expansion of the climate risk analysis to other locations and business areas will ensure that all core areas of the company are fully covered in the future.

ESRS E1-2

POLICIES AND ORGANIZATION RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to accept their responsibility towards the environment and climate. The requirements for managing the impacts, risks, and opportunities in the areas of climate change mitigation, climate change adaptation, renewable energy production, and energy efficiency are set out in BKW's Environmental and Climate policy. BKW uses a precautionary approach in that preventive actions are taken to avoid damage to the environment and climate wherever possible and otherwise to reduce damage as much as possible. It actively promotes the expansion and use of renewable energies and will make its business

activities increasingly environmentally and climate friendly. The Environmental and Climate policy was approved by the board of directors and is binding for all BKW Group companies.

The transition plan and the targets relating to climate change mitigation, climate change adaptation, renewable energy production, and energy efficiency were defined by the executive committee and approved by the board of directors. The members of the executive committee are responsible for implementing the objectives and targets through actions in their respective business areas. They are supported by Group Sustainability at Group level.

ESRS E1-3

ACTIONS RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

BKW aims to vigorously promote its commitment to climate change mitigation in its own operations and in its value chain. The following key actions contribute directly or indirectly to the material topics in this area.

Examination of the early phase-out of coal-fired power generation

BKW aims to significantly reduce its emissions from fossil electricity production by 2040 and thus make a contribution to climate change mitigation (see also pages 172 to 174). To this end, it is currently looking into phasing out the Wilhelmshaven coal-fired power plant before the statutory deadline in Germany (2038).

In addition to the Wilhelmshaven coal-fired power plant, BKW is also invested in two combined-cycle power plants in Italy. These flexible power plants will remain an important part of the European electricity supply for the time being. In contrast to coal-fired power plants, BKW assumes that there will be financially viable solutions for the combined-cycle power plants to gradually reduce GHG emissions during production. One conceivable solution is to replace fossil fuels with alternative fuels (e.g., "green gases"), possibly coupled with direct neutralization of residual emissions at the power plant, i.e., carbon capture and long-term storage after combustion. BKW is constantly reviewing possibilities and the use of new technologies.

Expansion of renewable energy production

BKW continues to resolutely press ahead with the expansion of renewable energies. The Group plans to expand its renewable energy production to 3.4 GW by 2030 and invest around CHF 1.5 billion to achieve this. The expansion has a direct impact on the GHG intensity of the overall energy production portfolio and thus contributes to BKW's climate change mitigation targets. At the end of 2025, the capacity of renewable energy production was 2.8 GW, an increase of 0.1 GW compared to the previous year.

In 2025, the following power plants were being planned, realized, or newly commissioned:

Photovoltaics:

- Two solar farms in Genzano di Lucania and Tuscania, Italy (in planning)
- BelpmoosSolar open-space solar plant, Canton of Bern (in planning)
- "MontSol" alpine solar project, Canton of Bern (in planning)

Wind power:

- Two wind farms in Cerignola, Italy (Cerignola North newly commissioned at the end of 2025; Cerignola South commissioning planned for early 2026)
- Tramelan wind farm, Canton of Bern (in planning)
- Jeanbrenin wind farm, Canton of Bern (in planning)

Hydropower:

- Sousbach small hydropower plant, Canton of Bern (newly commissioned, final work in progress)
- Turbach small hydropower plant, Canton of Bern (in realization)
- Trift power plant, Canton of Bern (Oberhasli power plants) (in planning)
- Expansion of Lake Grimsel, Canton of Bern (Oberhasli power plants) (in planning)
- Handeck 4 power plant, Canton of Bern (Oberhasli power plants) (in planning)
- Grimsel 4 pumped-storage power plant, Canton of Bern (Oberhasli power plants) (in planning)

In addition to projects for the expansion of renewable energy production, BKW is also enlarging its portfolio in the area of heating network and single plant contracting. The heating systems and individual plants are largely operated using renewable energy sources such as wood chips, waste wood, pellets, waste heat, and groundwater.

The following projects were being planned or realized in 2025:

Heating systems:

- Kehrsatz heating network, Canton of Bern (in realization)
- Niederscherli heating network, Canton of Bern (in realization)
- Biel-Zentrum heating network, Canton of Bern (in realization)
- Biberist-Industrie heating network, Canton Solothurn (in realization)
- Bettlach heating network, Canton of Solothurn (in planning)
- Bützberg heating network, Canton of Bern (in realization)
- Densingen-Industrie heating network, Canton of Solothurn (in realization)
- Ostermundigen heating network, Canton of Bern (in planning)
- Gerlafingen heating network, Canton of Solothurn (in planning)
- Lauterbrunnen – Wengen heating network, Canton of Bern (in planning)

In 2025, BKW also set up a new business unit for the development, realization, construction, and operation of system-serving large-scale battery storage systems. BKW's goal is to build over 500 MW of large-scale batteries by 2030, thereby increasing the share of non-fossil flexibility in its portfolio and supporting the integration of renewable energies¹⁷.

The following projects were being planned or realized in 2025:

Large battery storage:

- Mühleberg Swissgrid (400 MW battery storage), Canton of Bern (under review)
- Mühleberg (60–100 MW battery storage), Canton of Bern (under review)
- Bickigen (100 MW battery storage), Wynigen, Canton of Bern (under review)
- Bassecourt (100 MW battery storage), Haute-Sorne, Canton of Jura (under review)

- Holenbrunn (20 MW battery storage), Bavaria, Germany (in realization according to SIA standards)
- Waltrop (300 MW battery storage facility¹⁸), North Rhine-Westphalia, Germany (in planning)

Support for the expansion of renewable energy production

BKW supports the operation and expansion of renewable energy production by third parties with purchase products such as Power Purchase Agreements (PPA), Direct Marketing (DM), and tolling agreements for large-scale battery storage facilities.

Through PPs and DM, BKW offers price and planning security for investors, developers, and operators of renewable plants (e.g., wind or solar) and thus creates reliable framework conditions for the expansion and operation of renewable capacities. Tolling agreements enable the construction of large-scale battery storage facilities that compensate for fluctuations in renewable energy generation and thus help to stabilize the energy system. BKW also connects producers of renewable energies with energy-intensive customers through structured supply models such as corporate PPA and supports them in achieving their climate targets.

Through the combination of market expertise and long-term partnerships, BKW supports the integration of renewable energies into the energy system. BKW already manages a PPA, DM, and flexibility portfolio of more than 15 TWh with terms until 2040 in Germany, France, and Italy.

More than 200 contracts were concluded in 2025, including:

- The direct marketing from the EMYN (Éoliennes en Mer des Îles d'Yeu et de Noirmoutier) offshore wind farm (500 MW installed capacity): BKW is responsible for balancing the 61 wind turbines.

¹⁷ The systems are operated exclusively with mains current. They are typically fed at times with a high proportion of renewable energies in the electricity mix and discharged at times of low renewable production, which is why the CO₂ intensity of the stored electricity is, on average, significantly lower than that of fossil plants, especially in Germany, the current focus market.

¹⁸ This corresponds to BKW's share of 33.3%.

- The corporate PPA with Deutsche Bahn (60 MW/63 GWh): BKW supplies a fixed hourly solar profile (including guarantees of origin)
- The tolling agreement with Zelestra (up to 2 GWh): BKW is supporting the realization of one of Europe's largest battery energy storage systems in northern Italy.

Electrification of the company vehicle fleet

BKW is aiming to fully electrify its own fleet of company vehicles by 2030. The more than 3,500 cars and light commercial vehicles represent a major lever for also promoting climate change mitigation in BKW's services areas. By electrifying the company vehicle fleet, BKW aims to reduce Scopes 1 and 2 emissions by a total of around 15,000 tCO₂e between 2022 and 2030, which corresponds to an annual saving of 1,800 tCO₂e. The company has adopted new principles for vehicle procurement and expects additional costs of around CHF 3.5 million for vehicle procurement and the expansion of the charging infrastructure by 2026. At least 500 vehicles are to be electrified by the end

of 2026. This target was already exceeded by the end of 2025: 657 e-vehicles were in operation, an additional 60 were ordered from the supplier. Compared to the previous year, this is an increase of 306 e-vehicles and thus approximately 1,061 tCO₂e could be avoided in 2025 compared to 2024¹⁹.

The electrification of the company vehicle fleet also contributes directly to increasing BKW's energy efficiency as the e-vehicles require less energy to operate than vehicles with combustion engines. BKW has also set goals for increasing its own energy efficiency (see also page 174).

Raising awareness and training

Managers are regularly informed and made aware of issues through internal events such as the management event on energy and emissions. In 2025, the internal communication experts received refresher training on the legal requirements for sustainability communications. In addition, the board of directors was specifically sensitized to this topic.

¹⁹ The avoided emissions relate to Scopes 1 and 2 emissions and the assumption that an e-vehicle replaces a combustion engine (diesel). Average mileage and fuel and electricity consumption (consumer electricity mix) for BKW vehicles are assumed.

Targets and Metrics

ESRS E1-4

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

Climate change mitigation

BKW extended its net-zero target in 2024. The Scopes 1 and 2 target of net zero in the energy business by 2040, which was adopted in 2023, was extended to the entire company. This means that BKW's service areas are also included in the climate targets. It also specified the reduction pathway in Scopes 1 and 2 and set the following sub-targets with regard to net zero by 2040 (in grams per kilowatt hour):

- BKW intends to reduce its GHG intensity by 50% compared to 2022 to 63 g CO₂e/kWh by 2030
- BKW intends to reduce its GHG intensity by 93% compared to 2022 to 9 g CO₂e/kWh by 2040
- BKW intends to neutralize its residual emissions of 9 g CO₂e/kWh from 2040

To calculate GHG intensity, emissions in Scopes 1 and 2 are compared with the energy produced.

Setting climate change mitigation targets with reference to GHG intensity is common practice for energy companies. The year 2022 (base year) serves as the basis for assessing the relative reduction in GHG intensity. It is representative of the GHG intensity because the emissions intensity in this base year corresponds to the average for the years 2021 to 2023.

The achievement of the net-zero target by 2040 is supported in particular by measures to reduce fossil electricity production, increase renewable electricity production, and electrify the company's own fleet of vehicles (see also pages 169 to 171). These three key levers for decarbonization within Scopes 1 and 2 were developed taking into account the climate scenarios under consideration (see page 149 under ESRS 2 SBM-3 and page 156 ESRS 2 IRO-1). The target contributions of the individual initiatives are shown in the table below.

GHG reduction targets and expected target contributions of the actions²⁰

	2022 (base year)	2025 (current)	2030 (target value)	2040 (target value)	2050 (target value)
Scopes 1+2 (market-based)				Net zero	
Absolute emissions (ktCO ₂)	1,120	861 (-23%)	690 (-38%)	109 (-90%)	
GHG intensity (gCO₂e/kWh)	126	96 (-24%)	63 (-50%)	9 (-93%)	
Reduction of fossil electricity production			-25%	No forecast	
Reduction through expansion of renewable electricity production			-23%	No forecast	
Reduction through electrification of company vehicle fleet			-2%	-2%	
Scope 3					Net zero
Absolute emissions (ktCO ₂ e)	322	507 (+57%)	No forecast		
Scopes 1-3 (market-based)					
Absolute emissions (ktCO ₂ e)	1,442	1,368 (-5%)	No forecast		

For BKW, reducing and substituting its GHG emissions is a top priority in climate change mitigation. Unavoidable residual emissions that cannot be technically reduced or substituted must be neutralized for Scopes 1 and 2 from 2040. This means that an equivalent of the residual emis-

sions is removed from the atmosphere in the form of CO₂ and stored for the long term, for example, in suitable underground reservoirs. Over the next few years, BKW will prepare an initial strategic analysis of the development of its own neutralization portfolio.

²⁰ All values for 2030 and 2040 are forecast and may change on an ongoing basis, for example due to changes in the market or in the corporate structure.

BKW has also set itself a net-zero target for emissions generated in the rest of the value chain (Scope 3) and aims to achieve this by no later than 2050. Currently, BKW does not yet have sufficient data to be able to draw up a reduction pathway with concrete interim targets. Collecting data of sufficient quality continues

to be challenging, particularly for emissions generated by BKW's suppliers and for emissions from products and services sold. In the coming years, the existing data gaps will be closed, data quality will be increased, and the path to net zero by 2050 will be worked out.

Target calculation methodology:

To determine the short-term target value, BKW is guided by the Swiss climate targets. For the long-term net-zero target for 2040 (Scopes 1 and 2), BKW is guided by the intensity targets of the Science Based Targets initiative (SBTi).

The GHG figures include all Kyoto GHG²¹. The organizational and operational system boundary of the target calculation is congruent with that of the GHG accounting (see page 181). The reduction target for Scopes 1 and 2 therefore includes all relevant emissions reported under E1-6 for these scopes (see page 180). Scope 2 emissions were taken into account for the target calculation using the market-based method.

Additional information on investments in energy production can be found at:

www.bkw.ch/solutions2030

²¹ Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), halogenated hydrofluorocarbons (HFCs), fluorocarbons (FCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

**Expansion of renewable energy production**

BKW has already achieved its target of expanding the installed capacity of new renewable energies (wind, photovoltaics, small hydro, and biomass) to 1,000 MW by 2026 early: As of the end of 2025, installed capacity was already 1,100 MW. BKW has therefore set new expansion targets in 2024 and intends to increase the production capacity of renewable energies (hydro, wind, solar, biomass) from the 2.7 GW at the end of 2024 to 3.4 GW by 2030. This expansion will make it possible to substitute part of fossil energy production, which can reduce the GHG intensity of the portfolio.

Increasing energy efficiency

BKW also wants to make progress in increasing its own energy efficiency. As part of the revision of its sustainability-related goals, BKW is therefore pursuing the ambition of achieving a 15% increase in the efficiency of energy consumption within the company by 2030 compared to 2022. Energy efficiency is measured in megawatt hours (MWh) per employee, excluding the energy used in electricity and heat production facilities. At BKW, the main levers for increasing energy efficiency are the consistent implementation of vehicle electrification, the replacement of heating systems, and the optimization of building insulation in company buildings and residential complexes owned by BKW.

Climate change adaptation

As part of its strategic orientation, BKW attaches great importance to analyzing the physical and transition risks as well as the opportunities associated with climate change. This knowledge is crucial for recognizing potential challenges early and implementing appropriate adaptation actions in all business areas. Since the beginning of 2025, climate-related risks have been comprehensively assessed for new strategically relevant projects. In addition, BKW is currently developing a portfolio of services that are specifically geared towards effective climate change adaptation.

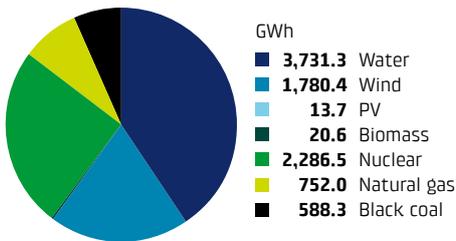
ESRS E1-5

ENERGY PRODUCTION AND ENERGY CONSUMPTION

Energy production

In the course of the year, BKW produced 9,172.9 gigawatt hours (GWh) of electricity. This includes electricity from consolidated power plants, equity investments, procurement rights, and unmanaged financial investments. Sixty percent of the energy (5,546 GWh[✓]) came from renewable sources (water, wind, PV, and biomass). On the one hand, the amount of electricity depends on the installed capacity and, on the other hand, on the availability of the power plants, weather conditions, and the demand on the electricity market. The share of renewable installed capacity increased by 1% compared to the previous year. However, due to poorer hydrological conditions in 2025, slightly less renewable electricity was produced than in the previous year. The table below shows BKW's total energy production.

Electricity production at BKW 2025



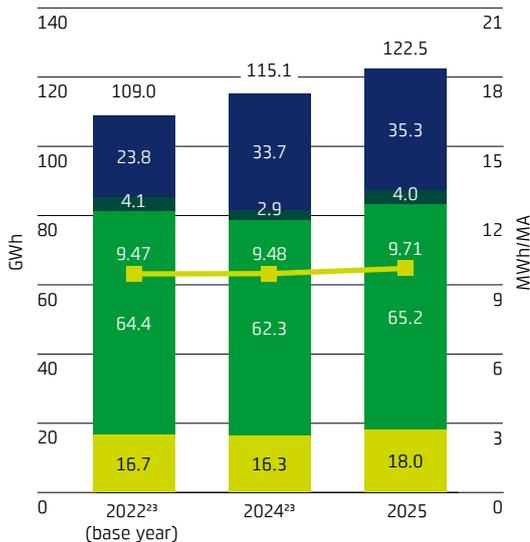
BKW also operates 40 heating network and individual plant contracts. In the reporting year, BKW produced 160 GWh of heat, 92% of which came from renewable energy sources (wood chips, waste wood, pellets, heat pumps). In addition to its own production, BKW purchases waste heat from waste incineration plants and was thus able to supply another 46 GWh of thermal energy to its customers.

Energy consumption

Energy consumption within BKW amounted to around 157.5 GWh[✓] in 2025, a slight increase on the previous year. This was due on the one hand to a colder year in 2025 and the associated increase in fuel consumption for heating in the properties, and on the other hand, to a slight increase in fuel consumption due to increased mileage in fleet operation. This also resulted in a slight increase in operational energy consumption (excluding pumped electricity consumption) per employee, from 9.48 MWh/employee to 9.71 MWh/employee. A detailed breakdown of energy consumption, including the proportions of renewable energy sources, can be found in the table on page 177.

Operating energy consumption within BKW

■ Combustibles ■ Fuels ■ District heating
■ Operating electricity — Operating energy efficiency²²



²² Energy consumption excluding electricity consumption of pumped-storage power-plants and self generated renewable energy, calculated by employee (headcount).

²³ Previous years were recalculated retroactively based on new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the previous year's report.

[✓] Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

Electricity production at BKW

	Installed capacity, BKW proportion ²⁴ MW		BKW energy volume GWh	
	2025	2024	2025	2024
Consolidated power plants²⁵				
Run-of-river	242	242	1,011.6	1,201.4
Small hydro	78	67	316.2	316.2
Wind onshore ²⁶	888	785	1,468.0	1,448.4
PV	15	14	13.7	11.5
Biomass	3	3	20.6	20.5
Natural gas	62	62	39.5	44.8
Total	1,288	1,173	2,825.1	3,042.8
Joint arrangements and associates²⁷				
Run-of-river	30	30	134.4	162.7
Storage	223	223	487.2	695.4
Pump storage (gross production)	1,150	1,150	1,816.8	2,559.6
Wind onshore ²⁶	0	17	0.0	93.9
Nuclear	333	333	2,286.5	2,274.6
Natural gas	192	192	712.5	1,007.4
Black coal	235	235	588.3	461.5
Total	2,162	2,179	6,025.8	7,254.1
Non-managed energy from financial investments²⁸				
Small hydro	4	4	9.6	12.7
Wind onshore ²⁶	119	119	312.4	318.8
Total	123	123	322.0	331.5
Overall total	3,573	3,475	9,172.9	10,628.4
proportion renewable	2,751	2,654	5,545.0✓	6,841.1
% proportion renewable	77%	76%	60%	64%
proportion non-renewable	822	822	3,626.9✓	3,787.3
% proportion non-renewable	23%	24%	40%	36%

BKW heat production

	GWh	
	2025	2024 ²⁹
Own production	160.3	146.5
% proportion renewable own production ³⁰	92%	92%
% proportion non-renewable own production	8%	8%
Used waste heat ³¹	46.2	44.9
Delivered heat	206.4	191.4

24 Closing date 12.31.2025.

25 Power plants controlled by BKW (Group companies). 100% of installed capacity and production volumes are reported.

26 Acquisition of majority shareholding in various wind power plants in Germany and Italy in the second half of 2024. Starting 2025, the capacity is recorded in full under the consolidated power plants.

27 The pro rata installed capacity and the production volumes according to operating impact are reported. This is calculated from the proportion of the electricity taken and managed by BKW and normally corresponds to the equity interest.

28 The pro rata installed capacity and the production volumes from nuclear power plants over which BKW has no operating influence (no operational management, electricity take-up, and management) are reported.

29 Previous years were recalculated retrospectively based on new findings and/or improvements in data quality.

30 Wood chips, waste wood, pellets, heat pumps.

31 From waste incineration plants.

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

Energy consumption within BKW^{32 33}

	2025	2024 ³⁴	2022 ³⁴	2025	2024 ³⁴	2022 ³⁴
Total energy consumption from fossil source	85.6 ✓	80.4	83.0	54%	53%	53%
of which from crude oil and petroleum products	73.1✓	69.9	73.3	46%	46%	47%
of which from natural gas	9.2✓	7.8	6.9	6%	5%	4%
of which purchased or acquired from electricity, heat, steam, and cooling from fossil fuels ³⁵	3.3	2.6	2.8	2%	2%	2%
Total energy consumption from nuclear sources	38.4 ✓	40.4	51.7	24%	27%	33%
of which purchased or acquired from electricity, heat, steam, and cooling from nuclear fuels ³⁶	3.6	4.2	4.4	2%	3%	3%
of which caused by pumped current losses ³⁷	34.8	36.2	47.2	22%	24%	30%
Total energy consumption from renewable sources	33.5 ✓	30.7	21.5	21% ✓	20%	14%
of which from renewable fuels	1.0✓	0.9	0.8	1%	1%	1%
of which purchased or acquired from electricity, heat, steam, and cooling from renewable fuels ³⁸	32.4✓	29.7	20.7	21%	20%	13%
of which from self-generated non-fuel renewable energy ³⁹	0.2✓	0.1	n/a	0%	0%	n/a
Total energy consumption	157.5 ✓	151.5	156.2	100%	100%	100%

32 Energy consumption excluding energy used for electricity and heat production.

33 Due to rounding, individual figures may not add up exactly to the reported total.

34 Previous years were recalculated retroactively based on new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the previous year's report.

35 The fossil power share of district heating and electricity mix procurement is calculated using an average factor per country.

36 The nuclear power share of district heating and electricity mix procurement is calculated using an average factor per country.

37 According to Article 9 of the EnG, 17% of pumped energy must be reported as pumped electricity losses and covered with guarantees of origin. To this end, BKW uses guarantees of origin from nuclear power.

38 The renewable share of district heating and electricity mix procurement is calculated using an average factor per country.

39 PV production through systems on own properties

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.



ESRS E1-6

GROSS GHG EMISSIONS SCOPES 1, 2, AND 3 AND TOTAL GHG EMISSIONS

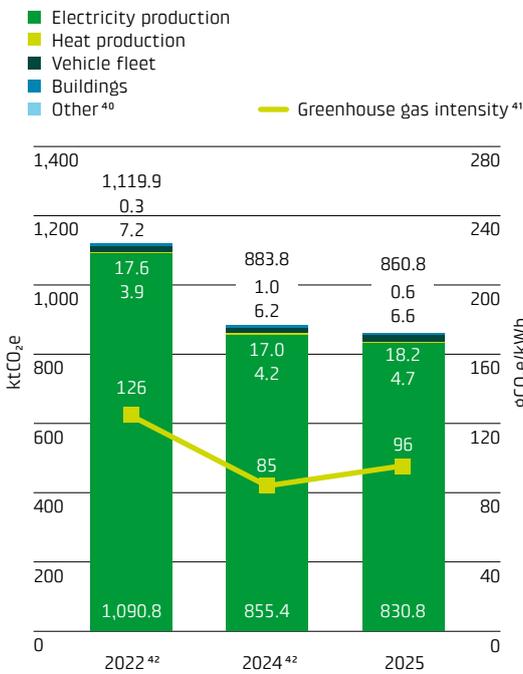
In fiscal year 2025, a total of 1,367.6 kt of CO₂e ✓ were released. GHG emissions in Scopes 1 and 2 decreased slightly compared to the previous year. The development is characterized by the use of fossil fuel power plants in Wilhelmshaven (coal), Livorno-Ferraris and Tamarete (both combined-cycle power plants), in which BKW has an equity interest. These plants are used depending on electricity demand, available capacities on the market, and the need for grid stability. While the coal-fired power plant in Wilhelmshaven produced more electricity than in the previous year, Livorno Ferraris and the combined-cycle power plants Livorno Ferraris and Tamarete

produced less, meaning that fewer greenhouse gases were emitted overall.

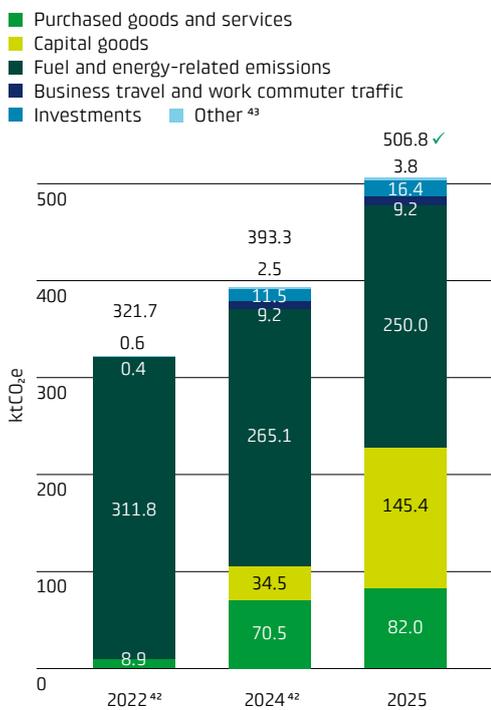
GHG emissions in relation to electricity production have risen slightly compared to the previous year, which is due to the poorer hydrological conditions in 2025 and the resulting reduction in production from renewables.

The main driver of Scope 3 emissions development continues to be the drive for completeness and increasing data quality in all Scope 3 categories (see next page for the current development status). A detailed breakdown of GHG emissions can be found on page 180.

BKW greenhouse gas emissions Scopes 1 and 2 (market-based)



BKW greenhouse gas emissions Scope 3



40 Emissions caused by refrigerants and volatile gases, particularly SF₆.

41 GHG emissions Scopes 1 and 2 per energy produced, excluding electricity production from financial investments.

42 Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the previous year's report.

43 Emissions caused by waste disposal and upstream transport.

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

GHG intensities

	2025	2024 ⁴⁴	2022 ⁴⁴ (base year) ⁴⁵
GHG intensity Scopes 1 and 2 (in g CO ₂ e/kWh of energy produced, market-based) ⁴⁶	96	85	126
GHG intensity Scopes 1–3 (in g CO ₂ e/CHF revenue, location-based) ⁴⁷	328.2 ✓	268.8	282.0
GHG intensity Scopes 1–3 (in g CO ₂ e/CHF revenue, market-based) ⁴⁷	325.5 ✓	267.6	277.3

Development status of GHG accounting

The accounting of GHG emissions in Scopes 1 and 2 is largely complete. Building on the considerable progress made in the previous year, data collection was also further developed in 2025. This reporting period focused in particular on increasing the efficiency of data collection and on the conceptual preparation of a complete, spend-based recording of emissions in the area of goods and services in all Energy Solutions, Power Grid, and Infrastructure & Buildings Business Segments.

The more precise, activity-based recording of goods procurement in the Energy Solutions and Power Grid Business Segments was also developed further. The main emissions have been systematically accounted for here since 2024. In addition to emissions from the supply chain, recording emissions from products sold remains a persistent challenge, in particular. With the planned expansion of data collection, BKW expects the recorded Scope 3 emissions to increase further in the coming years.

Scope 3 categories included according to the Greenhouse Gas Protocol

Scope 3 category	Development and status
Scope 3 categories considered	
3.1 Purchased goods and services	No change, increased efficiency in data collection
3.2 Capital goods	No change, vehicles and power plant construction covered
3.3 Fuel and energy-related emissions	No change, full calculation
3.4 Transport and distribution (upstream)	No change, data gaps known
3.5 Waste	Expanding coverage and improving data quality
3.6 Business travel	Improving data quality
3.7 Employee commuting	Improvement of data quality estimated on the basis of country-based commuter statistics
3.9 Transport and distribution (downstream)	No activities
3.10 Processing of sold products	No activities
3.14 Franchising	No activities
3.15 Investments	No change, financial investment in power plants and other relevant investments covered
Scope 3 categories not considered	
3.8 Upstream leased assets	Already considered in Scopes 1 and 2
3.11 Use of sold products	Data basis currently insufficient
3.12 End-of-life treatment of sold products	Data basis currently insufficient
3.13 Downstream leased assets	Data basis currently insufficient

⁴⁴ Previous years were recalculated retrospectively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the last report.

⁴⁵ No base year has yet been defined for Scope 3.

⁴⁶ Excluding electricity production from financial investments.

⁴⁷ The revenue used to calculate GHG intensity corresponds to the net revenue as shown in the financial report on page 28.

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.



BKW GHG emissions in kilotonnes CO₂e

	2025	2024 ⁴⁸	2022 ⁴⁸ (base year) ⁴⁹
Scope 1 emissions			
Scope 1 Group companies	46.5✓	47.8	63.3
Scope 1 Joint arrangements and associates ⁵⁰	811.6✓	833.5	1,054.1
Total Scope 1 emissions	858.1✓	881.3	1,117.4
Percentage of Scope 1 emissions from regulated emissions trading schemes ⁵¹	97%	97%	98%
Scope 2 emissions			
Scope 2 Group companies (location-based)	3.7✓	2.7	3.7
Scope 2 Joint arrangements and associates (location-based) ⁵⁰	10.0✓	5.5	23.3
Total Scope 2 emissions location-based	13.7✓	8.2	27.1
Scope 2 Group companies (market-based)	2.7✓	2.4	2.5
Scope 2 Joint arrangements and associates (market-based) ⁵⁰	0.0✓	0.0	0.0
Total Scope 2 emissions market-based	2.7✓	2.4	2.5
Scope 3 emissions			
Upstream emissions	486.9	378.1	317.4
3.1 Purchased goods and services	82.0	70.5	8.9
3.2 Capital goods	145.4	34.5	n.a.
3.3 Fuel and energy-related emissions	246.5	261.4	307.4
3.4 Transport and distribution (upstream)	0.3	0.1	0.4
3.5 Waste	3.5	2.4	0.2
3.6 Business travel	1.0	0.9	0.4
3.7 Employee commuting	8.2	8.3	n.a.
Downstream emissions	19.9	15.2	4.3
3.11 Use of sold products	3.6	3.8	4.3
3.15 Investments	16.4	11.5	n.a.
Total Scope 3 emissions	506.8✓	393.3	321.7
Total Scope 1–3 emissions location-based	1,378.7✓	1,282.9	1,466.2
Total Scope 1–3 emissions market-based	1,367.6✓	1,277.1	1,441.6
Biogenic CO ₂ emissions Scope 1 ⁵²	102.1	96.5	n.a.
Biogenic CO ₂ emissions Scope 2 ⁵³	2.0	1.8	n.a.
Biogenic CO ₂ emissions Scope 3 ⁵⁴	1.2	1.2	n.a.

48 Previous years were recalculated retroactively based on new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the previous year's report.

49 Base year for Scopes 1 and 2. No base year has yet been defined for Scope 3.

50 Operational control approach (see methodology box).

51 These are the three fossil fuel power plants at Wilhelmshaven, Livorno-Ferraris, and Tamarete.

52 Estimated biogenic CO₂ emissions caused by the combustion of biogas and biomass (esp. wood/pellets). Including biogenic Scope 1 emissions caused by our own biomass power plant in Otelfingen.

53 Estimated biogenic CO₂ emissions associated with the share of biomass in the electricity and district heating mix (Switzerland only).

54 Estimated biogenic CO₂ emissions in the energy supply chain of biogas and biomass (esp. wood/pellets).

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

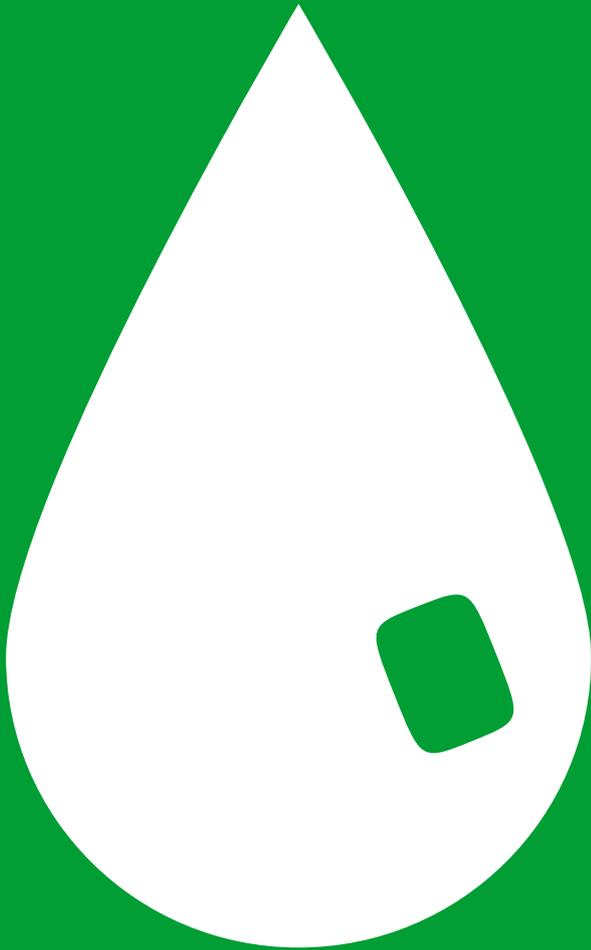
GHG accounting methodology

The GHG balance sheet is based on the accounting principles of the Greenhouse Gas Protocol and comprises all Kyoto GHG⁵⁵. Emissions in Scope 2 are differentiated between location-based emissions, which occur due to consumption of the average electricity mix in a region, and market-based emissions, which occur due to actual, contractually regulated purchases of energy products. The balance sheet covers the entire BKW Group. To determine the relevance of GHG emissions, BKW uses a 1% significance threshold in relation to the total anticipated emissions in the corresponding scope. Where data could not be obtained in full for a specific year, the data for the previous year was used on a pro rata basis, or pro rata data from the current year was extrapolated. BKW defines the system limits using the operational control approach (according to ESRS) and reports its Scopes 1 and 2 emissions according to the extent of operational control: in addition to emissions from Group companies, in Scopes 1 and 2 it also reports pro rata emissions from power plants in which BKW has a stake and whose electricity it purchases and manages. This generally corresponds to the equity interest.

55 Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), halogenated hydrofluorocarbons (HFCs), fluorocarbons (FCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

ESRS E3

Water Use



BKW uses large quantities of water, especially for its hydropower and thermal power plants. The water is extracted or dammed for electricity production or cooling and then returned to the environment. Due to this intensive utilization, water use is material for BKW. Actual water consumption – i. e., the amount of water that does not return to the natural cycle – is low in relation to overall use and is not of central importance according to the materiality analysis.

As part of the current sustainability-related goals, BKW will first quantify its water use in order to create a basis for collecting data and identifying actions to increase water efficiency. In a second step, data collection will be further developed along the whole value chain to enable a better understanding of the associated risks and opportunities.

Management of Impacts, Risks, and Opportunities

ESRS 2 IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

The impacts of a change in freshwater use are analyzed in the LEAP approach⁵⁶. The LEAP assessment was carried out for the first time in 2024 based on secondary resources⁵⁷. The approach was used to identify potential material impacts of BKW's business activities. In 2026, the assessment will be expanded to include a company-wide analysis of various impact metrics, including water use.

As part of the LEAP assessment, the locations of all the electricity production sites of BKW shareholdings of more than 50% and joint operations were determined. Each site was assessed using the Baseline Water Stress Index⁵⁸ for the respective region. According to the initial findings, BKW operates 15 onshore wind farms, two small hydropower plant clusters, as well as one thermal power plant in areas with severe water stress⁵⁹.

The topic of marine resources is immaterial for BKW because it has no relevant points of contact with it in its business model (in particular no offshore wind power plants). Water use is also not a material issue for onshore wind power plants, as they do not have any relevant impacts on water resources. The materiality for small hydropower plants is also low as, although water is used in turbines, it is neither stored nor consumed. In 2026, the focus is therefore on the thermal power plant. Material impacts will be measured and evaluated for this site as part of the LEAP approach. Risks and opportunities

are also recorded based on material impacts. Depending on the results of this analysis, BKW develops potential actions with regard to these risks.

The identification of material risks and opportunities was primarily based on the results of the double materiality analysis (see pages 156 to 157). Further work is required to fully understand the materiality of the identified risks and opportunities. BKW will expand the initial assessment in the coming years and quantify risks and opportunities as far as possible. A complete evaluation and quantification of the impacts will help to further specify the risks and opportunities.

The processes described for identifying and assessing the impacts, risks, and opportunities apply across the Group. In addition, individual business areas have introduced their own processes to monitor operations in recent years. Real-time monitoring of parts of the portfolio of the Hydro division is already being carried out on an internal data platform. Eight more hydropower plants were connected to the platform last year. The connection of additional hydropower plants is planned for 2026. Various water metrics can be derived from the internal data platform, among others temperature and water inflows. These metrics can, in turn, support various future impact analyses.

⁵⁶ Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD.

⁵⁷ For methodology, see the section Biodiversity and Ecosystems on page 186.

⁵⁸ Based on Aqueduct Baseline Water Stress | Resource Watch.

⁵⁹ The identified power plants are located in Germany, France, and Italy.

ESRS E3-1**POLICIES AND ORGANIZATION RELATED TO WATER USE**

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to accept their responsibility towards the environment and climate. The requirements for managing the impacts of water use are set out in BKW's Environmental and Climate policy.

BKW uses a precautionary approach in that preventive actions are taken to avoid damage to the environment and climate wherever possible and otherwise to reduce damage as much as possible. The company uses water carefully and efficiently

and takes targeted actions to prevent and mitigate water pollution. BKW also encourages its suppliers to accept their ecological responsibility and to continue to develop in this direction. The Environmental and Climate policy was approved by the board of directors and is binding for all BKW Group companies.

The executive committee defined the targets for water use. Its members are responsible for implementing the objectives and targets through actions in the respective business areas. They are supported by Group Sustainability at Group level.

ESRS E3-2**ACTIONS RELATED TO WATER USE**

BKW can only manage the main impacts of its business activities meaningfully if a company-wide database is created beforehand. Only the systematic development, collection, and monitoring of relevant data enable a sound understanding of the main impacts and the quantification of the material risks and opportunities. The

data basis for water use and water efficiency will therefore be established by the end of 2026. This establishment represents a key action and creates the basis for further development, whereby water consumption along the entire value chain is also successively recorded with a focus on activities in regions with severe water stress.

Targets

ESRS E3-3

TARGETS RELATED TO WATER USE

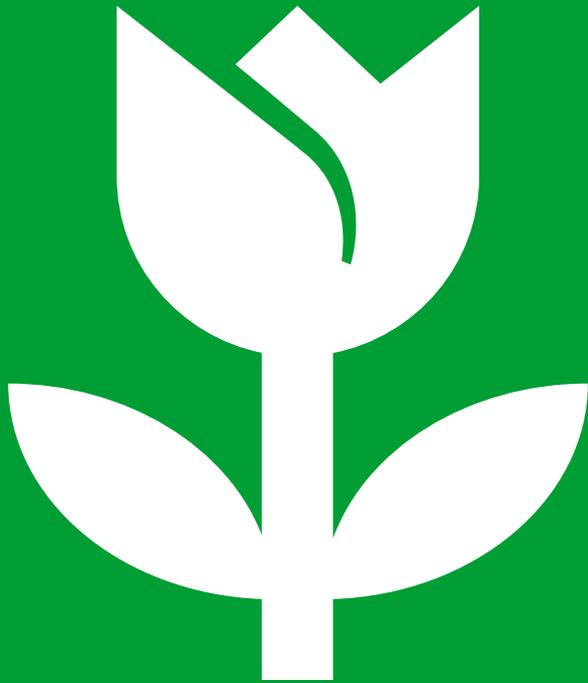
BKW has set itself the goal of creating a data basis for water use and water efficiency at all relevant sites by 2026. In addition, water consumption⁶⁰ is to be successively recorded and made transparent along the entire value chain. The focus here is on an analysis of activities with

particularly high water consumption in regions with severe pressure on water (water stress areas). Once the data collection has been completed, the findings will be used to specify and further develop the targets and actions for water use.

⁶⁰ Not material according to double materiality analysis; inclusion due to sustainability ratings.

ESRS E4

Biodiversity and Ecosystems



The global loss of biodiversity has been identified as one of the greatest challenges of the 21st century. Power plants and grid systems also affect the landscape and areas in which they are built. At the same time, many facilities in the energy sector are dependent on nature-related services (Ecosystem Services). BKW is introducing various compensatory actions to prevent and reduce negative impacts on water, soil, air, and ecosystems. In 2024, BKW analyzed the nature-related impacts, dependencies, risks, and opportunities across the Group for the first time. This analysis was incrementally further developed in 2025 in order to deepen the understanding of the interrelations between BKW's business model and the direct drivers of nature change and biodiversity loss⁶¹.

Irrespective of this, actions to protect biodiversity were again implemented in 2025 through BKW Eco Fund projects⁶². In this way, the BKW Eco Fund contributes to the protection of individual species, local species communities, and entire ecosystems.

⁶¹ Climate change, invasive species, land-use change, environmental pollution, exploitation of natural resources. Global Assessment Report on Biodiversity and Ecosystem Services | IPBES Secretariat.

⁶² The BKW Eco Fund provides CHF 0.007 per kWh from the "Energy Green" and "Energy Blue" products (naturemade star-certified electricity) to promote renaturation and strengthen habitats and biodiversity. Further information, including the annual report, can be found at: [BKW Eco Fund](#).

Strategy

ESRS 2 SBM-3

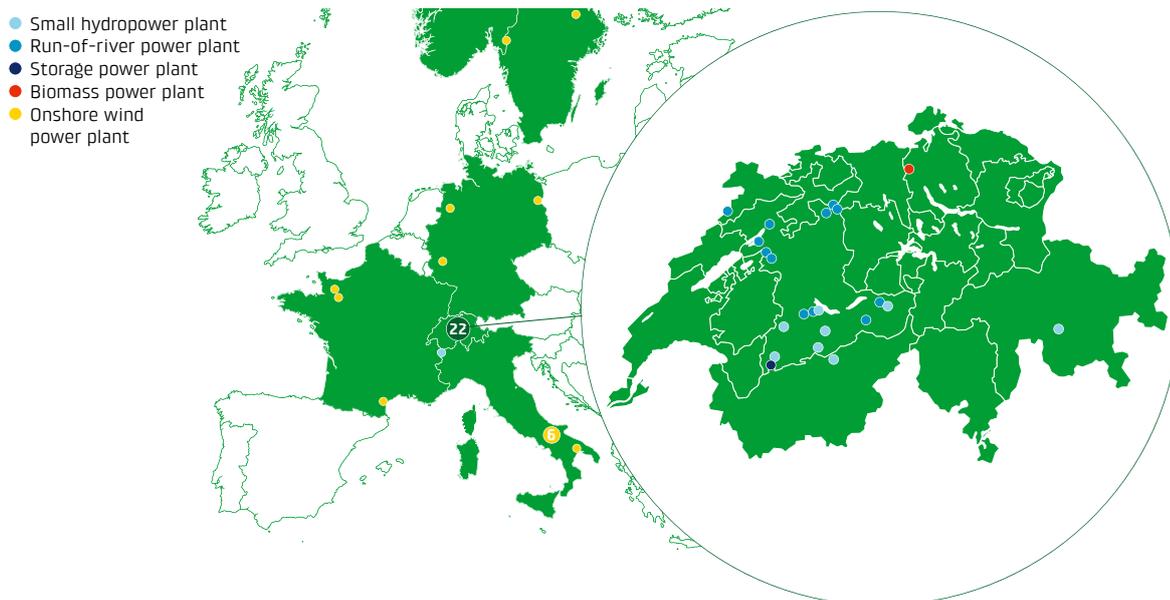
MATERIAL IMPACTS, DEPENDENCIES, RISKS, AND OPPORTUNITIES IN THE AREA OF BIODIVERSITY AND ECOSYSTEMS

As a company in the energy and infrastructure sector, BKW naturally interacts with various habitats, among others urban and industrial ecosystems, alpine ecosystems, water bodies, forests, and grasslands⁶³. On the one hand its activities have impacts on these habitats, while on the other this interaction results in risks such as delays in projects due to objections. At the same time, increasing awareness of biodiversity issues offers opportunities for BKW due to growing demand for solutions in the area of environmentally-friendly planning and construction.

In the Energy business, BKW operates hydropower plants (storage, run-of-river, and small hydropower plants), solar plants, wind power plants, and thermal power plants in addition to its distribution grid. In order to identify their material impacts on biodiversity and ecosystems, in 2025 BKW again mapped the sites in close proximity to ecologically sensitive areas. The focus of this biodiversity register was on power plants of BKW Group companies and joint operations.

According to the biodiversity register, 37 power plants (48%)⁶⁴ are located in the immediate vicinity⁶⁵ of ecologically sensitive areas. However, this does not necessarily involve material impacts. Based on external sources (ENCORE database, TNFD sector guidelines, scientific studies), potential impacts and dependencies were identified and qualitatively assessed for each type of power plant. For the company's own plants, there are potential material impacts in the areas of land use change, climate change, environmental pollution, and resource use. BKW also identified potential material dependencies. For example, the protection against interruptions ecosystem service, protection against flooding and storms through the buffering and dampening effect of natural and planted vegetation. The current assessment does not yet provide a complete picture of the actual materiality of the impacts and dependencies for individual sites in sensitive areas. A detailed analysis of the severity and extent of the various impacts will be carried out in the future.

BKW power plants in the immediate vicinity (1 km) of ecologically sensitive areas



63 Additional sector guidance – Electric utilities and power generators – TNFD. Sea beds, deserts, and tropical rainforests are not relevant for BKW.

64 Deviations from the previous year are based on the updated database of Nationally Designated Areas (as of 2024–2025).

65 One kilometer radius.

Management of Impacts, Risks, and Opportunities

ESRS 2 IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS, DEPENDENCIES, AND OPPORTUNITIES IN RELATION TO BIODIVERSITY AND ECOSYSTEMS

In order to analyze the material impacts, dependencies, risks, and opportunities, the first iteration of the LEAP assessment⁶⁶ was carried out in 2024 in accordance with the TNFD framework⁶⁷. Due to a lack of primary data, this initial assessment was mainly based on external information and secondary data. The determination of material impacts and dependencies is based on the steps described in the LEAP process.

As part of the “Locate” step, the biodiversity register was created using an internal geographic information system intersection analysis. BKW identified ecologically sensitive zones using data from the European Environmental Agency (EEA) taking into account the Natura 2000 data sets and Nationally Designated Areas that document national protected areas throughout Europe. A radius of one kilometer to the next protected area defined the immediate vicinity. For the register, BKW primarily analyzed the power plant sites⁶⁸ of the Group companies and their joint operations. Other sites such as substations, office buildings, and locations in the value chain will be included at a later date. The aim is to map the entire value chain in LEAP assessments in the coming years and thereby gain in-depth knowledge.

The “Evaluate” step was based on information from the ENCORE database and the TNFD sector guidelines. The secondary data was validated

internally with relevant stakeholders and experts. BKW uses the “TNFD Recommended Core Metrics” for primary data collection to determine the materiality of impacts and dependencies of the individual sites. Certain data gaps were identified at the Group level, which will be addressed in future LEAP iterations. BKW plans to collect more primary data for this purpose in order to further refine the quantification of impacts and dependencies and enable a comprehensive materiality analysis.

The “Assess” step was largely based on the results of the double materiality assessment (see pages 156 and 157). Further analyses are necessary to fully understand the materiality of the identified risks and opportunities. BKW will further expand the initial assessment in the coming years and quantify risks and opportunities as far as possible to perform a complete materiality assessment. A comprehensive evaluation and quantification of the impacts and dependencies will help to further increase the identification of risks and opportunities.

The “Prepare” step was mainly based on the targets of BKW's new sustainability framework (see the section on Targets). Further targets and actions for specific activities and business areas are expected to be defined in future iterations of the LEAP assessment.

66 Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD.

67 The Taskforce on Nature-related Financial Disclosures (tnfd.global).

68 Excluding heating systems and solar systems on the roofs of buildings.

ESRS E4-2**POLICIES AND ORGANIZATION RELATED TO BIODIVERSITY AND ECOSYSTEMS**

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to accept their responsibility towards the environment and climate.

The requirements for managing the impacts in connection with the topics of biodiversity and ecosystems are set out in BKW's Environmental and Climate policy. BKW uses a precautionary approach by taking preventive actions to avoid damage to the environment, and especially the loss of biodiversity and intact ecosystems wherever possible, otherwise to reduce damage as far as possible and to actively contribute to

the restoration of nature. The Environmental and Climate policy was approved by the board of directors and is binding for all BKW Group companies.

The executive committee defined the targets for biodiversity and ecosystems. The members of the executive committee are responsible for implementing the objectives and targets through actions in the respective business areas. They are supported by Group Sustainability at Group level.

ESRS E4-3

ACTIONS RELATED TO BIODIVERSITY AND ECOSYSTEMS

To determine the impacts of their construction projects on biodiversity and ecosystems, BKW has environmental impact assessments (EIA) carried out in accordance with the relevant regulatory requirements (CH/EU). Compensatory actions to be implemented are defined on a project-specific basis in the EIAs.

The following (non-exhaustive) list shows various individual measures and initiatives that BKW has implemented in various business areas in 2025.

Neophyte control

The experience gained in 2024 provided valuable insights into effective neophyte control, particularly with regard to the right intervention phase. The best time is in the spring before the plants bloom, when the interventions are most effective. Additional specialists from Arnold AG were specifically trained on this basis. In 2025, they spent an additional 427 working hours on neophyte control.

Maintenance concept for areas surrounding substations

BKW attaches great importance to the careful maintenance of meadows at its substations and their immediate surroundings. Following the successful test in 2024, the maintenance concept was extended to additional substations in 2025. The areas are deliberately only partially mowed, while some areas are left untouched over the

winter to create valuable havens for insects and small animals. This strengthens biodiversity in the long term.

Fish ladders

After around three years of construction, BKW has put a new fish pass into operation at the Bannwil hydropower plant. BKW is also currently updating the fish ladders at the run-of-river power plants in Wynau/Schwarzhäusern and – together with Energie Service Biel – in Brügg. The Federal Act on Fisheries and the revised Federal Act on the Protection of Waters require the restoration of free fish migration at hydropower plants by 2030. BKW is implementing the most urgent remediations with high priority.

Ecological power line management

In 2025, an area of 4.11 hectares under a power line in the Canton of Basel-Landschaft was ecologically upgraded. The pilot project, which was implemented in collaboration with Pro Natura Basel-Landschaft, aimed to create species-rich habitats beneath the power lines and improve existing areas ecologically. Transition areas between different habitats were created under the lines through the targeted creation of herbaceous strips and the construction of small structures. These ecologically valuable zones promote a high level of biodiversity and enable previously isolated populations to become connected.

Targets

ESRS E4-4

TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

In terms of biodiversity and ecosystem, BKW has defined the following targets:

- Negative impacts on biodiversity from its own⁶⁹ energy and infrastructure projects are reduced beyond legal requirements; BKW is aiming for a “Net Positive Impact”⁷⁰ for realizations from 2030 onwards.
- Increasingly near-natural management of land owned and managed by BKW (influenced in the longer term).

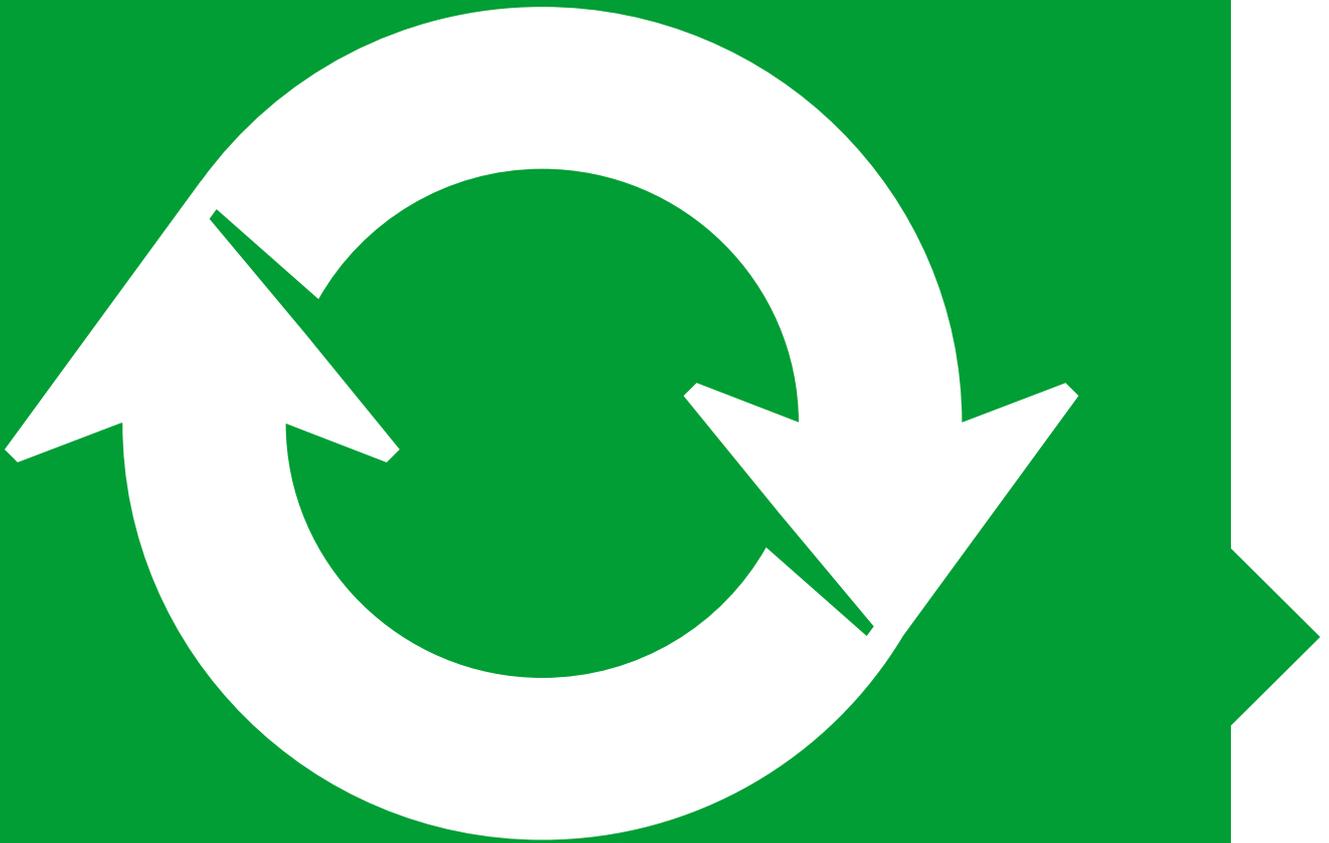
In 2025, Group Sustainability supported the Power Grid and Energy Production Business Areas with implementation planning and various analyses of substations and hydropower plants. In addition, BKW sites are being incrementally and systematically recorded throughout the Group. Further iterations of the LEAP assessment and the collection of relevant data form the basis for target measurement. The data collection also makes it possible to quantify the impacts on business activities and publish them in future sustainability reports.

⁶⁹ Facilities in which BKW holds a majority interest.

⁷⁰ A Net Positive Impact (NPI) is achieved when negative impacts on biodiversity are not only mitigated but overall exceeded through measures to avoid and reduce these impacts, as well as through restoration actions benefiting the affected species and ecosystems.

ESRS E5

Resource Use and Circular Economy



BKW relies on a large number of natural raw materials for the activities in its Energy Solutions, Power Grid, and Infrastructure & Buildings Business Segments. As an energy and infrastructure service provider, the focus is on resource inflows from a materiality perspective (see also page 193). The procurement and use of raw materials with a high level of resource efficiency is an important factor for BKW in ensuring excellence in its service provision and avoiding supply chain risks. Furthermore, BKW wants to lay the foundations for a circular economy. Resource outflows, on the other hand, were identified as a subordinate issue; BKW nevertheless publishes its waste balance sheet in order to meet the transparency requirements of various stakeholders (see page 245).

Management of Impacts, Risks, and Opportunities

ESRS 2 IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS THE MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES IN RELATION TO RESOURCE USE AND CIRCULAR ECONOMY

To identify supply chain risks, BKW considers all relevant raw materials in its risk areas. The scope in production and networks was expanded from five to six risk areas in 2025; these now include power grids, hydro and heating, photovoltaics, wind energy, battery storage, and construction. In addition, two further risk areas are taken into account in the Support area: Information and communication technology (ICT) and personal protective equipment (PPE). In addition to analyzing social and environmental risks in the supply chain, CO₂ relevance has also been considered since 2025. This makes it possible to

fundamentally assess and classify resource efficiency. This framework enables the analysis of GHG and air pollutants, water-polluting substances, the degradation of abiotic and biotic raw materials, as well as water and land use in connection with purchased goods. The supply chain risk analysis, and the methods, assumptions, and instruments used, is described in detail in the section Relationships with Suppliers on page 221. In addition, the impacts, risks, and opportunities in connection with resource inflows and outflows (including waste) were identified and assessed as part of the dual materiality analysis.

ESRS E5-1

POLICIES AND ORGANIZATION RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to accept their responsibility towards the environment and climate. The requirements for managing the impacts of resource use and the circular economy are set out in BKW's Environmental and Climate policy.

BKW uses a precautionary approach in that preventive actions are taken to avoid damage to the environment and climate wherever possible and otherwise to reduce damage as much as possible. It will increasingly develop and market resource-efficient, recyclable, and climate-friendly products and services and encourage its suppliers to accept their environmental responsibility and continually develop in this area. The Environmental and Climate policy was approved by the board

of directors and is binding for all BKW Group companies.

BKW's Supplier Code of Conduct as well as sustainability criteria in tenders require its suppliers to act sustainably. For example, BKW requires suppliers with potential environmental and social risks to have a sustainability rating that is at least equivalent to the industry average. For further information please see the section Relationships with Suppliers starting on page 221.

The executive committee set the targets for resource inflows. Its members are responsible for implementing the objectives and targets through actions in the respective business areas. They are supported in this by the respective procurement organizations and the support functions.

ESRS E5-2

ACTIONS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

Sustainability criteria are structurally required for all goods procured in the six risk areas for production and networks. The corresponding processes are described in the section Relationships with Suppliers starting on page 221. With a special focus on the resource use and the circular economy, two procurement approaches have been established at BKW since 2024.

Procurement strategy for resource use and the circular economy with respect to distribution network cables

In addition to the MUST criteria for avoiding supply chain risks (see page 221), BKW has established the conscious use of resources and the circular economy as principles for the entire product group. For example, suppliers were asked to meet the requirements of minimizing cable waste,

environmental product declarations (EPDs)⁷¹, life cycle costs, and a circular economy concept. Compliance with these requirements is assessed positively by BKW when making procurement decisions.

Establishing recycled concrete in power grid construction projects

Since 2024, the use of recycled concrete has been consistently promoted in tenders for civil engineering work and is used wherever possible. In procurement practice, the consideration of possible additional costs and technical feasibility gives way to the broad applicability of recycled concrete. With the acceptance of recycled concrete as part of engineering services, its fundamental resource-saving use has been established as standard.

71 Standardized, objective environmental assessment of products.

Targets and Metrics

ESRS E5-3

TARGETS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

BKW is striving to reduce its environmental impact in procurement and to actively promote the circular economy. To this end, it intends to establish EPDs as a procurement criterion in the five relevant⁷² risk areas (power grids, hydro and heating, photovoltaics, wind energy, and battery storage) by 2027. In addition, by 2028 a structured basis for decision-making on service life optimization for new construction, replacement, repair

of power grids, photovoltaics, wind power, hydro-power, and battery storage units should be created by the provision of life-cycle costs for asset management. BKW is thus laying the foundations for developing a resilient reduction pathway for Scope 3 emissions, further increasing the efficient use of resources, and achieving progress in the circular economy.

72 The target relates to the five original risk areas.

ESRS E5-4

RESOURCE INFLOWS

BKW has been implementing a Group-wide standardized recording and consolidation of material flows since 2024. In 2025, the quantitative resource inflows of the most important goods in the Energy Solutions and Power Grid Business Segments, and for the first time, partially for Infrastructure & Buildings, were also reported.

The resource inflows specified correspond to the quantity structure of the Scope 3 emissions (activity-based).

The resource inflows were recorded according to the product-specific EPDs by type and quantity for the total procurement quantities.

Resource inflows	Medium weight goods ⁷³		Heavy goods ⁷⁴		Total goods purchased	
	2025	2024	2025	2024	2025	2024
Procured resource in metric tons (t)						
Aluminum	122	109	213	287	335	397
Concrete	934	1,548	0	0	934	1,548
Wood	404	344	0	0	404	344
Plastics	28	46	994	1,095	1,022	1,141
Copper	4	19	2,940	3,176	2,944	3,195
Mineral oil	118	68	93	146	211	215
Steel	394	307	215	276	609	582
Other ⁷⁵	13	33	0	0	13	33
Total goods purchased	2,017	2,475	4,455	4,980	6,472	7,455

73 Transformers <5 MVA; switchgears; distribution network cabins; transmission masts.

74 Transformers >5 MVA; distribution grid cable.

75 Chromium steel, epoxy resin, brass, SF₆.

Social Information

East Coast Line

Veit Pärtschke and Johanna Nowak, both site managers at LTB Leitungsbau GmbH, BKW Infra Services.

CONTENTS

- 198 Employees
- 210 Customers
(Focus topic data protection)

ESRS S1

Employees



As an employer of over 12,000 people BKW is committed to forward-thinking personnel development and to a motivating and responsible corporate culture. The key sustainability-related matters here are occupational safety, the promotion of health, diversity, and inclusion along with the technical and leadership skills of employees. The protection of employee data is also a material sustainability topic for the Group. BKW bases its terms of employment on market standards and legal requirements.

Strategy

ESRS SBM-3

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES RELATING TO EMPLOYEES

As an energy and infrastructure company, BKW operates in a dynamic environment characterized by changed stakeholder requirements, and an increase in the need for energy and resource efficiency. In addition, there are changes in various markets of BKW such as the transformation of energy and mobility systems or the increasing renovation requirements for residential buildings and infrastructure. These developments are also creating new jobs. At the same time, the Group is facing an increasing skills shortage primarily due to the demographic development in Europe.

For the STEM⁷⁶ professions in particular, sufficient apprentices and qualified staff must be acquired and retained by the company. These technical professions fulfill important roles including in the fields of renewable energies, energy efficiency, security of supply, e-mobility, sustainable buildings technology, and modern, resilient infrastruc-

tures. The risk of a lack of qualified staff in these areas may endanger the planned growth of BKW. There is also the risk of a migration of important know-how which could also impair the competitiveness of BKW.

The risk of occupational accidents is of great importance –partly due to the nature of the industry. Particularly at risk are those employees who provide activities at height, on water, and under huge heat or whose work involves dealing with electricity and health-damaging substances such as asbestos. BKW is addressing this risk with comprehensive accident and health prevention measures.

Other material risks, opportunities, and impacts in the employee area can be found in the table on pages 152 to 153.

⁷⁶ Science, Technology, Engineering, and Mathematics.

Impact, Risk, and Opportunity Management

ESRS S1-1

POLICIES AND ORGANIZATION RELATED TO EMPLOYEES

The board of directors assumes ultimate responsibility for the impacts, risks, and opportunities for BKW in relation to employees. At the operational level, responsibility lies with the respective line superiors. They are supported at the Group level by the Group Human Resources (HR), Group Health & Safety, and Group Compliance Support Functions, which define the relevant framework conditions. The Chief Human Resources Officer is a member of the extended executive committee, Group Health & Safety reports directly to the CEO and Group Compliance will be represented in the extended executive committee as of January 1, 2026, by the Chief Legal & Compliance Officer.

The executive committee sets the targets for its own workforce and is responsible for their implementation and for all requirements through appropriate measures in the respective business areas. The members of the executive committee are supported in these tasks by the Group HR, Group Health & Safety, and Group Compliance Support Functions.

To fully support the Group "Solutions 2030" strategy with its focus on growth, excellence, and sustainability, five Group-wide Excellence Centers were established within the Group HR Support Function and the new HR strategy: People & Culture (including Diversity & Inclusion, Health & Care), Compensation & Benefits, Learning & Development, People Attraction as well as HR Digital. The centers are responsible for the Group-wide implementation of strategic initiatives that are jointly developed and approved by the HR Board and are presented subsequently to the executive committee for decision-making. The HR Board is composed of the heads of the Centers of Excellence and the heads of HR of the business areas and meets twice a month. The Chief Human Resources Officer chairs the HR Board.

The Chief Group Health & Safety Officer, who reports directly to the CEO, is responsible for Occupational Health & Safety at Group level. In addition to the Group Health & Safety Support Function, she also heads up the Occupational Health & Safety (OHS) office, manages prevention

campaigns and programs for increasing awareness of the topic, performs audits, and communicates with authorities. The Group Health & Safety and Group Health & Care Support Functions along with all business areas of BKW are represented in the OHS office through trained specialist staff. The latter ensure that the measures decided upon by the Safety Officers and required by the authorities are implemented.

Data compliance is the responsibility of the Group Data Protection Officer (Group DPO) who is part of Group Compliance. For further information on this, see pages 212 to 213.

Work conditions

BKW is committed to offering appropriate work conditions to its employees. The internal basis for appropriate work conditions include the Group-wide Remuneration policy as well as HR and Human Rights policies updated in 2025, which are underpinned by the Code of Conduct in the same way as the entire BKW regulation system. Violations can be reported using the BKW Integrity Line whistleblower system (see page 220).

HR management is subject to the applicable national labor law. Furthermore, the principles of the UN Global Compact are embedded in the BKW Group. The job market has changed in recent years. BKW is responding to this and will merge and revise the content of its HR and Salary policy in 2026.

Specifically, the Human Rights policy mentioned above addresses issues such as occupational health and safety (including a zero-tolerance policy toward violence, harassment, and bullying), work conditions and work hours, non-discrimination and equal opportunities, living wages, freedom of association, and collective bargaining as well as prohibition of child labor, modern slavery, and forced labor. The Group Human Rights policy, which BKW also approved in 2025, forms the basis of the human rights due diligence management system and defines the corresponding processes and responsibilities.

Occupational health and safety

As an employer, BKW takes its duty of care very seriously. Therefore, occupational health and safety is a top priority. BKW understands this to comprise actions and practices, which aim to protect the physical and mental health of its employees. The Occupational Health and Safety office works closely with Group Health & Care to make the working environment as safe as possible and promote healthy work conditions. In accordance with the importance of these topics, the executive committee addresses the issue of occupational safety in its monthly meetings.

Interaction of Group Health & Safety and Group Health & Care



BKW fulfills all the relevant national and international regulatory requirements in relation to occupational health and safety. Effective management in the field of occupational safety is based on a regular review of actual and potential hazards. The analysis is managed at the business area level and within the management systems and/or during audits. Based on the results of the analyses, BKW's Board of Directors determines the Group-wide health and safety policy within the framework of the new directive management. The Group Occupational Health and Safety policy and a revised Group OHS directive were approved in 2025. These regulations are accessible to all employees via a central system. The information flow is also ensured through work instructions, checklists, and fact sheets. The basic principles of the Group policy are also covered in training materials. They are designed to raise employee awareness of the issue and thus further strengthen BKW's safety culture.

In addition to country-specific statutory requirements, there are established security and management systems in place at both the BKW Group and Group company levels:

- ISO 45001: Business areas and Group companies such as Power Grid, Arnold AG, LTB Leitungsbau GmbH, and BKW Energy Solutions GmbH, which are particularly exposed to occupational safety risks, are certified pursuant to this occupational health and safety management standard. In 2025, Hydro (Energy Production) was newly certified, and further certifications are planned for 2026.
- Suva Charter: By signing this self-declaration that applies Group-wide, the executive committee has committed to the consistent and effective implementation of industry-specific and our own safety regulations.
- Minimum standards: Requirements which apply to all Group companies cover requirements of the safety system and reporting regulations in the event of operating incidents, and on reporting.
- Internal implementation guideline: Group Health & Safety has drawn up templates for implementing the guideline on the involvement of occupational physicians and other occupational safety specialists (ASA Directive FCOS 6508). This will help smaller business units implement and comply with the regulations.
- Assessment methods: Assessment methods such as the Safety Culture Ladder and the *suissetec* and *Batisec* industry solutions are utilized.

This means that BKW's safety and management systems cover all employees of the Group for occupational health and safety.

In addition to this, BKW supports employees with protracted absences due to illness or accidents in their professional integration together with internal and external case management, internal reintegration offices, and sheltered workplaces.

Diversity and inclusion

BKW is committed to diversity and inclusion and takes its legally required duty of care seriously. BKW understands the term diversity to comprise age and, accordingly, the respective generation, gender identity, social or ethnic origin, skin color, nationality, language, sexual orientation, religion, physical and mental abilities, and ways of thinking. BKW has its own Diversity & Inclusion Strategy office, which together with a Group-wide steering committee develops the Group-wide diversity strategy and implements targeted training and awareness-raising measures. It aims to establish a welcoming culture within the Group and promote under-represented groups. The guidelines for the activities of this office are the BKW Code of Conduct and the Human Rights policy updated in 2025 which forbids all forms of discrimination and encourages the promotion of diversity, inclusion, and equal opportunity. Since 2025, a member of the executive committee has been committed to promoting diversity and inclusion, both internally and externally.

In order to improve work compatibility with various personal life situations, BKW offers flexible working models where possible. In all countries where BKW operates, employees are entitled to statutory maternity or paternity leave, parental leave, and leave to care for family members. BKW ensures compliance with these legal entitlements and, in some areas, goes beyond the statutory requirements.

Talent, competence, and leadership development

The capabilities and knowledge of our own employees are key factors in BKW's competitiveness. This is why basic vocational training, con-

tinuing education, personal development opportunities, entry programs for students, internal mobility, and succession planning are extremely important. With the Group-wide Learning & Development Excellence Center, BKW creates the basis for anchoring its strategic directions. The focus is on a shared understanding of leadership and values, the promotion of internal and cross-business-area succession planning and mobility, and the continuous development of employees. The newly created Group Mobility office, which is part of the People & Culture Excellence Center, will provide support to ensure compliance with all statutory requirements relating to mobility.

Protection of employee data

BKW protects the privacy of its employees and processes personal data in accordance with the highest data protection standards and legal requirements, including the EU General Data Protection Regulation (GDPR) and the Federal Data Protection Act (FADP). Employee data is only processed at BKW on the basis of a clear legal justification and with the consent of the data subject, e.g., for the following purposes: to establish, maintain and terminate the employment relationship and to fulfill the contract, to comply with legal obligations or on the basis of a legitimate interest.

The new Group-wide data privacy notices inform all BKW employees in detail about the processing of their data and rights, including the purpose of the data processing and the legal bases. Employees who are in charge of the processing of sensitive employee data are trained specifically in how to handle this data securely.

BKW raises awareness of data protection and empowers employees to handle data with care. Employee representatives are actively involved in this process. Furthermore, BKW obtains the necessary consent from the data subjects. This approach creates transparency and promotes trust, ensuring that the protection of privacy is deeply embedded in the corporate culture. You can find out more information about data protection at BKW on pages 212 to 216.

ESRS S1-2**PROCESSES FOR ENGAGING WITH EMPLOYEES AND WORKERS' REPRESENTATIVES ABOUT IMPACTS**

The inclusion of employees in HR issues is defined fundamentally in the respective business areas, in order to take account of the different circumstances and needs. In larger companies the interests of employees are included in the analysis and in the specification of measures through the interface of the respective workers' representatives. For example, BKW Energie AG and BKW Management AG have 16 workers' representatives, meeting at least twice per year with the Group CEO to discuss their concerns. As is customary in Switzerland, employees are not directly represented in the BKW AG's Board of Directors or Executive Committee. In Germany, however, statutory co-determination rules apply at both company and operation level. On this basis, numerous works councils have been established in Germany. Their information and involvement

are governed by the applicable German legal framework, in particular the Works Constitution Act (Betriebsverfassungsgesetz).

In the Occupational Health and Safety area the employees concerned are involved in the procurement of personal protective equipment (PPE) and work equipment, and are also consulted during the investigation of accidents.

In relation to data protection, employees have the right to verify their personal data with the Group Data Protection Officer (Group DPO). Employees can request access to the personal data stored about them at any time and they have the right, in compliance with statutory requirements, to have their data corrected or erased.

ESRS S1-3**PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS THROUGH WHICH EMPLOYEES CAN RAISE CONCERNS**

BKW specifically encourages a speak-up culture among its workforce. Based on the Code of Conduct and within the whistleblower Group directive, BKW has defined the BKW Integrity Line as a complaints mechanism. This confidential communication channel for employees, customers, business partners, and other individuals or organizations interacting with BKW allows complaints to be submitted and violations of applicable law,

ethical principles, or BKW guidelines to be reported. Reports using the BKW Integrity Line can also be made anonymously. The whistleblower system is also accessible by telephone to ensure that it is as barrier-free and user-friendly as possible, including for people with disabilities (see also page 220). In 2026 and subsequent years, BKW plans to conduct continuous surveys among employees and so-called "pulse checks".

ESRS S1-4**ACTIONS RELATED TO EMPLOYEES**

BKW has implemented the following measures for all material topics relating to employees (non-exhaustive list):

Work conditions

- Carrying out equal pay analyses of companies with over 100 employees in Switzerland. This includes 13 companies with 3,700 employees in the effective analyses. In the case of a single company, the results of the analysis made it necessary to define appropriate measures
- In-depth analysis of equal pay between women and men at BKW Energie AG. The results were used to derive measures to ensure equal pay, which can also be applied in other areas of the Group.
- Establishment of a Group-wide job structure starting in 2026, to classify all jobs in a uniform evaluation system and create a Group-wide basis for the structuring of employment conditions and remuneration. This is also intended to facilitate and promote internal mobility.

Occupational health and safety

- Reporting of key figures on occupational health and safety at Group level since 2025, based on a Group-wide reporting tool.
- Creation of a register for Personal Protective Equipment (PPE) for the Engineering and Infra Services Business Areas, in addition to the registers created in 2024 for Energy Production, Power Grid, and Building Solutions.
- Introduction of annual training sessions on resilience and safety in management for blue collar managers. 16 leadership workshops with twelve participants each were held in 2025, with the same number planned for 2026.
- Implementation of an awareness-raising campaign with a focus on hand injuries in business areas with blue collar employees. The business areas received a specific training module for this purpose that was carried out in 2024 and 2025.
- Implementation of driver safety training courses for employees who drive a vehicle for business purposes. In 2025, 144 driver-safety training courses with 1,337 employees were carried out.

- Individual coaching and advice sessions as well as training in mental health are offered. Since 2025, the training course has been available for all BKW employees, either in person or online. A list of first responders whom employees can contact is also available on the intranet.
- Continuation of ongoing partnerships with third parties (2025):
 - Santé24 by SWICA: psychological support in the form of online self-help training and remote psychological counseling (Energy Solutions and Power Grid Business Segments and support functions)
 - Case Management Schweiz and Compasso Network: Service offers relating to professional integration (Energy Solutions and Power Grid Business Segments and support functions)
 - SUVA: Prevention agreement with a discounted course offer (for BKW companies in Switzerland).
 - Forum Group Health & Care Bern-Solothurn: Health promotion (Energy Solutions and Power Grid Business Segments and support functions)
- Introduction of a professional digital case management tool (Energy Solutions and Power Grid Business Segments and support functions)

Diversity and inclusion

- Establishment of a Group-wide Diversity Steering Committee with five members from various business areas.
- Approval of the Diversity, Equity, & Inclusion Strategy 2030 by the executive committee with a focus on inclusive culture, equal opportunities throughout an employee's lifecycle, and work-life balance.
- Implementation of awareness-raising measures on the topic of diversity and inclusion as well as discrimination, bullying, and sexual harassment.
- Expansion of the existing employee networks (Equality Community, Pride Community on the topic of LGBTQ+ and the Generation 50-plus Community) to include the NextGen Community, as well as the launch of an overarching Diversity@BKW Community for greater visibility and a wider range of topics

- Further expansion of flexible working time models to improve work-life balance, including more job postings for 50% to 100% positions with the option of job sharing and top sharing.
- Launch of internal development programs for women (pilot project).
- Preparation of upcoming training courses on diversity, inclusion, and unconscious bias with a workshop for the executive committee and e-learning for employees. The e-learning module will be mandatory for all employees in future

Talent, competence, and leadership development

- Development of an overall concept for a Development Journey for current and future employees, especially aimed at those in senior positions.
- Holding of an annual People Conference especially at the top management levels. Targets: Increase in internal further development and the creation of structured succession planning.
- Introduction of an annual mentoring program for all BKW employees to promote promising talent (implementation after successful pilot project for female managers).
- Annual leadership summit on the topics of sustainability, growth, and excellence.
- Continuation of the various leadership courses both for new and experienced managers (e.g., “BKW Leadership Principles”, “Strong Leadership of Trades and Operations” and “Respectful Leadership Culture”).
- Commitment as main partner in SwissSkills 2025, with a focus on professions related to the energy transition. The objective is to directly address young people in order to counteract the shortage of skilled labor.
- Introduction of a Career Start program for subject-specific training courses for university entrants as a supplement to the existing trainee program.

Protection of employee data”

- Training courses for new employees when they join the company on data protection to provide them with basic knowledge and promote an early sense of responsibility with regard to handling personal data.
- In-depth training for HR employees with regard to the protection of employee data.
- Implementation of a clearly defined privacy protection process that ensures employees are not monitored and strengthens the culture of trust.
- Systematic involvement of employee representatives concerning data privacy issues, to strengthen transparency, trust, and the protection of employee data in the long term.
- Processing of personal data only with the express consent of the employees and exclusively for clearly defined purposes, in order to ensure the self-determination of the data subjects.
- Provision of transparent and comprehensible information so that employees can understand the scope of their consent to ensure legally compliant and trustworthy data processing.

Targets and Metrics

ESRS 2 S1-5

TARGETS RELATED TO EMPLOYEES

BKW's goals and targets in relation to occupational health and safety focus on creating a secure work environment to support happy, healthy, and committed employees. The top priorities are to prevent serious accidents at work and reduce the number of work-related fatalities to zero. BKW has put its focus on prevention and on the promotion of a culture of occupational safety. By 2027, all managers will be required to attend training sessions on "Resilience and safety in leadership". Furthermore, drivers of company vehicles in 2025 had to take a one-day driver safety course with the aim of increasing road safety and raising awareness of environmentally responsible driving (see actions).

As an employer, BKW wants to minimize the risk of stress-related illnesses and offers preventive measures to this end. BKW has set the goal of providing training in the early detection of mental stress (ensa – Mental Health First Aid) for another 120 employees by the end of 2026. White-collar workers are to be trained on the topic of mental health and the importance of short breaks at work (Digital Vitality Week). BKW also wants to expand the "Bike to work" campaign to locations outside of Switzerland. This target will be further expanded in 2026.

As to work conditions, BKW has set itself the following targets for the next two years: For the first time, BKW will conduct an employee survey on their level of satisfaction in the workplace by the end of 2026 with the aim of defining specific targets and actions by the end of 2026. By the end of 2027, a Group-wide uniform job structure

will be set up (see actions), intended to strengthen employer branding. After reviewing the various conditions of employment within the Group, the new job structure will serve as the basis for future, Group-wide uniform standards.

BKW aims to promote an inclusive culture throughout the entire company. With regard to diversity and inclusion, BKW's target is for 90% of all employees to have completed the Diversity, Inclusion & Unconscious Bias training by the end of 2027.

On the subject of talent, competence and leadership development, BKW aims to increase measurable employee satisfaction with the help of internal development opportunities by the end of 2030. Based on the employee survey planned in 2026 (see action), a quantifiable goal will be defined by the end of the year. Furthermore, BKW aims to fill 50% of all senior management positions with internal candidates by 2030 (baseline year 2025).

As regards data protection, BKW has set itself the target of continuously improving the protection of its employees' privacy when processing personal data. To this end, by 2028 it will introduce a uniform, standardized, and Group-wide Privacy Information Management System. Associated with this, BKW's data protection guideline will be further developed and additional training measures for employees will be carried out in order to raise awareness of data protection violations.

ESRS S1-6

EMPLOYEE CHARACTERISTICS

BKW had 12,618 employees ✓ (headcount) in 2025⁷⁸. A detailed breakdown of personnel master data can be found in the tables below. The employee turnover rate in 2025 was 15% ✓ gross (1,661 persons ✓)⁷⁹ and thus corresponds to the previous year's figure. This number includes both voluntary and involuntary departures, retirements, and the termination of fixed-term employment contracts.

Employees by employment type

Employment type	Women	Men
Permanent employees	2,649 ✓	7,545 ✓
Temporary employees	186 ✓	778 ✓
Employees with no guaranteed work hours	196 ✓	223 ✓

Employees by employment level

Employment level	Women		Men		Total		Proportion in %	
	2025	2024	2025	2024	2025	2024	2025	2024
Part time	1,302	1,155	1,233	1,078	2,535	2,233	20%	18%
Full time ⁸⁰	1,604	1,548	8,479	8,358	10,083	9,906	80%	82%
Total	2,906	2,703	9,712	9,436	12,618 ✓	12,139	100%	100%

Employees by nationality

Nationality	Number (headcount)		Proportion in %	
	2025	2024	2025	2024
Swiss	5,942	5,731	47%	47%
German	4,123	3,898	33%	32%
French	368	377	3%	3%
Italian	363	351	3%	3%
Austrian	343	333	3%	3%
Portuguese	310	320	2%	3%
Spanish	120	120	1%	1%
Other nationalities ⁸¹	1,049	1,009	8%	8%
Total	12,618 ✓	12,139	100%	100%

Employees by country

BKW has branches with their own staff in eleven countries. The following table shows the total number of employees by country for those

countries with at least 50 employees and that make up at least 10% of BKW's total number of employees.

Countries	Number (Headcount)	Proportion in %
Switzerland	8,118 ✓	64% ✓
Germany	3,948 ✓	31% ✓
Other ⁸²	552 ✓	4% ✓

78 Employees of Group companies as of December 31, 2025, including part-time employees, but excluding members of the board of directors and external employees. The figures as of December 31, 2024, do not include any part-time employees.

79 Employee turnover rates calculated on the basis of the average number of employees over the course of a year, excluding the board of directors, external employees, part-time employees, apprentices, interns, trainees, temporary workers, time-bankers, employees with special contracts, internal transfers, and employees of divested companies.

80 BKW defines full-time as ≥ 90%.

81 2024: 97 other nationalities, 2025: 96 other nationalities.

82 France, Italy, Croatia, Norway, Austria, Romania, Singapore, Spain, Vietnam.

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

ESRS S1-9

DIVERSITY METRICS

Employees by age

Age	Women		Men		Total		Proportion in %	
	2025	2024	2025	2024	2025	2024	2025	2024
Under 30	618 ✓	623	2,505 ✓	2,466	3,123 ✓	3,089	25%	25%
30-50	1,458 ✓	1,418	4,483 ✓	4,538	5,941 ✓	5,956	47%	49%
Over 50	830 ✓	662	2,724 ✓	2,432	3,554 ✓	3,094	28%	26%
Total	2,906 ✓	2,703	9,712 ✓	9,436	12,618 ✓	12,139	100%	100%

Employees by gender

Gender distribution	Women		Men		Total	
	2025	2024	2025	2024	2025	2024
Employees	2,906	2,703	9,712	9,436	12,618 ✓	12,139
Proportion in %	23%	22%	77%	78%	100%	100%
of which apprenticeships	121	132	796	770	917	902
Proportion in %	13%	15%	87%	85%	100%	100%
of which top management level ⁸³	46 ✓	24	127 ✓	130	173 ✓	154
Proportion in %	27% ✓	16%	73% ✓	84%	100% ✓	100%

ESRS S1-14

HEALTH AND SAFETY METRICS

In 2025, there were no ✓ fatalities as a result of work-related injuries nor ✓ did any BKW employees have a serious work-related accident.

The BKW Group recorded 307⁸⁴ ✓ recordable work-related accidents in 2025. For reporting purposes, BKW uses work-related accidents with a lost time of ≥ 1 working day (lost time injury). The Lost Time Injury Frequency (LTIF) for the BKW Group is 15,9⁸⁵ ✓.

In addition, 75% ✓ of BKW employees were covered by health and safety management system.

As of the end of 2024, BKW had completed the development work for a Group-wide occupational health and safety reporting tool. This means that as of the 2025 fiscal year, figures can now be reported Group-wide.

83 Top management level: Members of the executive committee, extended executive committee, strategic direct reports of the extended executive committee and key functions. The figures for the 2024 and 2025 reporting years are not comparable due to a further development of the definition of the top management level.

84 Lost Time Injury (LTI) includes all full-time employees including apprentices.

85 The Lost Time Injury Frequency (LTIF) shows the number of lost time injuries (LTI) per 1 million hours worked.

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

ESRS S1-16

REMUNERATION METRICS

All pay components are taken into account for the total remuneration ratio⁸⁶. The total remuneration of the highest-paid person is 34 times ✓

that of the median remuneration of all employees.

ESRS S1-17

INCIDENTS, COMPLAINTS, AND SEVERE HUMAN RIGHTS IMPACTS

No ✓ severe incidents relating to human rights were identified at BKW in 2025. The BKW Integrity Line whistleblower system received

16 reports ✓ of discrimination, including harassment and bullying. After investigation, none of these reports resulted in a confirmed incident.

⁸⁶ Total gross annual remuneration for DE, AT, IT, and the gross social security contributions for CH.

✓ Audited (limited assurance) by PwC in 2025. The audit report can be found in the section Independent Auditor's Report.

ESRS S4

Customers (focus topic data protection)



By investing in the future of energy and offering a wide range of services, BKW is creating a wide variety of added value for its customers. Its commitment to sustainability is also in line with customer needs. With regard to BKW's social impacts on customers, the materiality analysis identifies the protection of privacy and customer data as a material topic. The information in the Customers section is therefore limited to this topic. Digitalization, networking, and data-based business models not only open up new business opportunities, they also need to be handled with special care. For this reason, BKW attaches great importance to protecting the data of its customers, employees, and business partners. In the reporting year, BKW took additional actions to ensure the privacy of these individuals and to protect personal data from unauthorized access.

Strategy

ESRS 2 SBM-3

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES IN RELATION TO CUSTOMERS

BKW considers the protection of its customers' data as a key component of its corporate philosophy. Effective data protection strengthens customer trust and loyalty, thereby promoting long-term customer retention. In addition, responsible handling of data helps to avoid reputational damage or potential penalties. It also strengthens the internal corporate culture, based on integrity, transparency, and a sense of responsibility.

The processing of data, especially personal data, entails various risks. Unauthorized access to customer data can lead to significant financial loss and reputational damage (data protection violations). Hacker attacks (cyber attacks) on IT systems pose a constant threat. Violations of data protection regulations can result in legal consequences and high penalties (lack of

compliance). Carelessness or inadequate training of employees can contribute to unintentional data leaks (human error).

However, data protection also offers a wide range of opportunities. Transparent and secure handling of data strengthens customer trust, giving BKW a competitive advantage. Data protection compliant analysis and processing enable the development of customized, innovative services. Optimized data protection processes increase the efficiency of data processing and at the same time ensure a high level of security. Lastly, a high standard of data protection helps to strengthen BKW's brand image. The risks, opportunities and chances can be found on page 153.

Impact, Risk, and Opportunity Management

ESRS S4-1

POLICIES AND ORGANIZATION RELATED TO DATA PROTECTION

BKW understands that protection of personal data is an essential component of comprehensive data compliance. This includes the sustainable design of data-based business models and the responsible, legally compliant, and ethically correct handling of data in the interests of its customers, employees, and business partners.

BKW's data protection organization is clearly structured to meet data compliance requirements (see also page 219 and 220). The board of directors bears ultimate responsibility and delegates the monitoring of risks to the Audit & Risk Committee (ARC). The executive committee is responsible for the operational implementation and enforcement of data compliance, supported by the Group Data Protection Officer (Group DPO).

Local privacy officers perform operational tasks, act as contact persons for employees, maintain the processing directory, and support the implementation of local data protection measures. Group companies abroad have appointed external data protection officers who work closely with the Group DPO to ensure compliance with the GDPR or national data protection laws.

The Group DPO heads the Data Compliance office, which is part of Group Compliance and reports directly to the executive committee, the ARC and the board of directors. The Group DPO's responsibilities include the further development of the Privacy Information Management System (PIMS), implementation of the BKW Data Compliance program (see also page 219) and the definition and monitoring of measures and processes for risk mitigation. The Group DPO conducts an annual data compliance risk assessment and is available internally and externally as a contact person for questions regarding data protection law. The Group DPO is supported by local privacy officers and external data protection officers.

Cybersecurity and privacy protection

The Group-wide Cyber Security & Data Privacy policy emphasizes the great importance of protecting personal data as part of sustainable corporate governance. BKW is committed to processing personal data in a lawful, transparent, and purpose-specific manner. Appropriate security measures protect the data from unauthorized access, loss, or unlawful processing (for more information on cybersecurity, see page 234).

Compliance with principles of data protection is ensured through documented procedures and regular reviews. A Group-wide PIMS, based on international best practices and applicable data protection law, minimizes risks, protects the confidentiality and integrity of information, and safeguards the privacy and informational rights of employees, customers, and business partners.

Employees, business partners, and external stakeholders can report potential and actual violations of data protection guidelines anonymously and confidentially via the BKW Integrity Line (see also page 220).

BKW's strict data protection standards create security and thereby contribute sustainably to the company's success.

Data protection Group directive

In 2025, BKW adopted and implemented the Privacy & Data Protection Group Directive. This directive forms the basis for the responsible handling of data and ensures compliance with the relevant data protection laws. It defines clear guidelines and processes to ensure the security and confidentiality of personal data. A key element of the directive is the awareness-raising and training of employees. Regular training and information campaigns ensure that all employees understand the importance of data protection and consistently apply the guidelines. Furthermore, BKW continuously monitors compliance with data protection guidelines through internal control mechanisms, making adjustments to them where necessary.

Privacy Information Management System (PIMS)

Using the PIMS, BKW systematically and on a risk-based basis implements measures and processes to ensure compliance with data protection requirements.

Any deviations are corrected as part of the PDCA cycle (Plan, Do, Check, Act). Central elements of the PIMS include a Group-wide register of processing activities, a reporting channel for data protection incidents to the Group DPO, regular and systematic implementation of risk checks, and data protection impact assessments. These processes are used to identify, analyze, and evaluate data protection risks in order to minimize them through appropriate actions.

The PIMS aims to ensure compliance with legal and internal requirements and documents this in a verifiable manner. The system is flexible and can be used by any responsible office within BKW, while the central administration rests with the Group DPO. Regular reviews of processes and

data processing are an integral part of the system. Data protection impact assessments must be conducted for processing operations that pose a high risk to privacy rights.

In the event of a data security breach, the Group DPO is to be informed immediately. If a reporting obligation is determined, the Group DPO or the external data protection officers inform the competent data protection supervisory authority and data subjects in consultation with the responsible office.

Where external third parties process personal data on behalf of BKW, a written agreement is mandatory.

To protect personal data, BKW implements effective technical and organizational measures (TOM) that correspond to the current state of the art, the specific risks, and the sensitivity of the data. These measures are documented in the PIMS and are continuously reviewed.

ESRS S4-2 | **ESRS S4-3**

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CUSTOMERS TO ENGAGE AND RAISE CONCERNS

BKW takes comprehensive measures, particularly as part of the Privacy Information Management System (PIMS), to ensure the protection of its customers' data. Internal audits also serve to identify potential weaknesses so that measures can be continuously optimized.

BKW provides clear and comprehensible information about data processing and the associated rights, including easily accessible privacy statements and regular updates on changes to privacy policies. Employees receive ongoing training covering both technical aspects and awareness of potential risks. Furthermore, BKW continuously reviews and updates its data protection measures in order to comply with new legal requirements and remain up to date with regard to the latest technology and legislation.

BKW customers have the opportunity to articulate their interests in relation to data protection at any time. Potential breaches of data security can be reported worldwide by phone, email, or through the BKW Integrity Line whistleblower system (see also page 220).

Dealing with data privacy incidents

The Group DPO (Data Compliance) handles reports of data protection incidents. The Group DPO is supported in clarifying the facts by the data protection coordinators, external data protection officers, and the BKW Incident Support Team. As part of the processing of the data protection incident, it is determined whether personal data has been compromised. In the event of a data protection breach, the severity and scope determined in order to plan the appropriate remedial actions. Immediate actions aim to contain the damage and inform the data subjects as soon as possible. The long-term actions aim to help to implement improved security protocols and provide additional training to prevent data protection incidents occurring in the future. The process for dealing with data protection incidents is monitored continually and its effectiveness regularly reviewed.

The notifications of potential data security breaches received in 2025 were investigated by the Group DPO. Where required, the relevant supervisory authorities are notified accordingly. No official actions were taken or proceedings initiated against BKW in the reporting year.

ESRS S4-4**ACTIONS RELATED TO CUSTOMER DATA****Internal information and training measures**

All employees of BKW are required to complete data protection training. BKW also provides data protection training for specific areas and roles. All training measures are available through a digital learning management system. BKW's employees are also informed about data protection on the intranet. For employees in areas particularly relevant to data protection, the Group DPO offers separate on-site and online training courses.

Responsible use of artificial intelligence (AI)

In order to ensure responsible use of AI, BKW implemented AI governance in 2024. BKW's AI governance consists of two core elements: A Group directive and an established risk management system for AI. The principles set out in the Group directive define the responsible and legally compliant use of AI, the protection of the privacy of data subjects, and the safety and reliability of the handling and use of AI systems.

This includes protection against discrimination and safeguarding privacy. BKW ensures that the use of AI systems is comprehensible and transparent.

Effectiveness test of the Privacy Information Management System (PIMS)

BKW is continuously developing its Privacy Information Management System (PIMS). With the help of the annual review process anchored therein, it examines the extent to which planned actions have been implemented and the objectives pursued have been achieved. The annual test of the PIMS for the reporting year showed that the system's design is appropriate and suitable for achieving the data compliance objectives. In some Group companies and business areas, however, there are still challenges in the operational effectiveness of data protection actions. Identified weaknesses are analyzed and incorporated into a continual lessons-learned process.

Targets

ESRS S4-5

TARGETS RELATED TO CUSTOMER DATA

BKW has set itself the goal of continually improving the protection of customer privacy when processing personal data. To this end, it intends to introduce a uniform, standardized, and Group-wide PIMS by 2028. At the same time, BKW will

further develop its data protection guidelines and carry out additional training measures for employees to raise awareness of data protection violations.

Governance Information

Juvent SA

Working at lofty heights at
Switzerland's largest wind farm.

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ESRS G1

Responsible Business Practices



BKW is aware of its responsibility towards its employees, customers, business partners, and society in general to be fair in its business dealings. The Group therefore attaches great importance to integrity, responsible corporate management, ethical business practices, and good governance, based on the Group-wide Code of Conduct and the policies that are also binding for the entire Group. In addition to the fundamental principles of the BKW regulations and the Compliance Management System, this section focuses on the relationships with suppliers and thus the commitment of the BKW procurement organizations with regard to the double materiality analysis. BKW relies on a risk-based approach under which it works with its suppliers to enhance sustainability performance, for example by incorporating targeted requirements into procurement projects. It thus minimizes its potential risks in the supplier network and implements processes for taking into account sustainability criteria in procurement.

Impact, Risk, and Opportunity Management

ESRS G1-1

POLICIES AND ORGANIZATION RELATING TO RESPONSIBLE BUSINESS PRACTICES

BKW's Code of Conduct is an important part of the corporate culture. It sets out clear guidelines for conduct and cooperation, serves as a road map for everyday work, and supports employees in acting correctly and in accordance with legal requirements, social demands, and corporate principles, even in difficult situations.

These principles are specified in further Group policies, directives, and regulations. In 2025, the Occupational Safety and Health, HR, Cybersecurity & Data Privacy policies, as well as the Sustainable Management, Human Rights, Taxes, Risk Management, Privacy & Data Protection Group directives were adopted. The Human Rights policy published in 2024 was revised in 2025. The Corporate Governance and Compliance policies are to be issued in 2026.

These new and updated regulations ensure that BKW sets Group-wide standards in important areas and achieves strategic corporate targets through fair and sustainable business practices.

The BKW Compliance Management System

BKW has an effective and holistic Compliance Management System (CMS) that is designed to ensure and sustainably promote legally compliant and responsible behavior throughout the entire Group. It is based on a corporate culture characterized by respect, trust, and integrity. The executive committee, board of directors and all levels of management actively live this attitude and promote it consistently throughout the company.

The CMS aims to identify potential infringements of regulations at an early stage, minimize risks, and strengthen the integrity of the organization. The compliance objectives are closely linked to the strategic corporate objectives and are regularly reviewed and further developed.

A key component of the CMS is the systematic recording and assessment of compliance risks. Group Compliance analyzes these risks across the whole Group, assesses their probability of occurrence and potential impacts, and initiates appropriate measures to mitigate them.

BKW's Compliance program covers all relevant requirements, guidelines, and processes for ensuring compliant business practices. These include, among other things, the BKW Integrity Line – a confidential whistleblower system – and the Compliance Awareness program to raise awareness of compliance issues through targeted training and communication measures.

Internal communication plays a key role: Employees are regularly informed about relevant issues and made aware of their responsibilities. Open communication channels aim to promote understanding and acceptance of the compliance guidelines.

To ensure the continuous development and effectiveness of the CMS, Group Compliance regularly reviews existing structures and processes and initiates targeted improvement measures as necessary. This ensures that the system remains robust even under changing conditions and contributes to the long-term integrity and stability of BKW.

Organization and management

The board of directors bears ultimate responsibility for the compliance organization and the CMS. It has delegated its supervisory duties relating to quality control and budgeting for Group Compliance to the executive committee and the CEO. The Head of Group Compliance at BKW is responsible for the operational design and implementation of the CMS.

The compliance organization is clearly structured and laid out in the Compliance Group directive. Responsibilities and accountabilities are clearly defined, and the necessary human and technical resources are available. Group Compliance is responsible for central management and coordination of all compliance issues within the Group.

More information at:

[www.bkw.ch/
codeofconduct](http://www.bkw.ch/codeofconduct)

The head of Group Compliance thus performs the role of a Chief Compliance Officer (CCO). In day-to-day business, the head of Group Compliance reports directly to the CEO and BKW's Audit & Risk Committee (ARC). The executive committee and the board of directors are kept informed about all key compliance issues by the head of Group Compliance.

BKW Integrity Line

The BKW Integrity Line whistleblower system is a key element of the CMS. It enables employees and external parties worldwide to report possible infringements at any time – anonymously if necessary.

The confidentiality of the identity and information provided by whistleblowers is strictly maintained. BKW expressly protects whistleblowers from discrimination and retaliation. Violations of this protection may result in consequences under labor law.

All incoming reports are assessed on a risk basis. High-risk cases, such as those involving corruption or human rights violations, are investigated internally. The procedure is transparent. The person against whom allegations have been made is informed of the allegations and given the opportunity to respond. The presumption of innocence always applies.

To support the whistleblower system, BKW also provides a free hotline with barrier-free access. Infringements concerning corruption, antitrust law, money laundering, environmental and human rights violations, discrimination, sexual harassment, occupational safety standards, personal enrichment, theft, and embezzlement can be reported. This is a non-exhaustive list.

Compliance awareness program

BKW has a comprehensive and systematically structured training concept that covers all relevant compliance risks that is aimed at raising awareness among all employees in the long-term. Key components are mandatory online courses for all employees such as training on the Code of Conduct and anti-corruption training. In addition, regular refresher courses are planned to continuously consolidate existing knowledge. For roles involving increased risk or specific training requirements, targeted courses are offered, individually tailored to specific fields of activity. In addition to formal training measures, BKW relies on a variety of awareness formats that are used regularly to promote a culture of compliance. Besides traditional information channels, these also include interactive elements such as educational videos, interactive content, and short prompts that strengthen understanding of compliance topics in a practical and effective way.

ESRS G1-2

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

BKW builds respectful, appreciative relationships with its suppliers based on mutual trust. Monitoring and managing the supply chains are key factors in ensuring sustainable and responsible corporate governance as well as a smooth collaboration with suppliers. Each business area has a procurement organization that works together in accordance with the Procurement Operating Model approved by the executive committee. Procurement Services is responsible for the Power Grid, Energy Production, and Energy Markets Business Areas and also acts as a higher-level Group-wide support function. Procurement Services' task is to ensure the strategic alignment of a uniform, Group-wide procurement organization and, as the main process owner, to be responsible for Group-wide procurement processes. As a Group-wide support function, Procurement Services heads the Procurement Committee in which the other procurement organizations of the Engineering, Building Solutions, and Infra Services Business Areas are represented. This committee coordinates, harmonizes, and further develops the Group-wide procurement organization. The Procurement Committee also adopts Group-wide initiatives and ensures their uniform implementation throughout the Group via expert groups. In order to anchor specific sustainability matters in procurement, the ESG Procurement Department was created within the Procurement Services Support Function. It drives the implementation and further development of the ESG initiatives (Environmental, Social, Governance) across the Group and coordinates the corresponding activities with the procurement organizations of the individual business areas.

This organizational structure enables BKW to consistently and uniformly promote sustainability in supply chains, in close cooperation with its suppliers. At the same time, it aims to reduce potential sustainability risks across the Group and strengthens the resilience of supply chains. The sustainability requirements are designed in such a way that delivery availability is guaranteed, especially in challenging supplier markets.

BKW has the following targets for impact, risk, and opportunity management in procurement:

- All suppliers with potential environmental and social risks (ESG-relevant suppliers) are obliged to have a sustainability rating by the end of 2026 that is at least equal to the industry average⁸⁷.
- Responsible procurement practices will be standardized across the Group by the end of 2025 through a robust set of rules and implemented as of end of 2026 in all procurement organizations.

The initial objective in the medium term focuses on onboarding and developing ESG relevant suppliers in order to be able to cover all potential product-specific risks in the long term and to establish a supplier network with good sustainability performance.

The second objective focuses on the internal regulations and processes within the requesting department and procurement organizations. This ensures a coordinated approach to suppliers in order to guarantee due diligence obligations and to be able to adapt easily to the requirements of future regulations.

87 BKW defined the industry average based on data from 2023 and it corresponds to an EcoVadis rating of 56 points.



Supply chain risk analysis

Since 2023, BKW has carried out risk analysis of supply chains for procurement in the areas of power production and grid infrastructure.

– and two risk areas within the support functions themselves – Information and Communication Technology (ICT) and Personal Protective Equipment (PPE).

The starting point was to identify the areas of activity where relevant risks could potentially arise. In 2025, the methodology used in risk analysis was further developed in a targeted manner. The aim of this adjustment is to identify, assess, and effectively manage risks along the value chain more precisely. Eight risk areas are now systematically examined:

This expanded classification system enables a more differentiated view of sustainability-related risks at each stage of the value chain and supports the targeted development of risk mitigation measures, thus strengthening BKW's ability to build resilient, responsible, and future-oriented supply chains.

- six risk areas in the Power Grid and Energy Production Business Areas – power grids, hydro and heating, photovoltaics, wind power, battery storage units, and construction

Across all risk areas, 25 relevant raw materials⁸⁸ have been identified that are associated with potential environmental or social risks (see the table below).

Sustainability risks in the supply chain analyzed by BKW

Social risks

- Child labor
- Forced labor and all forms of slavery
- Inadequate occupational safety, and health hazards in the workplace
- Disregard for freedom of association and the right to collective bargaining
- Discrimination
- Precarious work conditions and withholding adequate wages
- Environmental human rights risks
- Land use conflicts and property rights
- Conflicts and security risks

Environmental risks

- Greenhouse gas emissions
- Consumption of water and land
- Exploitation of abiotic and biotic raw materials
- Emissions of air pollutants
- Discharge of substances hazardous to water
- Waste

BKW has identified ESG relevant suppliers based on the risk areas and the goods and services procured within them. To this end, information on the supply chains and the origin of the risk raw materials was collected from suppliers, resulting in an ESG risk profile for each supplier. Procurement projects concerning these suppliers (goods and services) with medium to high risks are

closely monitored by sustainability management in Procurement in order to minimize sustainability risks. Since 2025, the CO₂ relevance of the goods and services procured has also been recorded in order to enable well-founded statements to be made on the climate change mitigation targets defined within the Group.

⁸⁸ Antimony, balsa wood, bauxite (aluminum), lead, chromium, iron (iron ore), petroleum (plastics), germanium, graphite, cobalt, copper ore, lithium, magnesium, manganese, molybdenum, nickel, niobium (tantalum), sand (cement), selenium, rare earths (neodymium, dysprosium, praseodymium, boron and terbium, scandium, lanthanum, cerium, yttrium), silver, silicon (metallurgical), rock salt (PVC: together with crude oil/natural gas), zinc, and tin.

Supplier assessment and development

BKW has set itself the goal of ensuring that all relevant suppliers have a sustainability rating that is at least equivalent to the respective industry average by the end of 2026. In coordination with all procurement organizations, these ESG relevant suppliers are supported in partnership during onboarding for the rating process and their development. The EcoVadis platform is used to create a qualified sustainability rating and ensure the development of suppliers on the relevant sustainability topics. The selection of relevant suppliers is based on the initial supply chain risk analysis from 2023 covering the period from 2019 to 2023. A total of 4,186 TIER 1 suppliers – i. e., the first level of the supply chain – were included and evaluated as part of this analysis.

In 2023, BKW identified 149 relevant direct suppliers (TIER 1) in the power production and grid infrastructure procurement areas with environmental and social risks. In 2025, the number of relevant suppliers in the procurement areas under review increased by 30 to 179 compared to 2023. This group covers over 75% of total revenue in the relevant product groups, thus underscoring the importance of sustainable supplier management.

51 of the 179 relevant suppliers in the procurement areas mentioned above currently have no active business relationship with BKW. 21 others only have to complete a self-declaration due to the nature of their activities (low risk relevance). 22 other suppliers are subject to deepened checks through a “pre-qualification” process before the start of a business relationship. This concerns product groups with high potential risks (such as large batteries). 58 of the remaining 85 suppliers have confirmed that they already have an EcoVadis rating:

- 39 of these suppliers have a rating above the industry average.
- 19 have a rating that does not yet reach the industry average. But they do not show any fundamental violations of the required standards in their business practices. BKW works with these 19 suppliers to help them achieve the internal target ratings.
- None of the suppliers had an inadequate sustainability performance that would have required corrective action to address fundamental misconduct.

No infringements of the ESG practices were identified in the reporting year that would have led to termination of business relationships with suppliers. This also includes suspected cases that become known during the course of the disclosure of their supply chains – especially at TIER 2 and below.

With regard to activities to increase sustainability and transparency in the supply chain, BKW was able to get four initial ratings and six reevaluations underway in 2025. To date, no suppliers have refused to provide information on sustainability topics. BKW is gradually extending the rating process of ESG relevant suppliers to all procurement areas and will continue to drive forward the development of existing suppliers.

Actions in risk areas

BKW applies general sustainability requirements in all risk areas (including contractual clauses, self-declarations, and demand for supply chain transparency). In 2025, BKW identified three structural approaches that work together to improve risk identification and reduce the probability of risks occurring:

1. Responsible procurement practice: Introduction of a uniform set of rules across the whole Group to minimize the impact on people and the environment (see also the separate section on responsible procurement practice)
2. Supplier due diligence: Expansion of the existing due diligence approach for TIER 1 as part of supplier management
3. Industry-specific initiatives in the supply chain: Participation in industry-specific initiatives to increase influence in the upstream value chain and address systemic challenges

By anchoring these approaches at the Group level, the corresponding actions can be implemented and effectively introduced across the entire Group from 2026 onwards.

Power grids risk area

An in-depth analysis of supply chain risks shows that copper – particularly in the cable product group – is of high importance to BKW in terms of sustainability: there is a potential risk of the use of child labor, large quantities of copper are procured, and there are direct opportunities for action for BKW vis-à-vis the producers. Strict MUST criteria have therefore been specified in procurement projects for distribution grid cables (low, medium, and high voltage) since 2024. The suppliers must disclose their supply chain as well as the origin of the raw materials. This ensures that none of the suppliers source copper ore from countries where there is a risk of the use of child labor (Democratic Republic of Congo and Zambia). Moreover, BKW has started a dialog with “The Copper Mark”, the leading standard for responsible copper practices to deepen cooperation with all cable suppliers.

Photovoltaics risk area

In the photovoltaics area, a significant amount of the polysilicon used worldwide can be linked to the Xinjiang region in China, and thus to potential risks of forced labor. Extensive research and investigations were carried out in preparation for procurements of photovoltaic modules for solar power plants. In 2025, BKW carried out in-depth discussions with potential suppliers, in order to evaluate their efforts to reduce sustainability risks, particularly with regard to forced labor, and to make clear BKW's expectations of potential suppliers.

Large batteries risk area

In the procurement of large batteries, for regulatory reasons the focus is on conflict minerals (3TG)⁸⁹ as well as cobalt and lithium. The Responsible Minerals Assurance Process (RMAP) of the Responsible Mining Initiative (RMI) is used to minimize risk. This approach includes a reporting format, which contains detailed information from suppliers in order to create greater transparency in the BKW supply chain.

Responsible procurement practice

BKW's responsible procurement is based on a set of rules that includes the Procurement Management directive, the General Terms and Conditions of Purchase (GTCP), the Supplier Code of Conduct, the Submission Regulations for tenders (including a self-declaration form for suppliers and a criteria catalog), as well as decentralized regulations at the level of the procurement organizations. With the standardization of the rules launched in 2024, it can be reported that three key regulations have been adopted as of 2025:

1. Supplier Code of Conduct: Updating the code with uniform and contractually binding implementation across the Group.
2. Procurement Management Group Directive: Revision of the directive in which sustainability is anchored as an integral part of the procurement process.
3. Group regulation on Sustainable and Responsible Procurement: New regulation defining the organization and Group-wide processes for the relevant sustainability topics.

With the introduction of these regulations, BKW has created a uniform basis for sustainable, responsible, and transparent procurement throughout the entire Group. To ensure uniform implementation across the Group, the relevant persons will receive targeted training in 2026 and be made aware of how the new requirements are to be applied.

Sanctioning mechanisms

In the event of suppliers failing to meet BKW's sustainability requirements, BKW has defined a staged procedure. The first step is to seek a dialog with the supplier; if no remedy can be found, the products affected can be temporarily blocked, and the business relationship ultimately terminated. This approach ensures that any violations of sustainability requirements are addressed consistently and effectively. The ESG Procurement Board is regularly informed about progress in onboarding and convened in the event of suspected infringements and breaches. This is especially the case when sustainability risks arise at suppliers or when measures need to be escalated. The aim is to find effective solutions to remedy shortcomings and ensure compliance with the sustainability requirements.

⁸⁹ Tin, tungsten, tantalum, and gold.

Training

Since 2024, as in the reporting year, buyers have received training on internal sustainability targets and potential risks in the BKW supply chains as well as the onboarding process. In subsequent years, they will also receive further training on the revised regulations and templates relating to sustainability.

Awareness of ethical standards and legal requirements in the procurement process were further raised for the Energy Production, Energy Markets, and Power Grid Business Areas. The buyers attended a mandatory training course on competition law. In 2025, all employees in procurement were made aware of the stricter rules of conduct in the area of impartiality. This ensures that all those involved in the procurement process consistently adhere to the principles of objectivity, fairness, and integrity.

ESRS G1-3

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

BKW pursues a zero-tolerance policy towards all forms of corruption. Corruption risks are actively addressed and effectively mitigated by a wide range of measures – among others periodic training and sensitization of employees, which already begin as part of the training on the Code of Conduct. These training courses focus in particular on anti-corruption training and how to deal with conflicts of interest.

A key component here is the “Anti-Corruption” Group directive. It contains binding guidelines for all employees, thus creating the basis for acting with integrity and responsibility in everyday business. In addition, there are clear regulations on how to deal with invitations, gifts, and other non-cash benefits. These ensure that business decisions are made independently and transparently.

Facilitation payments are expressly forbidden. They constitute a form of corruption and contravene the principles of BKW.

BKW also sets clear guidelines for external partners. BKW’s Supplier Code of Conduct commits its business partners to complying with ethical and legal requirements, particularly in the area of anti-corruption.

Binding guidelines also apply when dealing with conflicts of interest. Employees are required to disclose any potential or actual conflicts of interest. Central registration systems are in place for this purpose, where both benefits and conflicts of interest are recorded and documented transparently.

Group Compliance is the central point of contact for suspected cases of corruption and bribery. Furthermore, BKW has a whistleblower system – the BKW Integrity Line – accessible both to employees and external persons. Whistleblowers are protected from retaliation by appropriate measures.

Metrics

ESRS G1-4 | ESRS S1-17

VIOLATIONS OF CORRUPTION, BRIBERY, HUMAN RIGHTS, DISCRIMINATION, AND ENVIRONMENTAL REGULATIONS

There were no penalties or convictions for violations of corruption, bribery, or environmental regulations in the 2025 fiscal year. Similarly, there

were no ✓ fines, penalties, or other payments of damages for human rights incidents, discriminatory behavior or harassment.

ESRS G1-6

PAYMENT PRACTICES

BKW maintains a partnership-based relationship with its suppliers. Fairness, openness, and respect are the basis for a good business relationship. Fair treatment of suppliers also includes the payment terms, which are set out in the respective General Terms and Conditions of Purchase (GTCP) and are publicly available. The standard payment period for supply contracts is 30 days net.

For larger capital goods (e.g., contracts for work and services), there may be special agreements with an installment payment of typically 30 percent. All payment transactions are subject to the supervision of Financial Controlling. In 2025, there were no pending proceedings regarding BKW's payment practices.

Company-specific Sustainability Matters



Arzberg

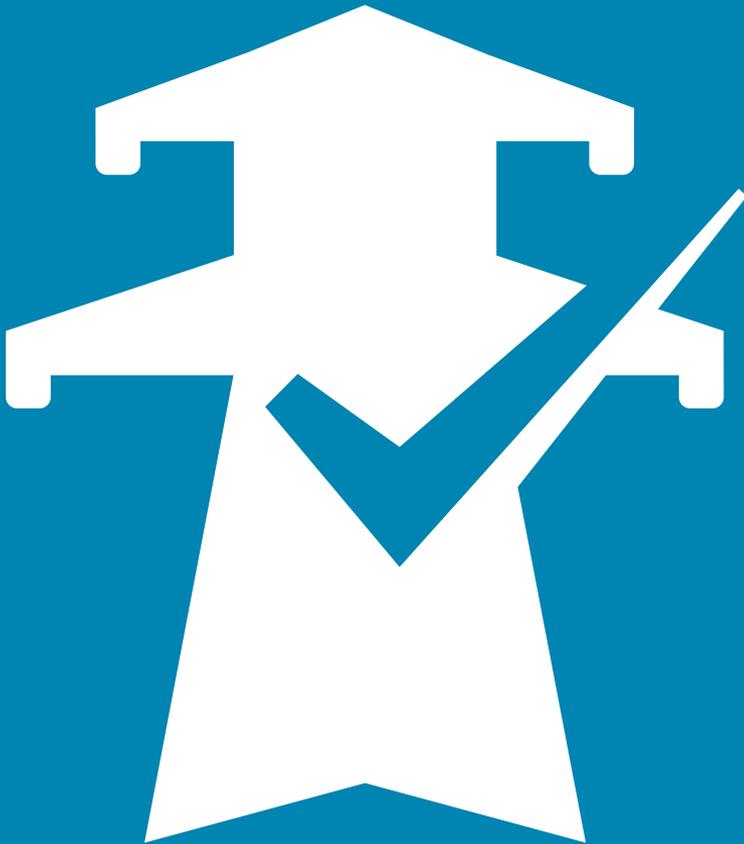
Laura Wilkat, Project Manager, BKW Storage Solutions GmbH, BKW Infra Services, at one of Europe's largest energy storage facilities.

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Security of Supply



A reliable energy supply is a key prerequisite for prosperity, economic growth, and social development. BKW makes a significant contribution to security of supply in Switzerland. As an energy and infrastructure service provider, BKW strives to guarantee the availability of the distribution grid and the power plants at a consistently high level.

Impact, Risk, and Opportunity Management

POLICIES AND ORGANIZATION RELATED TO SECURITY OF SUPPLY

With regard to its production and grid facilities, the BKW Group pursues a proactive maintenance policy. The necessary maintenance measures and investments are continuously carried out on the basis of regular needs and risk analyses. In this way, BKW ensures the reliable and smooth operation of the grids and facilities. At the same time, the Group invests in targeted employee training to ensure that BKW's performance, particularly the reliability and availability of its power plants and grids, consistently remains at a high level.

The Power Grid business area is responsible for managing BKW's impacts, risks, and opportunities with regard to the availability of the distribution grid, while the Energy Production business area is responsible for power plants. Both business areas are subject to numerous legal requirements to ensure security of supply. In Switzerland for example, the national legislation on electricity, energy, and spatial planning, the Heavy Current Ordinance, the Swiss standard SN EN 50110-1:2013, and specific directives of Federal Inspectorate for Heavy Current Installations (ESTI), the supervisory and regulatory authority for electrical installations are particularly relevant. National and international norms and standards must also be met. The distribution grid in particular is regulated, and there are clear statutory provisions to ensure that planning, construction, and operation are safe, effective, and efficient, in addition to regulations relating to the obligation to connect.

Distribution grid

The distribution grid is operated on the basis of the legal requirements, and tasks, responsibilities, and competencies are defined in various internal role descriptions. The business processes are coordinated and documented in the integrated management system. They are accessible and binding for all employees. The management system has been certified in accordance with ISO 9001, ISO 14001, and ISO 45001. The Power Grid's integrated management system provides clear guidelines and defines how operational processes should be planned, implemented, documented, and monitored. To ensure continuous improvement, processes are regularly reviewed

and adjusted. Risk management, information security, and business continuity management are key pillars of a high level of availability and are central to all internal processes. In the event of disruptions or crises, BKW focuses on early detection, the protection of data and systems, and the maintenance of key processes based on the two Group directives on cybersecurity and risk management. In this way, the Group enhances operational resilience and ensures a reliable energy supply. BKW's Power Grid Business Segment also developed a safety concept for the distribution grid in the supply area in accordance with Article 12 of the Heavy Current Ordinance. This ensures that anyone who has access to the operating area, who carries out operational tasks, or who performs work on the facilities has received appropriate training. In addition to external audits, internal Group audits are also carried out. These audits assess adherence to compliance and governance requirements, financial management and control, risk management, and IT security controls. Internal Audit has unrestricted access to information and files necessary to carry out its duties.

As a Swiss distribution grid operator, BKW actively shapes the transition to decentralized energy production through its Power Grid business segment. This business segment is subject to the legal obligation to operate the distribution grid safely, efficiently, and at a high level of performance. The central control center performs operational management of BKW's distribution grid. With a comprehensive and forward-looking approach, Power Grid advances maintenance, renewal, and expansion of the grid, thereby laying the foundation for a reliable, future-proof energy supply in the context of the energy transition. With the continuous expansion of private photovoltaic systems, businesses and households are becoming increasingly important as decentralized electricity producers, feeding the energy they produce directly into Power Grid's local distribution network. This fundamentally changes the role of distribution grid operators, who are now taking on a more active role in the energy system and making a crucial contribution to

implementation of the energy transition. At the same time, the demand for accurate feed-in and consumption forecasts is increasing—a key prerequisite for efficient and stable grid operation. The Final Future Grid for the medium- and high-voltage network provides a key foundation for its further development. Another essential building block for meeting the challenges of the energy transition is the nationwide installation of smart meters, which enable more efficient use of existing grid capacities and provide valuable data for planning grid expansion in a targeted, needs-based manner.

Electricity production

BKW's contribution to security of supply is based on the high level of availability of the distribution grid and power generation plants.

BKW's generation facilities are operated by the Energy Production business area and managed by the Energy Markets business area.

BKW's technologically diversified portfolio of energy generation plants is designed to meet the increasing demands on the energy system over the course of the energy transition. It comprises a balanced mix of flexibly controllable

power plants (mainly hydroelectric plants but also stakes in modern and efficient coal and gas-fired power plants), plannable base-load energy (such as run-of-river power plants and nuclear power plants), and new renewable energy power plants (wind and solar power plants and biomass). In addition, last year BKW established a new business unit for the development, implementation, investment, and operation of large-scale battery storage facilities in the capacity range of around 50 to 300 megawatts (MW). These facilities can enhance grid stability, enabling the balancing of fluctuating new renewable electricity generation in the grid.

Reliable operation of BKW power plants is ensured in accordance with the specific requirements of the respective production technologies. For example, hydropower plants have their own management system that governs responsibilities, operational processes, and maintenance procedures. All sites are certified in accordance with ISO 9001, and most are also certified in accordance with ISO 14001. The maintenance workshop of the Hydroelectric Power Plants division also has certifications for welding work (EN 1090 EXC3 and ISO 3834-2).

ACTIONS RELATED TO SECURITY OF SUPPLY

Investments in grid expansion and maintenance

BKW invested CHF 166.9 million in the maintenance and expansion of the distribution grid in 2025. This included the continued installation of smart meters (see also page 231).

Investments in the refurbishment of power plants

To keep the availability of the electricity generation facilities as high as possible over the long term, BKW invested CHF 7.7 million⁹⁰ in the maintenance and refurbishment of its power plants in 2025.

Flexibilization of run-of-river power plants and investments in battery storage

BKW is investing in increasing the flexibility of its run-of-river power plants, in the expansion and maintenance of its flexible (storage) hydropower plants, and, most recently, in large-scale battery storage systems, all of which make important contributions to security of supply.

⁹⁰ Investments in partner plants are not included.

Targets and Metrics

TARGETS RELATED TO SECURITY OF SUPPLY

BKW aims to maintain, through 2030, the high level of availability its distribution grid has already sustained for many years. To this end, it wants to invest CHF 1 billion (CAPEX) in the grid expansion and maintenance of the distribution grid. This includes the conversion and expansion of 2,500 km of power grids, the reinforcement or new construction of 1,600 transformers, and

the implementation of modern processes and technologies throughout the entire energy system. As part of this, over 400,000 smart meters will be installed by the end of 2028. In the area of power plants, BKW pursues the goal of increasing its power generation capacity by 1,300 MW (+38 percent) by 2030.

METRICS RELATED TO SECURITY OF SUPPLY

Distribution grid

The grid availability in BKW's distribution grid was 99.997 percent in 2025. The average downtime measured using the System Average Interruption Duration Index (SAIDI)⁹¹ amounted to 16 minutes during this period. The value in 2025 was influenced by the smart meter rollout and the shutdowns required for installation. The cumulative shutdown time was approximately 1.7 minutes.

Average downtime of the distribution grid (SAIDI⁹¹)

	In minutes		
	2025	2024	2023
BKW score	16 ⁹²	17	11
Swiss benchmark	Not available ⁹³	21	18

The System Average Interruption Frequency Index (SAIFI) indicates the average frequency of supply interruptions per connected customer within a year. In 2025, the SAIFI value was 0.32.

System Average Interruption Frequency Index (SAIFI)

	Interruptions per customer/year		
	2025	2024	2023
BKW Score	0.32 ⁹²	0.24	0.13
Swiss benchmark	Not available ⁹³	0.34	0.33

Installation of smart meters

The rollout of smart meters across the country was continued as planned in BKW's grid area. By the end of 2025, around 130,000 devices had been installed, corresponding to smart meter coverage of 34 percent.

Electricity production

In operating BKW's own power plants, the focus is on reliable, efficient, and cost-optimized energy production. The company therefore attaches great importance to the high availability of these facilities and continuously optimizes them⁹⁴. The technical availability of the Tamarete gas-fired power plant operated by BKW was 96 percent in 2025, taking account of planned and unplanned interruptions. For the run-of-river hydroelectric plants operated by BKW, due to the hydrological effect in the winter half-year, economic availability⁹⁵ is used as the reference to determine the effective loss. In 2025, it stood at 97 percent.

91 Calculation based on the "old" SAIDI method, regardless of the voltage level, in order to facilitate a comparison with the Swiss benchmark.

92 Preliminary value.

93 Will only be available after publication of this report.

94 No operational management of BKW for investments in coal, nuclear, and pumped-storage power plants, and the stake in the Livorno Ferraris gas-fired power plant. In the case of wind and solar power plants, interruptions to individual turbines or panels are negligible for the production output of the portfolio.

95 Commercial availability is the amount of energy that could be produced with a technical machine availability of 100 percent.

Emergency Preparedness



Preventive protection of technologies, processes, organizations, and critical infrastructure facilities – especially of power generation plants and power grids – is a high priority. Digitalization is associated with potential and real risks from cyberattacks. Therefore, BKW has established a crisis management system at the executive committee level and an emergency management system at the business area level to ensure the functionality of (critical) energy supply structures, data security, and the detection of and defense against cyberattacks.

Impact, Risk, and Opportunity Management

POLICIES AND ORGANIZATION RELATED TO EMERGENCY PREPAREDNESS

BKW defines a crisis as a financial, safety-related, or image-damaging event that has the potential to harm the general public, a large number of customers, or BKW employees and to jeopardize the existence of the company in whole or in part. For example, natural events such as severe storms and flooding, major technical disruptions, or large-scale cyber incidents can escalate into a crisis. The resources required in such a crisis go beyond the capacities of the business areas and require the involvement of the central Group Crisis Management Team (GCMT). By contrast, less serious incidents that can be managed with the resources of the affected business areas are considered emergencies. They can be mitigated or eliminated with the help of the corresponding management system.

To prevent or manage potential crises, BKW has established an efficient organizational structure: relevant strategic decisions and those of fundamental importance to the company are made by the Crisis Management Team (part of the executive committee). The CEO decides whether to declare a crisis at the request of the head of the Group Crisis Management Team.

Group Crisis Management Team and emergency management

The Crisis Management Team is the Group's central management instrument at the operational level. The activities of the GCMT are based on specific BKW principles and specialist concepts, as well as a manual that is also available in printed form in case the Internet should fail. In the event of a crisis, a rapid response is essential. For this reason, the head of the GCMT has the authority to initiate the necessary measures independently in urgent situations.

Depending on the assessment of the situation, other representatives from the business areas and external experts may be called in to form an "Extended Crisis Management Team" (ECMT). This organization, with internal and external expertise, makes it possible to tackle all types of crises in accordance with a specific procedure. The Crisis Management Team is supported by an assistance team and a "COM" back office. On the instructions of the Crisis Management Team leadership, this office takes over internal and external communication and is also responsible for the on-site media work. Around 80 BKW employees are involved in crisis management throughout the Group.

Each business area has its own emergency management system with specific emergency response teams. These management systems define and describe the responsibilities and escalation levels with their respective procedures and information flows. The focus of all emergency measures is on personal safety. The business areas are also responsible for handling threats and attacks from the virtual world (targets, procedures, and responsibilities in case of cyber incidents and emergencies). Emergency response plans also specify the procedure to be followed with the emergency organizations of other business areas and the Group Crisis Management Team.

The transition from an emergency to a crisis situation is regulated individually for each business area. This is due to the diversity of the business areas and their different business activities. The respective definitions developed together with the Group Crisis Management Team are set out in the emergency response plans.

Cybersecurity

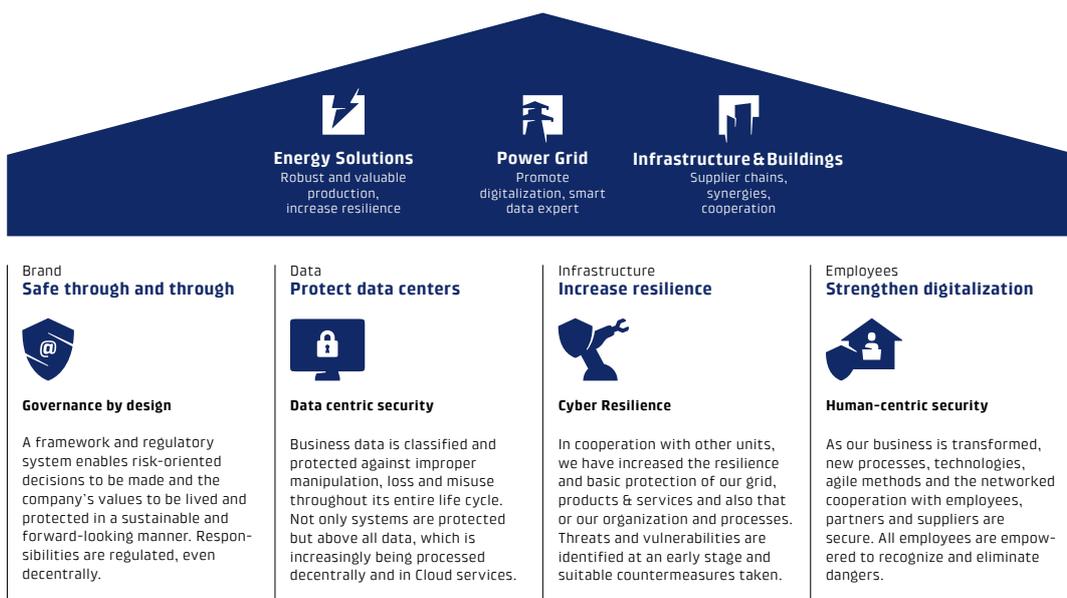
The executive committee is responsible for the operational implementation of cybersecurity. It delegates the strategic and tactical organization of the cybersecurity management system and the operational implementation of cybersecurity to the Group Security Support Function, headed by the Group Chief Information Security Officer (Group CISO). The CISO acts in accordance with the Cybersecurity Group Directive. It develops the cybersecurity policy, defines the principles of cybersecurity (see graphic on the next page), provides all requirements for information security and the secure operation of IT and OT (operational technology), and regularly reviews their compliance, also taking into account local and international reporting obligations. In 2025, the Cybersecurity & Privacy policy was adopted, which sets out all Group-wide requirements for cybersecurity management. Operational tasks in the area of cybersecurity are performed on a decentralized basis by local security officers in the BKW companies.

BKW has established a four-pillar strategy to identify and prevent any cyber incidents as well as defend against actual attacks. It is implemented through a cybersecurity program and managed with the help of the Information Security Management System (ISMS). BKW operates the ISMS in accordance with the NIST Cybersecurity Framework, the internationally recognized security standard. The requirement applies to all BKW organizational units and is defined by the cybersecurity rules and regulations.

In the four-pillar policy (see figure), targets are defined by taking into account the Group-wide company policy and the current threat situation. Key criteria are the availability of services and the confidentiality and integrity of data in the areas of technology, procedures, and organization.

BKW provides employees with a clear escalation process that they can use to report suspicious incidents. The process is defined by the cybersecurity policies and regulations.

The cybersecurity four-pillar strategy at a glance



The cybersecurity principles at a glance



At BKW, cybersecurity is operated in accordance with NIST Cybersecurity (CSF)⁹⁶ and ISO/IEC 27001/27002:2022, IEC 62443, internationally recognized security standards, and the industry standards of the Association of Swiss Electricity Companies (VSE). The NIST CSF is used to analyze and evaluate the security level, accompanied by stress tests and internal and external audits.

BKW prioritizes data and information security. The ISMS includes interrelated processes for

determining the security level, implementing the required measures, performing the audit, optimizing, and reporting on the implemented measures. BKW also works closely with authorities and bodies in the context of the national cybersecurity policy and is instrumental in formulating security requirements and recommendations in the Swiss energy sector. For example, this applies to the definition of legally required levels of resilience to meet minimum cybersecurity maturity values in the energy sector.

⁹⁶ The NIST Cybersecurity Framework provides best practices and guidelines that support companies in the private sector in improving their information and cybersecurity risk management.

ACTIONS RELATED TO EMERGENCY PREPAREDNESS

In 2025, BKW implemented a wide range of measures both in the Group Crisis Management Team and the area of cybersecurity (non-exhaustive list):

Group Crisis Management Team

- Some 30 to 40 employees, including all members of the Group Crisis Management Team, are trained annually in a variety of fields. The training includes crisis exercises based on scenarios and with external support, the correct equipment for a crisis management room, and alternative means of communication. In 2024, the scenario was blackmail by a hacker. Each scenario is used twice, and the scenarios are changed every two years.
- New members receive an in-depth, half-day training session based on case studies and their analysis.

Cybersecurity

The annual cybersecurity program for the entire BKW Group includes a large number of individual projects. The following key projects were implemented in 2025 (non-exhaustive list):

- Continuing awareness-raising measures, training, and communication on different channels aimed at different stakeholder groups (awareness communication)
- Establishment of a central Security Operations Center (SOC)
- Group-wide phishing simulations
- Group-wide security benchmarking (surveys and maturity level analyses)
- Increase in detection and response capabilities through targeted use of new technologies
- Operationalization of the management system (ISMS) with certification in accordance with ISO/IEC 27001:2022; individual Group companies are already certified accordingly
- Increase in application and data security through the use of new processes and technologies
- Extensive internal and external audits
- Reorganization and expansion of the Group Security Support Function

Targets and Metrics

TARGETS RELATED TO EMERGENCY PREPAREDNESS

Emergency preparedness of all of BKW's business areas is to be further strengthened in the future. To ensure fast and effective responses to constantly changing situations and unplanned incidents that could affect business, the emergency response plans are to be continuously expanded. Appropriate training will be provided for the relevant employees in all business areas.

Another important goal of BKW is to strengthen its ability to detect cyberattacks, defend against them, and limit damage. To this end, Group Security's financial, human, and material resources were significantly expanded – in some cases by a factor of four between 2024 and 2025. In addition, BKW has implemented annual training sessions and campaigns on cybersecurity for all employees, which are tailored to the stakeholder group and are continuously being developed further.

METRICS RELATED TO EMERGENCY PREPAREDNESS

In 2025, BKW recorded an average of around 2,700 security-relevant events per month. In addition, approximately 42,500 phishing attempts were recorded each month. Of all security-relevant events, an average of around 45 actual security incidents per month led to an intervention by the BKW Security Operations Center (SOC).

In cooperation with strategically important partners, BKW operates its own SOC staffed around the clock to deal with cyber incidents.

In 2025, 91 percent of employees with access to a PC completed an e-learning program on cybersecurity.

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Sousbach

Andreas Weibel, specialist in operations and maintenance at BKW, in the central building of the hydroelectric plant.

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Implementation of Unbundling at BKW – for Fair Competition

BKW is committed to creating livable environments through holistic solutions for energy supply, building technology, and infrastructure. Based on its "Solutions 2030" policy, the company operates in the "Infrastructure & Buildings" (including the "Building Solutions," "Engineering," and "Infra Services" Business Areas), "Energy Solutions" (including the "Energy Markets" and "Energy Production" Business Areas), and "Power Grid" Business Segments.

While BKW faces extensive competition with other market players in the first two business segments mentioned, in the Power Grid segment, it performs tasks of a monopolistic nature through distribution grid operations and the basic supply of energy to customers. Grid operations relates to consumers, storage facilities, and producers, who are all bound to the grid operator due to their connection to the distribution grid. With regard to basic energy supply, customers with an annual consumption below 100 megawatt-hours (MWh) are bound to their grid operator and cannot freely choose their power supplier. The monopoly position held by BKW in these in these activities, which goes hand-in-hand with these statutory tasks, is largely regulated in the Electricity Supply Act (StromVG). To enable fair competition, the StromVG requires the companies concerned to separate these regulated areas from other business activities (unbundling).

BKW has implemented these "unbundling" requirements and thus ensured that the company does not gain any advantages from its regulated monopoly tasks in its areas that are subject to competition.

Legal requirements for unbundling

From a competition theory perspective, monopoly positions can have negative implications: There is a risk that such positions will be exploited to gain advantages over competitors in competitive areas. For example, this can occur through cross-subsidies, in particular by generating excessive revenues in the monopoly sector to support competitive activities, or by exploiting competitive advantages such as the use of customer information from monopoly activities that competitors do not have.

The legislature was aware of this risk when it enacted the StromVG and therefore provided rules on the unbundling of monopoly and competitive activities in Art.10:

1. Electricity supply companies must ensure the independence of grid operation. Cross-subsidization between grid operations and other areas of activity is prohibited.
2. Commercially sensitive information gained from the operation of the power grids must be treated confidentially by electricity supply companies, subject to statutory disclosure obligations, and may not be used for other areas of activity.
3. At least for accounting purposes, electricity supply companies must separate the distribution grid areas from the other areas of activity.

BKW has implemented these requirements through its internal corporate, organizational, and system structures, as well as through the internal directives and regulations on which its employees are trained.

Legal unbundling of the Infrastructure & Buildings Business Segment

The Building Solutions, Engineering, and Infra Services Business Areas form their own legally independent corporate groups under BKW AG, separate from the Grid area. With the legal unbundling of the "Infrastructure & Buildings" Business Segment from the regulated activities, the company goes beyond the requirements of the StromVG by providing these services through its own companies. These companies are independent in terms of personnel and organization, and have their own management structure. As each company has to prepare its own financial statements, the corresponding business activities are fully separated from the regulated areas with respect to accounting. Services between different Group companies are charged in compliance with tax law requirements, in particular the arm's-length principle.

Organizational unbundling of the grid area from the energy area

For historical reasons, the Energy Markets, Energy Production, and Power Grid Business Areas are part of BKW Energie AG. However, they are independent of one another from an organizational

perspective: Each business area has its own area management, which is responsible for the operational management of the respective business activities. The business areas have their own employees and their own organization operating independently of one another – subject to the shared services provided by the Support Function.

Shared services

In order to achieve economies of scale, various Support Functions provide certain services across the Group, which are purchased by the individual business areas (including the Power Grid Business Area). These services in particular include Group Human Resources, Group Legal and Compliance, IT services, and Group Communications. These services are charged to the individual business areas within the Group on the basis of standardized criteria and taking regulatory requirements into account.

Accounting unbundling and cost allocation

Allocable costs of the distribution grid

In implementing Art. 10 (3) of the StromVG, a separate company code is used to unbundle distribution grid business from the financial accounting of BKW Energie AG's other areas of activity. All costs allocated to the distribution end area have separate posting processes and are recorded in their own specific account assignment elements. This means that the costs allocated to end users through the grid usage and basic supply tariffs are clearly defined and have an audit trail.

The allocable costs of the distribution grid operation are defined in the StromVG and the Electricity Supply Ordinance and are set forth by the industry documents and the requirements of the regulatory authority (Federal Electricity Commission, "EiCom") for annual cost reporting.

Costs that may be allocated to endusers through grid tariffs include the operating and capital costs of a safe, performant, and efficient grid:

- Allocable operating costs include costs for the operation and maintenance of the distribution grid, the grid connection, metering, data provision, and invoicing of grid usage, as well as the upstream grid costs, grid losses, levies, and direct taxes.

- Allocable capital costs are made up of depreciation/amortization and imputed interest. The latter result from the assets required for operations (residual value of fixed assets, incl. assets under construction and net current assets), multiplied by the weighted average cost of capital (WACC) as specified by the Federal Department of the Environment, Transport, Energy, and Communications (DETEC).

The regulatory allocable costs are allocated to the individual grid levels and allocated to the respective consumption groups through the grid usage tariffs.

Allocable costs of the basic supply

Basic supply comprises the supply of electricity within the BKW grid area to fixed end consumers and to end consumers who waive grid access. Since basic supply likewise constitutes a legal and de facto monopoly, the permissible revenues are also regulated: The tariff is based on the production costs of efficient generation and on the distribution grid operator's long-term procurement contracts (Art. 4 of the Electricity Supply Ordinance (StromVV)). The distribution grid operator must maintain separate cost accounting (Art. 6 (4) StromVG).

BKW's energy tariffs for basic supply are based on a) the production costs of the Swiss power plants and BKW's long-term supply contracts, b) the costs arising from the obligation to purchase and remunerate decentralized electricity production in BKW's distribution grid, and c) on the costs of additional energy procurement from third parties, insofar as this is necessary to ensure an uninterrupted supply. BKW calculates these cost components based on legal requirements and the industry recommendations of the Association of Swiss Electricity Companies.

The allocable production costs of one's own production include operating and capital costs as well as the levies and payments to the respective local authorities incurred in connection with production:

- Operating costs include all costs directly associated with the operation of production. These include, in particular, the costs of procuring energy for one's own use and the maintenance of the production facilities.

- By definition, allocable capital costs include imputed depreciation/amortization and imputed interest on the assets required for production. The maximum basis for this is the original acquisition and manufacturing costs. The WACC of the production area is decisive for the imputed interest on the residual value of the assets. It takes appropriate account of the risks associated with electricity production.

In addition to the production costs, the allocable costs for energy supplies in the basic supply include an amount of up to CHF 60 per invoice recipient and year for administrative and sales expenses, as recognized by ECom in accordance with its Directive 3/2022. It covers all expenses directly related to the purchase and sale of energy. These include costs for management, secretarial services, accounting, dunning and debt collection, controlling, human resources, IT, switchboard, and bad debt losses. Management and administrative costs, profit and capital taxes, and the imputed interest on net current assets are also taken into account.

Supervision by ECom

BKW estimates the allocable costs for the distribution grids and the basic supply in advance for the coming tariff year and reports them to ECom in accordance with regulatory requirements. After the end of a tariff year, the costs actually incurred are determined again and also reported to ECom. ECom can request further information and also initiate proceedings to review the cost calculations.

In 2018, ECom initiated proceedings against BKW Energie AG and the Société des Forces Electriques de La Goule SA to review the costs of basic supply, which are currently still pending before the Federal Administrative Court. BKW and ECom have different views on several conceptual issues, in particular whether and how the delivery quantities and procurement costs arising from commercial contracts in energy trading are to be taken into account in the production costs, which WACC is appropriate for the return on the capital employed in production, and whether a uniform tariff for the basic supply is permissible for the entire BKW Group.

Use of profits from regulated business

BKW's income from its regulated activities are derived from the allocable costs as stated above. BKW makes a regulated profit from the return on the capital employed for the distribution grids and its own production in accordance with the defined cost of capital rates and from a margin over the maximum costs specified by ECom with regard to distribution and administrative costs of basic supply. There are no regulatory requirements regarding the use of these regulated profits, and BKW is basically free to decide how to dispose of them.

In the IFRS consolidated financial statements of the BKW Group, the net income/loss from regulated activities is included in the results of different business segments: The regulated net income from basic supply is part of the net income of the Energy Solutions Business Segment, because it is income from the supply of electricity. By contrast, the regulated profit from the distribution grids is reported in the Power Grid Business Segment. The income and costs allocable for regulatory purposes are reported within the Power Grid Business Segment in a separate company code corresponding to the published "Regulatory annual financial statements for the BKW Energie AG distribution grid"⁹⁷. This differs from the annual financial statements prepared in accordance with IFRS as presented in the annual report, in particular due to EBIT-neutral differences in the presentation of income and expenses (for example, different requirements for the accounting of income and expenses from feed-in remuneration at cost). On the other hand, the net income reported in the annual report of the Power Grid Business Segment includes other profits generated from non-regulated activities of the business area. Overall, however, it should be noted that the profit arising from the regulated activities largely corresponds to the investments made by BKW for maintenance and expansion of the grid infrastructure in order to ensure smooth operation of the distribution grid.

⁹⁷ See (available in German only): <https://www.bkw.ch/de/energie/gesetzliche-publikationen/jahresrechnung-verteilnetze-energie-ag>.

Informational unbundling

As a result of informational unbundling pursuant to Art. 10 (2) StromVG, BKW may not gain any competitive advantage over its competitors from the data and customer relationships obtained from the grid business. For example, it is prohibited to use specific customer data, such as load profiles recorded by the grid operator as the party responsible for metering, for customer acquisition and tender preparation in the free energy market.

BKW has defined comprehensive measures in a specific Group directive on unbundling to ensure informational unbundling. This directive is binding for all employees. It is published on the intranet and thus internally accessible to everyone. Group Legal also conducts regular training sessions on this topic for employees who work in areas that may be affected by the unbundling requirements. In addition, the designated employees of Group Legal are available in case of specific individual questions on data use or for information requests. Possible violations of the unbundling requirements can be reported using the Group-wide compliance system. No corresponding cases were reported in the reporting year.

Access restrictions to the grid operator data

Commercially sensitive grid operation data is only accessible to employees who require it for their work in the grid area (need-to-know principle). Other BKW employees do not have access to this data.

This basic requirement also applies, for example, when using measurement data within the Power Grid Business Segment: each use is checked and approved by the person responsible for the measurement data. Particular attention is paid to compliance with regulatory requirements and adherence to competitive neutrality. For example,

the provision of measurement data to the "Energy Markets" Business Area, which requires the data to manage the BKW Energie AG balance group for customers supplied by BKW, is carried out in accordance with industry-wide data exchange standards and procedures in exactly the same way as to any other energy supplier who supplies customers in BKW's grid area.

Customer approach and service

Informational unbundling also means that customer contacts from the regulated area are not used to approach customers for competing services. In this regard, BKW regularly reviews its published content in the area of regulated business (such as websites). New communication measures to be launched are reviewed by BKW's Legal Services prior to publication. This applies to both one-off measures and recurring customer information (such as the "flash!" customer magazine).

Customer concerns at BKW are handled by a customer service center. This is organized for regulated customers and customers in the free market in accordance with unbundling requirements:

- Customers who obtain their electricity from the BKW grid and at the same time fall under BKW's supply monopoly are serviced in a dedicated customer service center in the Power Grid Business Segment. A service number is available for these customers.
- Customers who obtain their electricity from the BKW grid but have chosen their electricity supplier freely are serviced by the customer service of the Energy Markets Business Area if the supplier is BKW. If BKW is not the supplier, the customers are serviced by the Grid customer support.



This ensures that the different customer segments are serviced by different employees on the energy and grid sides. The data of these customers is stored in different systems, and the employees concerned are trained internally regarding in the applicable unbundling rules.

When grid customers contact the Power Grid customer service center with other concerns, employees are instructed not to give any infor-

mation on or recommendations for BKW services. For example, if a customer asks about service providers for PV installation, there is a rule that they are referred to the usual internet search engines or the Swissolar website, where a list of solar engineers and installers can be found. This ensures that customer contacts in the regulated area are not used to broker services from the competitive areas.

Waste Balance Sheet

Amount of waste for recovery by recovery method⁹⁸

Amount in metric tons (t)	2025	2024 ⁹⁹
Hazardous waste avoided		
Preparation for re-use	0.0	0.9
Recycling	62.8	114.4
Other recovery processes	2.7	1.9
Total hazardous waste avoided	65.4	117.2
Non-hazardous waste avoided		
Preparation for re-use	0.0	62.5
Recycling	5,093.5	3,908.9
Other recovery processes	93.6	529.9
Total non-hazardous waste avoided	5,187.1	4,501.3
Total waste avoided	5,252.5	4,618.5

Amount of waste for disposal by treatment type⁹⁸

Amount in metric tons (t)	2025	2024 ⁹⁹
Hazardous waste		
Incineration (without energy recovery)	458.6	426.4
Incineration (with energy recovery)	0.1	0.0
Landfill	2.6	2.1
Other disposal methods	17.6	12.8
Total hazardous waste	478.9	441.2
Non-hazardous waste		
Incineration (without energy recovery)	276.7	327.7
Incineration (with energy recovery)	1,164.5	725.5
of which municipal waste ¹⁰⁰	793.8	725.5
Landfill	2,310.3	2,411.4
Other disposal methods	3.4	8.2
Total non-hazardous waste	3,755.0	3,472.8
Flotsam¹⁰¹	1,057.5	1,590.5
Total waste	5,291.4	5,504.5

At BKW, both operational waste and ordinary municipal waste are generated at office locations. The uniform collection and consolidation of waste volumes across the Group continues to pose a challenge as waste disposal in some business areas, in particular outside of Switzerland, is regulated and managed on a decentralized basis. In Switzerland, the collection of operational waste data is mainly carried out in cooperation with the waste disposal companies commissioned by BKW. The data vary in their granularity depending on the business area

and are still incomplete in part. Municipal waste is collected on the basis of estimates, which are based on empirical data from individual larger office locations. They are not disposed of directly by a waste disposal company, but by the municipal waste collection service and burned in waste incineration plants. BKW is continuously increasing the coverage of its waste data and aims to achieve full accounting in the coming years. The increase in waste volumes compared to the previous year is mainly due to the closure of data gaps.

98 Waste from the Energy Production, Energy Markets, Power Grid, Infra Services, Building Solutions Business Areas and parts of the Engineering Business Area; Switzerland only; excluding radioactive waste.

99 Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the previous year's report.

100 Where no other information is available, an average value of 70 kilograms of municipal waste per full-time position per year is assumed.

101 Trunk and branch wood as well as organic material, which is generated in particular by run-of-river power plants. BKW is fulfilling its obligation to dispose of this waste fraction, which is generated outside of its operational activities.

European Sustainability Reporting Standards (ESRS) Index

The following tables list all ESRS disclosure requirements from ESRS 2 and the ten topic-related ESRSs with references to the corresponding sections in the annual report. The page references show where relevant information can be found in the report. Depending on the topic, the disclosure requirements are reported in full or in part. The E2, S2, and S3 topical standards are not material for BKW (see page 149) and have therefore not been reported ("not material"). This does not

apply to reporting obligations arising from the Swiss Code of Obligations. In addition, other data points from the topical standards applicable to BKW were not reported because they do not relate to any material impacts, risks, or opportunities. Certain other disclosures have not been reported ("not reported") due to the current state of development of the ESRS implementation.

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BKW's Contribution to the Sustainable Development Goals

In addition to the principles of the United Nations Global Compact, BKW is also committed to the 17 development goals of the 2030 Agenda (Sustainable Development Goals, "SDG"). It supports the 2030 Agenda with its business model and

sustainability activities in a number of ways. Using the "Solutions 2030" policy and the actions and sustainability-related goals set out therein, it makes a concentrated contribution to various development goals (non-exhaustive list):

BKW's strategic direction	Linked development goals of the 2030 Agenda (SDG)	BKW's contribution
<p>Climate</p> 	<p>Take urgent action to combat climate change and its impacts 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	 <p>Section Climate change mitigation and energy transition, pages 162–181</p>
<p>Energy</p> 	<p>Ensure access to affordable, reliable, sustainable, and modern energy for all 7.1: Ensure universal access to affordable, reliable, and modern energy services by 2030 7.2: Substantially increase the share of renewable energy in the global energy mix by 2030 7.3: Substantially increase the share of renewable energy in the global energy mix by 2030</p>	 <p>Section Climate change mitigation and energy transition, pages 162–181</p>
<p>Nature</p> 	<p>Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity, and, by 2020, protect and prevent the extinction of threatened species</p>	 <p>Section Biodiversity and ecosystems, pages 168–191</p>

BKW's strategic direction

Linked development goals of the 2030 Agenda (SDG)

BKW's contribution

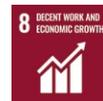
People



Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment



Section Employees, pages 198–209

Governance



Promote peaceful and inclusive societies for sustainable development, providing access to the justice system for all people and establish effective, accountable, and inclusive institutions at all levels

16.6: Establish efficient, accountable and transparent institutions at all levels

16.10: Ensure public access to information and protect fundamental freedoms in accordance with national legislation and international agreements



Section General Information, pages 137–157, Governance Information, pages 217–226 and Emergency Preparedness pages, 232–237

Independent Practitioner's Report on Selected Indicators



Independent practitioner's limited assurance report on selected indicators in the Sustainability Report 2025 to the Board of Directors of BKW AG, Bern

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on selected indicators in the Sustainability Report (including the GHG emissions) in the Annual Report 2025 of BKW AG for the period from 1 January 2025 to 31 December 2025.

The selected indicators (including the GHG emissions) (hereafter referred to as 'selected indicators') are marked with the symbol ✓ in the Sustainability Report 2025 of BKW AG.

The selected indicators, as detailed in Appendix 1, were prepared by the Board of Directors of BKW AG (the 'Company'), as noted in the subsection "Basis for preparation" in the Sustainability Report in the Annual Report 2025, based on the selected European Sustainability Reporting Standards (ESRS) (hereafter referred to as the 'suitable Criteria'), published by the European Commission.

Inherent limitations

The accuracy and completeness of the sustainability information are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the selected indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the European Sustainability Reporting Standards (ESRS) as applied by BKW AG, its definitions and procedures in the subsection "Basis for preparation" on page 138 and the list of disclosure requirements in the European Sustainability Reporting Standards (ESRS) Index on pages 246 to 249 in the Sustainability Report in the Annual Report 2025, which have been applied by the Company for the selected indicators.

Board of Directors' responsibility

The Board of Directors is responsible for preparing and presenting the Sustainability Report 2025 based on the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the Sustainability Report 2025 that is free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria and adequate record keeping.

Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity,

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objectivity, professional competence and due care, confidentiality and professional behaviour and relevant independence and ethical requirements as transposed in Switzerland by EXPERTsuisse.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the selected indicators. We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected indicators, marked with the symbol ✓, were not prepared, in all material respects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures, among others:

- Reviewing the application of the internal reporting guidelines for the selected indicators in the subsection "Basis for preparation" against the relevant ESRS;
- Inquiries and detailed walkthroughs with relevant stakeholders for the selected indicators in the Sustainability Report 2025, as included in Appendix 1;
- Analytical procedures;
- Reperformance of relevant calculations (including the GHG emissions);
- Additional assurance procedures as deemed necessary (e.g. on sample-based source tracing);
- Local level assurance procedures to inspect local processes and reconcile source evidence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected indicators marked with the symbol ✓ (including the GHG emissions) in the Sustainability Report in the Annual Report 2025 of BKW AG for the period from 1 January 2025 to 31 December 2025 are not prepared, in all material respects, in accordance with the suitable Criteria.

Emphasis of Matter regarding the basis for preparation of the sustainability report

We draw attention to the paragraph “Basis for preparation” in the Sustainability Report 2025 where it is stated that the Sustainability Report has been prepared based on selected disclosures from the European Sustainability Reporting Standards (ESRS) and therefore is not in compliance with all ESRS requirements. Our conclusion is not modified in respect of this matter.

Other matter

The comparative sustainability information in the Sustainability Report in the Annual Report 2025 of BKW AG for periods prior to the period from January 1, 2025 to December 31, 2025 was not the subject of an assurance engagement. Our conclusion is not modified in respect of this matter.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of BKW AG, and solely for the purpose of reporting to them on the selected indicators, marked with the symbol ✓, and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the suitable Criteria, without assuming or accepting any responsibility or



liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of BKW AG for our work or this report.

PricewaterhouseCoopers AG

Thomas Wallmer

Petar Lesic

Bern, 09 March 2026

Enclosure:

Appendix 1 - Selected indicators in the Sustainability Report in the Annual Report 2025 of BKW AG

The maintenance and integrity of BKW AG's website and its content are the responsibility of the Board of Directors. The work we have performed as the independent assurance practitioner does not involve consideration of the maintenance and integrity of the BKW AG's website. Accordingly, we accept no responsibility for any changes that may have occurred to the reported selected indicators or the suitable Criteria since they were initially presented on the website.



Appendix 1 - Selected indicators in the Sustainability Report in the Annual Report 2025 of BKW AG

The following selected indicators in the Sustainability Report (including the GHG emissions) of BKW AG for the period from 1 January 2025 to 31 December 2025 are within the scope of the limited assurance engagement.

Disclosure Requirement	Description of Disclosure Requirement	Page
ESRS 2 – General Disclosures		
ESRS 2 GOV-1	Composition of the board of directors by executive and non-executive members	139
ESRS 2 GOV-1	Composition of the board of directors by gender	139
ESRS 2 GOV-1	Share of independent members of the board of directors	139
ESRS 2 SBM-3	Employees by country	207

Disclosure Requirement	Description of Disclosure Requirement	Page
ESRS E1 – Climate Change		
E1-5	Total energy consumption	175, 177
E1-5	Total energy consumption from fossil sources <ul style="list-style-type: none"> of which from crude oil and petroleum products of which from natural gas 	177
E1-5	Total energy consumption from nuclear sources	177
E1-5	Total energy consumption from renewable sources <ul style="list-style-type: none"> of which from renewable fuels of which purchased or acquired from electricity, heat, steam, and cooling from renewable fuels of which from self-generated non-fuel renewable energy 	177
E1-5	Electricity production at BKW: Overall total proportion renewable	175, 176
E1-5	Electricity production at BKW: Overall total proportion non-renewable	176
E1-6	GHG intensity Scopes 1-3 (in g CO ₂ e/CHF revenue, location-based)	179
E1-6	GHG intensity Scopes 1-3 (in g CO ₂ e/CHF revenue, market-based)	179
E1-6	Total Scope 1 emissions <ul style="list-style-type: none"> Scope 1 Group companies Scope 1 Joint arrangements and associates 	180
E1-6	Total Scope 2 emissions location-based <ul style="list-style-type: none"> Scope 2 Group companies (location-based) Scope 2 Joint arrangements and associates (location-based) 	180



Disclosure Requirement	Description of Disclosure Requirement	Page
ESRS E1 – Climate Change		
E1-6	Total Scope 2 emissions market-based <ul style="list-style-type: none"> • Scope 2 Group companies (market-based) • Scope 2 Joint arrangements and associates (market-based) 	180
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ESRS S1 – Own workforce		
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S1-6	Employee turnover rate	207
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S1-14	% of BKW employees were covered by health and safety management system	208
S1-14	Fatalities as a result of work-related injuries	208
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S1-14	Recordable work-related accidents	208
S1-14	Lost Time Injury Frequency (LTIF)	208
S1-16	Total remuneration ratio	209
S1-17	Number of reports of discrimination, including harassment and bullying	209

BKW Green Bond

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262	Reporting on Allocation and Impact
266	Independent Practitioner's Report on Allocation and Impact

BKW GREEN BOND

2025 Reporting on Allocation and Impact

BKW commissions a hydropower plant and a wind farm from its asset pool.



Dear Investors,
Ladies and Gentlemen

In 2019, BKW was the first Swiss company listed on the SIX Swiss Exchange to issue a green bond for trading. Further green bonds followed in 2022 and 2024. This brings BKW AG's green bond portfolio to a total of CHF 500 million. The asset pool comprises water, wind, and solar projects in Switzerland, as well as in France, Italy, Norway,

and Sweden. As of December 31, 2025, BKW AG's green bonds, based on the outstanding bonds, account for 41.7% of BKW's bond volume.

In addition, Kraftwerke Oberhasli AG (KWO) placed Switzerland's first green bond for storage and large-scale hydropower at the beginning of 2021¹. A further KWO Green Bond issue for CHF 150 million followed in 2025.

¹ KWO is a partner plant of BKW with a 50 percent equity interest.

In the 2025 reporting year, BKW commissioned two power plants from the asset pool or connected them to the grid:

The Sousbach hydropower plant was commissioned in August 2025. The plant is equipped with a multi-nozzle Pelton turbine with an output of 11.3 MW and produces around 30.6 GWh of renewable electricity per year - enough to supply around 6,700 households with sustainable energy.

The Cerignola North wind farm was connected to the grid in November 2025. It has an installed capacity of 45 MW. The grid connection for Cerignola South with a capacity of around 80 MW is scheduled for the beginning of 2026 and will mark the completion of the overall project. In total, the expected annual electricity production is around 310 GWh.

The 547.4 GWh of electricity produced in 2025 attributable to the green bond is equivalent to

the annual consumption of 122,000 households² in Switzerland. The CO₂e emissions saved amount to 8,642 tonnes in the same period, or 54,526 tonnes since the launch of the green bonds. We are pleased to provide you with details below about the allocation of the net proceeds and the impact we have achieved through the projects financed by the three green bonds in 2025.

Kind regards,



Dr. Martin Zwysig
CFO

“In the first year of the ‘BKW Solutions 2030’ strategy, we added around 56 MW, which corresponds to around 10% of our target of an additional 600 MW of renewable electricity production by 2030.”

² The calculation is based on the consumption of a household in a 5-room apartment of 4,500 kWh/year in accordance with <https://www.strompreis.elcom.admin.ch/>

Reporting on Allocation and Impact

To ensure the transparency and quality of the green bonds issued, BKW reports annually on the allocation of net proceeds and impact.

The following reporting principles have been defined for quality assurance purposes:

Green bond reporting principles

Installed capacity (MW)

For projects in operation, the installed capacity in megawatts (MW) shows the installed capacity attributable to the green bond based on the commissioning documentation. In the case of projects under construction, the capacity shows the planned capacity attributable to the green bond based on the manufacturer's type certificate or the hydroelectric concession.

gases CH₄ (methane) and N₂O (nitrous oxide) in addition to CO₂. The following values are used for the calculations:

- Switzerland: 21.7g CO₂e/kWh
- France: 41.6g CO₂e/kWh
- Italy: 25.8g CO₂e/kWh
- Norway: 5.5g CO₂e/kWh
- Sweden: 10.0g CO₂e/kWh

Production (GWh)

Production in gigawatt hours (GWh) indicates production based on production data (energy statistics) for 2025 attributable to the green bond.

For the projects, the direct emissions according to treeze² are used. For the small hydroelectric power and onshore wind technologies these are 0 g CO₂e/kWh each.

Avoided greenhouse gas emissions in CO₂e (t)

The green bond projects generate renewable electricity in Switzerland, France, Norway, Sweden, and Italy. When calculating the emissions avoided, we assume that the electricity generated by the green bond projects would otherwise have been generated using the country's typical production mix.

The CO₂e in metric tons (t) avoided is calculated by multiplying the production volume of a project attributable to the green bond by the CO₂e emission factor of the production mix of the country in which the project is located.

The emission factors for these production mixes accordingly form our baseline. We use the latest data from the International Energy Agency (IEA)¹ for all countries.

Allocation (CHF million)

The allocation in millions of Swiss francs (CHF million) corresponds to the amount from the net proceeds of the green bond allocated to the respective technology.

The figures are given in CO₂ equivalents (CO₂e), as the IEA also takes into account the greenhouse

Allocation (%)

The allocation in percent corresponds to the share of the net proceeds from the green bond allocated to the respective technology.

¹ IEA (2025), Emission Factors Package

² treeze Ltd. (Messmer A., Frischknecht R.) (2021): Umweltbilanz Strommix Schweiz 2018

Reporting on Allocation and Impact

Attributable to the Green Bond										
Technology	Project	Country	Status	Comission- ing Year	Installed production MW	Production 2025 GWh	CO ₂ e avoided 2025 t	Allocation		
								CHF millions	%	
Small hydro	Ragn d'Err ¹	Switzerland	Operation	2016	2.3	6.3	135.8			
	Schattenhalb			2017	1.3	3.5	75.8			
	Spiggebach			2017	0.8	2.8	60.0			
	Augand			2023	3.3	14.9	323.0			
	Sousbach			2025	5.7	3.3	72.2			
Subtotal small hydro					13.4	30.7	666.8	85.0	17.0%	
Wind	Saint Germier	France	Operation	2017	7.1	20.6	858.6			
	St. Julien du Terroux			2017	6.1	9.3	386.7			
	RAZ Energie 3			2017	13.4	19.8	821.7			
	Julie ¹			2018	3.9	6.6	274.0			
	Coquelicot ¹			2018	7.3	12.2	508.8			
	Camomille ¹			2018	1.8	2.4	100.7			
	Nordex LII ¹			2019	8.3	17.7	734.5			
	Nordex LIII			2019	12.3	27.7	1,153.2			
	Oeillets			2021	2.9	6.1	254.0			
	Veneta Energia S.r.l. ²			Italy	Operation/ construc- tion	2025/26	45.9			3.7
Roan	Norway	Operation	2018	25.0	61.5	338.3				
Marker			2019	21.9	67.2	369.7				
Hitra II			2019	7.9	21.1	116.1				
Harbaks-/ Kvenndalsfjellet			2020	22.4	60.1	330.4				
Geitfjellet			2021	17.1	38.9	213.8				
Rosenskog			Sweden	Operation	2023	7.3	17.0	169.9		
Hedesta					2023	55.1	124.8	1,248.4		
Subtotal wind						265.6	516.7	7,975.0	415.0	83.0%
Solar			Genzano ³	Italy	Planning	2029	0.0	0.0	0.0	
Subtotal solar					0.0	0.0	0.0	0.0	0.0%	
Not allocated								0.0	0.0%	
Total					279.0	547.4	8,641.8	500.0	100.0%	
Total since issuance						2,943.6	54,525.5			

1 For these plants, the look-back period of 36 months was exceeded (highest overrun 9 months). According to the Green Bond Framework, the look-back period can be exceeded if the excess is transparently disclosed.

2 Cerignola North (45 MW) was connected to the grid in November 2025. The grid connection of Cerignola South (around 80 MW) will follow in early 2026 and will complete the overall project.

3 Photovoltaic plant in planning. No green bond funds were allocated.

Independent Practitioner's Report on Allocation and Impact



Independent practitioner's limited assurance report on the information and key figures in the 'BKW Green Bond' section of the Annual Report 2025 to the Management of BKW AG, Bern

We have been engaged by Management to perform assurance procedures to provide limited assurance on the information and key figures in the table 'Reporting on allocation and impact' in the 'BKW Green Bond' section on page 265 of the Annual Report 2025 of BKW AG for the period ended 31 December 2025.

The information and key figures in the 'Reporting on allocation and impact' table about the allocation of net proceeds and the impact of the issued Green Bonds in the 'BKW Green Bond' section on page 265 of the Annual Report 2025 were prepared by the Management of BKW AG (the 'Company') based on the the 'Green Bond Reporting Principles' and 'BKW Green Bond Framework' dated June 2025 (available online on the BKW website at <https://www.bkw.ch/en/about-us/investor-relations/shares-and-bonds>) (hereafter referred to jointly as the 'suitable Criteria').

Inherent limitations

The accuracy and completeness of the information and indicators are subject to inherent limitations resulting from the way in which data is collected, calculated and estimated. The quantification of the emission indicators is subject to uncertainty due to insufficient scientific knowledge used to determine factors and the values required to combine e.g. emissions of different gases. Our assurance report should therefore be read in conjunction with the 'Green Bond Reporting Principles' and the BKW Green Bond Framework.

Management's responsibility

Management is responsible for preparing and presenting the information and key figures in the 'BKW Green Bond' section of the Annual Report 2025 in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the information and key figures that are free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for the selection and application of the suitable Criteria and adequate record keeping.

Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and relevant independence and ethical requirements as transposed in Switzerland by EXPERTsuisse.

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PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the information and key figures in the 'Reporting on allocation and impact' table in the 'BKW Green Bond' section of the Annual Report 2025. We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements ISAE 3410 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the information and key figures in the 'BKW Green Bond' section of the Annual Report 2025 were not prepared, in all material respects, in accordance with suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures, among others:

- Assessment of the appropriateness of the criteria applied and their continuous application;
- Inquiries of personnel responsible for the collection, consolidation and computation of information and key figures to evaluate the process of preparing the report, the reporting system, the methods of data collection and compilation, and the internal controls relevant to the review of the information;
- Assessment of the key figures on page 265 by inspecting the basic data of the systems and processes for collecting, analysing and aggregating the information and checking it on a random basis;
- Analytical considerations, surveys and document inspection in samples with regard to the collection and reporting of quantitative information;
- Critical review of the report for plausibility and consistency with the information and key figures provided.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the information and key figures in the 'Reporting on allocation and impact' table in the 'BKW Green Bond' section on



page 265 of the Annual Report 2025 of BKW AG for the period ended 31 December 2025 are not prepared, in all material respects, in accordance with the suitable Criteria.

Intended users and purpose of the report

This report is prepared for, and only for, the Management of BKW AG, and solely for the purpose of reporting to them on the information and key figures and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the information and key figures, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Management of BKW AG for our work or this report.

PricewaterhouseCoopers AG

Thomas Wallmer

Matthias Zimny

Bern, 9 March 2026

The maintenance and integrity of BKW AG's website and its content are the responsibility of the Management. The work we have performed as the independent assurance practitioner does not involve consideration of the maintenance and integrity of the BKW AG's website. Accordingly, we accept no responsibility for any changes that may have occurred to the reported information and key or suitable Criteria since they were initially presented on the website.

Investor Information

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273	Production Facts and Figures

Key facts on the Share, Bonds, and Financial Calendar

Performance of the BKW share

01.01.2025 – 31.12.2025



The BKW share has fluctuated around CHF 155 in the first four months of the year. The market correction at the beginning of April 2025 had less of an impact on the BKW share than on the market as a whole. The BKW share price rose steadily towards the middle of the year, reaching a new annual high of CHF 184.40 at the beginning of August. Following a decline in mid-August, the share price recovered briefly, but lost value again towards the end of the year

and stabilized around the CHF 165 mark. The closing price on the last trading day was CHF 168.40. This resulted in a price performance of 12.12% for 2025.

The cumulative five-year total shareholder return (share price performance including reinvested dividends) for the period from January 1, 2021 to December 31, 2025 is around 91%.

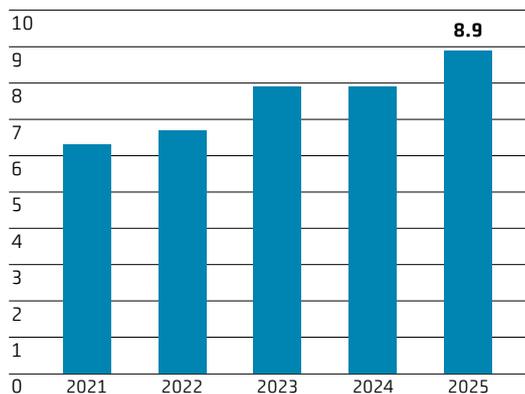
The shares of BKW AG are listed on the main segment of the SIX Swiss Exchange.

Ticker symbol on SIX	BKW
Securities number	13.029.366
ISIN code	CH0130293662

The BKW share is included in the following indices, among others: SPI, SPI Extra, SPI ex SLI, MSCI Switzerland.

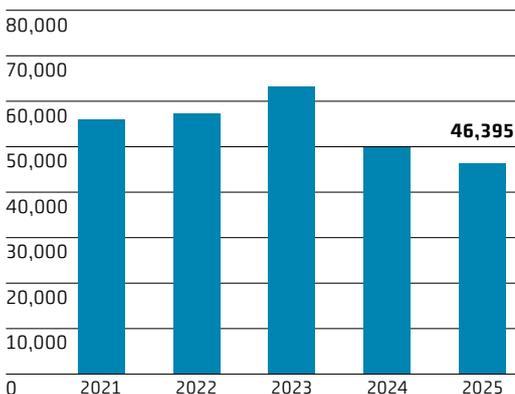
Market capitalization

in bn. CHF (as of 31.12.)



Average daily trading volume on SIX

No. of shares



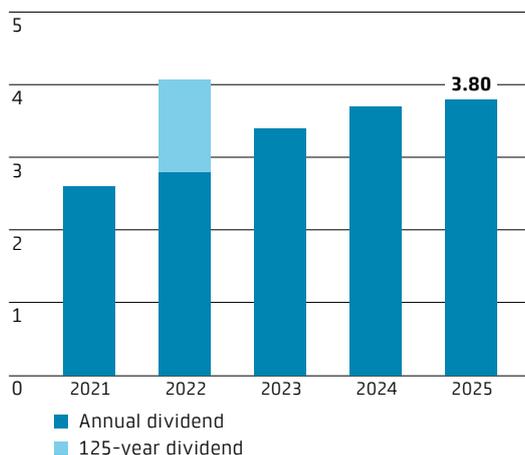
Dividend policy and dividend yield

BKW aims for a consistent dividend payout based on a ratio of 35% to 50% of operating net profit.

For the 2025 fiscal year, the Board of Directors will propose an ordinary dividend of CHF 3.80 per share to the General Meeting. The dividend will be paid out on May 5, 2026.

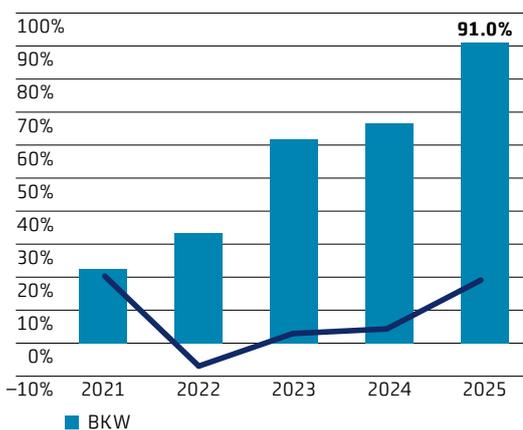
Dividend

in CHF



Total shareholder return

as of December 31 since 2021



Restrictions on share transferability

The Company may refuse to register an acquirer of shares in the register of voting shareholders for the following reasons:

a) If the acquisition results in a natural person, a legal entity, or a partnership holding (directly or indirectly) more than 5% of the entire share capital. The same restriction applies to legal persons, partnerships, associations of persons, or joint ownerships that are linked to each other by capital or voting rights, shared management,

or in any other way. Moreover, the restriction applies to all natural or legal persons or partnerships that act in concert to acquire shares;

b) If the acquirer does not expressly declare that they have acquired the shares in their own name and for their own account.



Major shareholders

To BKW's knowledge, the following shareholders held more than 3% of the shares as of December 31:

	31.12.2025	31.12.2024
Canton of Bern	52.54%	52.54%
Groupe E Ltd.	10.00%	10.00%
BlackRock Inc.	> 3%	> 3%

The free float amounts to 37.4%.

Key figures per share

CHF	31.12.2025	31.12.2024
Result	6.77	11.80
Equity	103.59	98.77
Dividend	3.80	3.70
Dividend yield (in %) ¹	2.3%	2.5%
Price/earnings ratio ¹	24.9	12.7
Year-end	168.40	150.20
Year high	184.40	162.40
Year low	143.70	122.30

¹ Based on year-end price

Bonds

As of December 31, 2025, BKW had the following bonds outstanding:

	Nominal amount	Term	Due	ISIN code
0.875% debenture bond	CHF 200 million	2022–2026	27.04.2026	CH1179184390
0.25% green bond	CHF 200 million	2019–2027	29.07.2027	CH0487087295
1.125% green bond	CHF 100 million	2022–2029	27.04.2029	CH1179184408
2.5% debenture bond	CHF 300 million	2010–2030	15.10.2030	CH0117843745
0.875% debenture bond	CHF 200 million	2025–2031	15.10.2031	CH1478430866
1.5% green bond	CHF 200 million	2024–2034	18.10.2034	CH1380011192

Financial calendar

General Meeting	April 28, 2026
Ex-dividend date	April 30, 2026
Dividend payment	May 5, 2026
Publication of half-year results 2026	August 19, 2026

Contact: investor.relations@bkw.ch

Production Facts and Figures

Type	Country	2025 Installed production MW	2024 Installed production MW	2025 BKW purchases GWh	2024 BKW purchases GWh
Run-of-river	Switzerland	247.0	247.0	1,102.6	1,307.0
Run-of-river	Italy	35.0	35.0	94.7	114.4
Storage	Switzerland	223.2	223.2	487.2	695.4
Pump storage	Switzerland	1,149.7	1,149.7	1,816.8	2,559.6
Small hydro	Switzerland	47.2	35.9	132.8	158.0
Small hydro	Italy	24.4	24.4	97.1	113.5
Total hydroelectric plants		1,726.5	1,715.2	3,731.2	4,948.0
Onshore wind	Switzerland	37.2	37.2	72.6	78.2
Onshore wind	Germany	183.1	159.3	196.6	242.0
Onshore wind	Italy	320.9	258.9	418.9	459.2
Onshore wind	France	168.2	168.2	330.0	343.8
Onshore wind	Norway	172.8	172.8	478.3	505.6
Onshore wind	Sweden	124.7	124.7	284.0	232.3
Total wind		1,006.9	921.2	1,780.4	1,861.1
Total photovoltaic	Switzerland	14.8	14.4	13.7	11.5
Total biomass	Switzerland	2.6	2.6	20.6	20.5
Nuclear	Switzerland	177.5	177.5	1,389.9	1,401.8
Nuclear	France	155.0	155.0	896.6	872.8
Total nuclear power plants		332.5	332.5	2,286.5	2,274.6
Natural gas	Italy	254.4	254.4	752.0	1,051.2
Black coal	Germany	235.0	235.0	588.3	461.5
Total fossil-fuel power plants		489.4	489.4	1,340.3	1,512.7
Total production including purchases and financial interests		3,572.7	3,475.2	9,172.9	10,628.4
Switzerland		80.7	69.4	195.8	223.5
Germany		118.0	144.3	131.3	229.0
Italy		149.5	143.8	290.0	316.2
France		168.2	168.2	330.0	343.8
Contracted production (incl. KEV, feed-in)		516.4	525.7	947.1	1,112.5

Corporate Governance

275 Corporate Governance

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Corporate Governance

BKW's board of directors and executive committee attach great importance to good corporate governance in the interests of their shareholders and other stakeholders such as customers, public corporations, and employees. BKW guarantees transparency and enables its investors to make their investment decisions objectively.

BKW bases its corporate management on recognized corporate governance principles, in particular the Swiss Code of Best Practice. This ensures a balanced relationship between management and control and thus a rule-based, value-oriented, and sustainable development of the company.

In addition to legal provisions and international standards, the basic rules relating to corporate governance at BKW are embodied in BKW's Articles of Incorporation, Organizational Regulations, Code of Conduct, and regulations governing the committees of the board of directors.

The information below is presented in accordance with the current requirements of the corporate governance guidelines of the SIX Swiss Exchange

and the Swiss Code of Best Practice for Corporate Governance produced by *economiesuisse* (Version 2023). Remuneration of the top-level management of the company is detailed in the Remuneration Report on pages 308 to 320 of the annual report. The information disclosed in this report reflects the situation as of December 31, 2025.

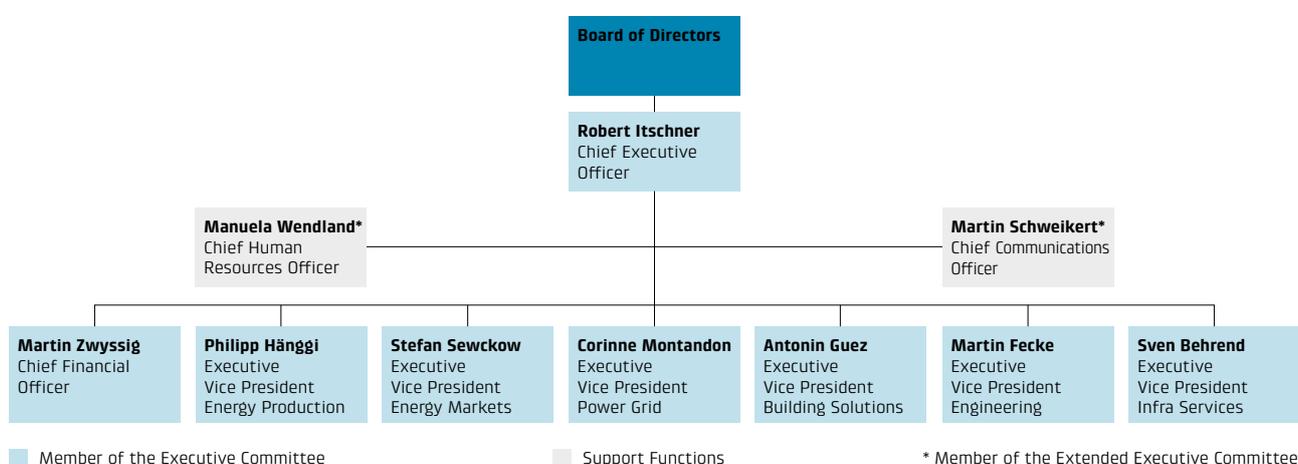
You can find the BKW AG Articles of Incorporation on BKW's website at www.bkw.ch/statutes, information on the executive committee and board of directors at www.bkw.ch/organization, the Code of Conduct at www.bkw.ch/codeofconduct, and much more. The Sustainability Report can be found here on pages 133 to 260 of this annual report and at www.bkw.ch/sustainability.

1 Group Structure and Shareholders

1.1 Group structure

The operational Group structure of BKW can be derived from the following illustration and the segment reporting under Section 6 on pages 41 to 43 of this annual report.

The current organization can be viewed on the BKW website at www.bkw.ch/organization.



Listed Group companies

The shares of BKW AG, which has its headquarters in Bern, have been listed on the SIX Swiss Exchange since December 12, 2011. On December 31, 2025, BKW's market capitalization amounted to CHF 8,886.5 million.

About the BKW share

Securities code	BKW
Securities number	13.029.366
ISIN	CH0130293662
Trading currency	CHF
Type of security	Registered share

BKW Group of consolidated companies

With the exception of BKW itself, BKW's consolidation group only includes companies that are not listed separately on the stock exchange. The individual holdings of BKW in companies that are fully consolidated in the consolidated financial statements are listed on pages 108 to 113 of this annual report. In all cases, the ownership interest corresponds to the percentage of shares and voting rights.

1.2 Major shareholders

in %	Holding as of 31.12.2025	Holding as of 31.12.2024
Canton of Bern	52.54	52.54
Groupe E AG	10.00	10.00
BlackRock Inc.	> 3.00	> 3.00
BKW AG and Group companies	0.06	0.07

No other shareholders registered more than 3% of the voting rights of BKW during the reporting year in accordance with Article 120 of

the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA).

BKW did not publish any disclosure notifications in accordance with Article 120 of the FinMIA using the SIX Exchange Regulation electronic publication platform in the 2025 fiscal year. Notifications from previous years can be viewed via the link <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html>.

2 Capital Structure

2.1 Capital

The share capital of BKW as of December 31, 2025, amounted to CHF 132,000,000, divided into 52,800,000 fully paid-up registered shares, each with a par value of CHF 2.50.

2.2 Capital band and conditional share capital

As of December 31, 2025, BKW did not have an authorized capital band or any conditional share capital.

2.3 Changes in equity for the last three years

The share capital of BKW remained unchanged from 2023 to 2025.

2.4 Shares and participation certificates

All of BKW's 52,800,000 registered shares with a par value of CHF 2.50 each are fully paid up. All shares carry equal voting rights. Every share represented at the general meeting is entitled to one vote. The company does not print or provide certificates for registered shares. However, any shareholder may request that certification of their shareholding be issued free of charge.

BKW has not issued any participation certificates.

2.5 Dividend rights certificates

BKW has not issued any dividend rights certificates.

1.3 Cross shareholdings

BKW has no cross-shareholdings of more than 5% in a company outside of the BKW Group.

2.6 Restrictions on transferability and nominee registration

The board of directors may refuse to enter a purchaser in the share register as a shareholder with voting rights if the purchaser:

- solely or jointly or in concert with other purchasers would directly or indirectly hold more than 5 percent of the total share capital as a result of the registration, or
- does not expressly declare that he has acquired the shares in his own name and for his own account, that there is no agreement on the redemption or return of corresponding shares, and that he bears the economic risk associated with the shares.

For details of the limitation on registration, see Art.5 of the Articles of Incorporation: www.bkw.ch/statutes.

Nominal entries, i.e., entries of shareholders who acquire shares in their own name but for the account of a third party, are possible, but these shares have no voting rights.

See Section 6 of this report for the procedure and conditions for lifting the restrictions on transferability.

2.7 Convertible securities and options

BKW has no outstanding convertible bonds and has not issued any options.

3 Board of Directors

3.1 Members

According to the Articles of Incorporation, the board of directors shall consist of between seven and ten members. Currently, there are eight non-executive, independent members. The Canton of Bern is entitled to appoint two mem-

bers to the board of directors in accordance with Art. 19 of the Articles of Incorporation and Art. 762 of the Swiss Code of Obligations (CO). Currently the Canton is using this right to appoint one member to the board of directors.

Composition	Role	Held office since
Roger Baillod	Chairman of the board, member of the Human Resources & Compensation Committee	2021 (on the BD since 2013)
Andreas Rickenbacher ¹	Vice chairman, member of the Human Resources & Compensation Committee	2022 (on the BD since 2018)
Dr. Carole Ackermann	Member, chair of the Audit & Risk Committee	2018
Martin à Porta	Member, member of the Audit & Risk Committee	2022
Prof. Dr. Petra Denk	Member, vice chair of the Audit & Risk Committee	2021
Linda de Winter	Member	2025
Rebecca Guntern	Member, chair of the Human Resources & Compensation Committee	2018
Kurt Schär	Member	2012

¹ Delegate of the Canton of Bern

At the end of 2025, the proportion of women on the board of directors was 50 percent. The board of directors of BKW AG therefore already exceeds the requirements of Swiss company law on gender guidelines for boards of directors of listed companies.

With regard to the composition of the board of directors, the Human Resources & Compensation Committee, like the board of directors, pays attention to appropriate diversity. To ensure that the skills and experience required for the management of the BKW Group are available on the board of directors, the Human

Resources & Compensation Committee has developed a requirements profile, which is taken into account when searching for suitable candidates. This is in line with the strategic requirements, objectives of the company, and corporate culture, and, in addition to specific specialist and industry knowledge, it also includes expertise in technology, risk management, and finances.

The members of the board of directors have in-depth knowledge in their respective specialist areas. The following overview shows the expertise that the individual members bring to the board, based on their experience and backgrounds.

Board of directors qualification matrix

	Roger Baillod	Andreas Rickenbacher	Dr. Carole Ackermann	Martin à Porta	Prof. Dr. Petra Denk	Linda de Winter	Rebecca Guntern	Kurt Schär
International energy management	●	●	●	●	●	●	●	●
Infrastructure, buildings, and services	●	●	●	●	●	●	●	●
Group strategy, corporate development	●	●	●	●	●	●	●	●
Accounting, M&A, risk management	●	●	●	●	●	●	●	●
Political understanding, regulatory environment	●	●	●	●	●	●	●	●
Corporate communications, corporate affairs	●	●	●	●	●	●	●	●
Company, corporate, and capital market law ¹	●	●	●	●	●	●	●	●
Board/corporate governance	●	●	●	●	●	●	●	●
IT, cybersecurity	●	●	●	●	●	●	●	●
Digitalization, AI/data	●	●	●	●	●	●	●	●
Sustainability	●	●	●	●	●	●	●	●
Strategic HR remuneration systems	●	●	●	●	●	●	●	●

1 The secretary of the board of directors, Stefan Emmenegger, is a practicing lawyer and contributes legal aspects in an advisory capacity.

● High level of expertise and/or sound professional experience

● Medium level of expertise and/or little professional experience

Resignations during the reporting period

No member of the board of directors resigned in the reporting year.

Independence

With the exception of Chairman Roger Baillod, in the three preceding business years no member of the board of directors was a member of the BKW Executive Committee nor of the management board of any Group company, nor does any member have significant business relationships with BKW or a BKW Group company. In the period between the departure of Suzanne Thoma as CEO on June 30, 2022, and Robert Itschner taking over the office on October 1, 2022, Chairman Roger Baillod held the office of CEO ad interim.

The activities and vested interests of the members of the board of directors are reviewed annually and form part of the assessment of the independence of the individual members undertaken by the Human Resources & Compensation Committee. The Human Resources & Compensation Committee assesses all members of the board of directors as independent as defined by Art. 15 of the Swiss Code.

3.2 Activities and vested interests



Roger Baillod (1958, CH)

Degrees in business studies, public auditor

Professional background, career

- Since 2017** Board of directors and management consultant
1996–2016 Chief financial officer (until 09/2016) and member of the board of Bucher Industries AG in Niederweningen, Zurich (until 12/2016)

Mandates in listed companies

- Rieter Holding AG, Winterthur: Vice chairman of the board of directors, lead independent director and member of the Compensation and Human Resources Committees

Mandates in other significant companies

- Geistlich Pharma AG, Wohlhusen: Member of the board of directors, chairman of the Audit and Risk Committee



Andreas Rickenbacher (1968, CH)

Lic. rer. pol., Business economist

Professional background, career

- Since 2016** Board of directors, entrepreneur, management consultant
2016–2018 Cantonal representative on the board of directors of Swissgrid AG
2006–2016 Cantonal Councillor of the Canton of Bern, Director of Economic Affairs (until 06/2016), Cantonal representative on the board of directors of Gebäudeversicherung des Kantons Bern (GVB) (2006–2010, ex officio)
2004–2006 Owner of Rickenbacher Projekte GmbH (consulting in marketing and communication; board of directors mandates)

Mandates in listed companies companies

- Aebi Schmidt Holding AG, Frauenfeld: Member of the board of directors, chairman of the Human Resources and Compensation Committee and member of the Governance and Nominating Committee

Mandates in other significant companies

- Bernexpos AG, Bern: Member of the board of directors
- CSEM AG, Neuenburg: Chairman of the board of directors
- HRS Holding AG, Frauenfeld: Member of the board of directors
- Suva, Lucerne: Chairman of the Suva Council

Other significant mandates, official functions, or political mandates

- Switzerland Innovation Foundation, Bern: Chairman
- International Lauberhorn Races Wengen: Vice chairman



Carole Ackermann (1970, CH, A)

Dr.oec.HSG

Professional background, career

- Since 2007** CEO and co-founder, Diamondscull AG, Zug
2004–2007 Member of the board of Ionbond AG, Olten, CEO Ionbond China
1999–2004 Director, Saurer Group AG, Arbon

Mandates in listed companies

- BVZ Holding AG, Zermatt: Vice chair of the board of directors, member of the Nomination and Remuneration Committee, member of the Audit Committee

Mandates in other significant companies

- Allianz Suisse Versicherungs-Gesellschaft AG, Wallisellen, Allianz Suisse Lebensversicherungs-Gesellschaft AG, Wallisellen and CAP Rechtsschutz- und Versicherungs-Gesellschaft AG, Wallisellen: Member of the board of directors
- E.H.L. Holding SA, Lausanne: Chair of the board of directors

Other significant mandates, official functions, or political mandates

- Fondation de l'École hôtelière de Lausanne (EHL): President of the Foundation Board



Martin à Porta (1970, CH)

Dipl. Ing. ETH

Professional background, career

- Since 2019** Owner and member of the board of directors of APM Trans4mation AG, Zug
2016–2019 CEO, Pöyry Plc., Finland
2012–2015 CEO, Siemens Building Technologies Europe, Zug
2010–2012 CEO, Siemens, Qatar

Mandates in listed companies

- Stantec Inc., Edmonton, Canada: Member of the board of directors, member of the Nomination, Governance, and Remuneration Committee, and chairman of the Sustainability & Safety Committee
- UPM-Kymmene Corporation, Helsinki, Finland: Member of the board of directors, chairman of the Human Resources and Compensation Committee

Mandates in other significant companies

- Wüest Partner AG, Zurich: Member of the board of directors



Petra Denk (1972, D)

Professor of Energy and Business Administration, Prof. Dr.

Professional background, career

- Since 2024** Managing Director, Institut für Systemische Energieberatung GmbH
- 2012–2024** Managing Director, Institut für Systemische Energieberatung GmbH at the Landshut University of Applied Sciences
- Since 2009** Professor of Energy and Business Administration
- 2001–2009** E.ON Energie AG, various positions, most recently Head of International Portfolio Development

Mandates in listed companies

- VAT Group AG, Haag (Sennwald): Member of the board of directors, the Technology Committee, and the ESG Committee
- Pfisterer Holding SE, Winterbach, Germany: Member of the supervisory board, chair of the Technology Committee



Linda de Winter (1972, CH, NLD)

Business economist, MBA Webster University

Professional background, career

- Since 2023** Chief Information Officer, member of the executive board, Swisscard AECS GmbH
- 2023–2023** Head of IT Strategy & IT COO, member of the IT executive board, Schweizerische Post AG
- 2016–2022** Head of Development, member of the IT executive board Schweizerische Post AG

Mandates in other listed companies

- SKYGUIDE, Swiss Civil and Military Air Navigation Services Limited, Meyrin: Member of the board of directors, chair of the projects committee and member of the safety & security committee



Rebecca Guntern (1972, CH)

Federal Dipl. pharm. University of Basel, Bachelor of Business Administration

Professional background, career

- Since 2024** Chief Commercial Officer and member of the executive committee, Sandoz AG, Basel
- 2020–2024** President, Region Europe and member of the executive committee, Sandoz International, Holzkirchen
- 2018–2019** Head, Cluster Europe, Sandoz Pharmaceuticals AG
- 2015–2018** Head, Cluster BACH, Sandoz Pharmaceuticals AG
- 2013–2015** Head Strategy Accounts & Commercial Excellence WEMEA, Sandoz Pharmaceuticals AG
- 2011–2013** Country Head, Spain & Cyprus, Sandoz Pharmaceuticals AG
- 2008–2011** Country Head, Switzerland, Sandoz Pharmaceuticals AG

Mandates in other listed companies

- Sandoz AG, Basel: Chief Commercial Officer and member of the executive committee



Kurt Schär (1965, CH)

Entrepreneur, radio/TV electronics engineer, marketing planner and board member of the Swiss Board School

Professional background, career

- Since 2014** Owner of Sunnsite Management AG, directorships
- 2000–2014** Chairman of the board of directors and CEO, Biketec AG / Flyer, Huttwil

Mandates in other significant companies

- Kurt Schär has no significant mandates outside the BKW Group.

3.3 Number of permissible activities

Members of the board of directors may hold no more than ten mandates in comparable functions in other for-profit companies outside of the BKW Group, of which no more than four may be listed companies. Several mandates within one group are considered as one mandate. Mandates with companies that are controlled directly or indirectly by BKW are not included here. Nor may they hold more than ten mandates in management functions of industry associations and non-profit organizations. Further regulations can be found in Art. 21 of the Articles of Incorporation at www.bkw.ch/statutes.

3.4 Election and term of office

With the exception of the representative appointed by the Canton of Bern, the members of the board of directors are elected individually each year by the general meeting. Members may be re-elected subject to an age limit of 70 years. The term of office for members appointed by the Canton of Bern in accordance with Art. 762 Swiss Code of Obligations (CO) shall be determined by the cantonal government.

The chairman of the board of directors, the members of the Human Resources & Compensation Committee, and the independent proxy holder are also elected individually each year by the general meeting.

3.5 Internal organization

3.5.1 Division of roles in the board of directors

The board of directors is responsible for the strategic and financial management of BKW and for monitoring the management of the company.

It takes decisions as the highest authority, except where the general meeting is responsible by law. No special functions are defined other than chairman and vice chairman. The secretary need not be a member of the board of directors at the same time.

The chairman – or in their absence the vice chairman – leads the board of directors and chairs its meetings, along with the general meeting.

He is an important point of contact for the chairman of the executive committee for all matters relating to corporate management, and he coordinates between the board of directors and executive committee. All other members of the board of directors assume the same tasks in the plenary session and have the same responsibility. The responsibilities and mode of operation of the board of directors, as well as how to act in the event of conflicts of interest, are laid down in the organizational regulations.

The board of directors may decide to delegate some of its activities and responsibilities to committees from among its own members. The board of directors is supported by two standing committees: the Audit & Risk Committee and the Human Resources & Compensation Committee. The committees of the board of directors submit regular, timely reports to the board of directors on their activities and results. They file a motion on the business they have handled to the board of directors, which issues its resolution on the motion. The function, organization, and competencies of these two committees are defined in detail in the regulations, which have been approved by the board of directors.

Furthermore, pursuant to Art. 20, para. 2 of the Articles of Incorporation, the board of directors may at any time appoint ad hoc committees for important individual matters such as major investments, acquisitions/divestments, or cooperations. In the case of ad hoc committees, the board of directors will elect the members from among its own members. The Nomination Committee is formed on an ad hoc basis to prepare the election of new members of the board of directors and the executive committee, particularly for the specific nomination processes for appointment to the board of directors or executive committee. It is chaired by the chairman of the board of directors. The further composition of the committee is determined on a case-by-case basis.

Dealing with sustainability issues and reporting on non-financial matters is the responsibility of the full board of directors and has not been delegated to any committee.

The board of directors pursues a continuous approach to improvement. It conducts an annual self-evaluation in which it analyzes and discusses the quality, composition, and working methods of the board. If necessary, appropriate measures are initiated. In addition to the performance of the board committees and the board as a whole, personal performance assessments are also taken into account.

3.5.2 Duties and competencies of the

Audit & Risk Committee

The Audit & Risk Committee is composed of three non-executive and independent members elected by the board of directors. The chair is also elected by the board of directors, while the vice chair is elected by the Audit & Risk Committee.

Composition of the Audit and Risk Committee

Dr. Carole Ackermann	Chair
Prof Dr. Petra Denk	Vice chair
Martin à Porta	Member

The Audit & Risk Committee supports the board of directors in supervising the financial management and the risk and compliance management of the company.

Duties

- Discussion concerning the consolidated financial statements and the half-year consolidated financial statements with the internal and external auditors
- Assessment of the quality of accounting and financial reporting for the attention of the board of directors
- Creating the requirements profile for the external auditors and for the Head of Internal Audit
- Oversight of Internal Audit and assessment of the activities of the external auditor and its collaboration with Internal Audit
- Assessment of the independence of the external auditors and Internal Audit, including the compatibility of the audit work with any advisory mandates of the external auditor
- Undertaking necessary measures in the event of imminent insolvency or excess debt of BKW AG or key Group companies

- Assessment of significant risks as well as the risk situation in the context of the financial statements, the budget, and medium-term planning
- Assessment of compliance and the associated organizational structure
- Regular and timely reporting to the board of directors on the committee's activities and results

Responsibilities

- Awarding audit contracts relating to accounting standards, financial control, annual and half-year financial statements, and annual reports, as well as appropriation of retained earnings
- Setting the remuneration of the Head of Internal Audit and the external auditors

Human Resources & Compensation Committee

The Human Resources & Compensation Committee corresponds to the "Remuneration Committee" according to Art. 24 of the Articles of Incorporation. The committee consists of three non-executive and independent members who are elected individually each year by the general meeting from among the members of the board of directors. These members may be re-elected. The Human Resources & Compensation Committee decides itself how to organize all other matters regarding its operation.

Composition of the Human Resources & Compensation Committee

Rebecca Guntern	Chair
Roger Baillod	Member
Andreas Rickenbacher	Member

The Human Resources & Compensation Committee deals with developing principles for the selection of candidates for the board of directors and the executive committee, and, in particular, at the senior-most corporate level, with the remuneration strategy and performance targets and criteria of the BKW Group. It assists the board of directors in establishing and reviewing the remuneration system and remuneration principles, and in preparing the proposals to the general meeting regarding the total amount of remuneration to be paid to the board of directors and the executive committee. It specifies the qualitative and quantitative targets for the variable portions of the

remuneration of the CEO and the members of the executive committee and assesses whether objectives have been achieved. The Human Resources & Compensation Committee submits motions to the board of directors on all business negotiated under its responsibility.

The role and responsibilities of the Human Resources & Compensation Committee are described in the Remuneration Report on pages 305 to 307 of this annual report.

Ad hoc committees

The board of directors did not convene any ad hoc committees in 2025.

3.5.3 The work of the board of directors and its committees

Board of directors

The board of directors meets at the invitation of the chairman of the board of directors or the vice chairman as often as business requires; normally, there are eight meetings in a fiscal year. In addition, any member may ask the chairman of the board of directors to convene a meeting by submitting their reasons in writing. The dates of the ordinary meetings are set at an early stage so that all members may attend in person. Before the board of directors meetings, each member receives documents that they can use to prepare for the items on the agenda.

The chairman of the board of directors heads the board of directors and coordinates between the board of directors and the CEO and/or executive committee. Meetings of the board of directors are generally attended by the CEO and chief financial officer (CFO) in an advisory capacity; the other members of the executive committee only attend if necessary, namely when topics concerning their areas of responsibility are to be discussed. Furthermore, the board of directors can hold (parts of) meetings without the presence of the CEO/CFO and/or members of the executive committee. Other executives of the Group, members of BKW's Internal Audit department, and other experts can also be called to the meetings. The board of directors has appointed Attorney-at-Law Stefan Emmenegger as its secretary. He attends the meetings of the board of directors.

The board of directors passes its resolutions at meetings or by electronic means. It is quorate when the majority of its members are present at the meeting or otherwise participating. Resolutions are adopted by a simple majority of participating members. In the event of a tie, the chairman has the deciding vote. Resolutions of the board of directors can also be passed in writing by circular letter. Minutes are kept of the discussions and resolutions. The minutes are sent to the members of the board of directors after approval by the chairman of the board of directors.

Overview of meetings in 2025

Number of meetings	8
Number of participants	7–15
Average duration (hours)	6.5
Attendance at meetings	98.4%

Overview of meeting attendance

Roger Baillod, chairman	8/8
Andreas Rickenbacher	8/8
Dr. Carole Ackermann	8/8
Martin à Porta	8/8
Prof. Dr. Petra Denk	8/8
Linda de Winter (elected to the board of directors as of April 29, 2025)	5/5
Rebecca Guntern	7/8
Kurt Schär	8/8

Workshops and further training

Number	3
Number of participants	7–8
Average duration (hours)	5.5

In the 2025 fiscal year, five ordinary meetings of the board of directors were held in February, March, June, August, October, and December, and each meeting lasted for 6.5 hours on average. The CEO and CFO were present at all meetings, unless the chairman of the board of directors instructed otherwise. All members of the executive committee attended the meetings at which the annual and half-year financial statements or the budget were discussed; otherwise, only those members of the executive committee who are responsible for topics relating to their area were present. All members of the board of directors attended all meetings, with the exception of Rebecca Guntern, who was excused from one meeting (Linda de Winter, as of her election in April 2025). No external experts were invited to attend in 2025.

In addition, two ESG training events and workshops and one training event on electricity production were held during the fiscal year. All members took part in all workshops and training events, with the exception of one member who was unable to attend a training event.

The board of directors conducts an annual self-assessment based on a questionnaire. Here the work, organization, and composition of the board, the performance of the chairman, as well as the cooperation with the executive committee are assessed. The questionnaire also includes topics relating to responsibility towards stakeholders and the setting of strategic priorities. The results of the assessment are discussed at a meeting of the board of directors, and the goals and measures for the current and following year are determined. The chairman also holds at least one personal meeting each year with each member to discuss, among other things, individual opportunities for further development.

Audit & Risk Committee

In accordance with its regulations, the Audit & Risk Committee convenes at least four ordinary meetings each year. It is authorized to conduct business and adopt resolutions if a majority of its members are present at the meeting or are attending via electronic means. Resolutions are adopted by a majority of the votes cast. In the event of a tie, the chair has the deciding vote. Meetings are normally attended by the chairman of the board of directors, the CEO, the CFO, the Head of Accounting & Tax, and the Head of Internal Audit in an advisory capacity. The minutes are taken by the Head of Controlling. If required, the chairman may call upon the external auditors, further members of the executive committee, the extended executive committee, senior management, or external experts to attend and provide information.

Overview of meetings in 2025

Number of meetings	4
Number of participants	3-(4 ¹)
Average duration (hours)	5
Attendance at meetings	100%

Overview of meeting attendance

Dr. Carole Ackermann, Vorsitzende	4/4
Martin à Porta	4/4
Prof. Dr. Petra Denk	4/4
Kurt Schär ¹	1/4

¹ Kurt Schär left the Audit & Risk Committee during the reporting year

The Audit & Risk Committee convened four ordinary meetings during the 2025 fiscal year, in March, June, August, and December, with the meetings lasting an average of five hours. The external auditor took part in two meetings. In addition, external consultants took part in one meeting in 2025.

Human Resources & Compensation Committee

According to its regulations, the Human Resources & Compensation Committee meets as often as business requires, but at least three times a year. It is authorized to conduct business and adopt resolutions if a majority of its members are present at the meeting or are attending via electronic means. Resolutions are adopted by a majority of the votes cast. In the event of a tie, the chair has the deciding vote. The CEO participates in the meetings of the Human Resources & Compensation Committee in an advisory capacity and has the right to submit motions. The chair may exempt the CEO from participating in a meeting of the Human Resources & Compensation Committee. The chairman of the board of directors and the CEO do not attend meetings during which their own remuneration and/or performance are discussed or if there is a conflict of interest for other reasons. If required, the chair may call upon further members of the executive committee, the extended executive committee, or external experts to provide information.

Overview of meetings in 2025

Number of meetings	4
Number of participants	3
Average duration (hours)	4
Attendance at meetings	100%

Overview of meeting attendance

Rebecca Guntern, chair	4/4
Roger Bailod	4/4
Andreas Rickenbacher	4/4

The Human Resources & Compensation Committee convened three ordinary meetings during the 2025 fiscal year in February, March, August, and November, with the meetings lasting four hours on average. All members were always present at the meetings. No external consultants took part in the meetings of the Human Resources & Compensation Committee in 2025.

3.6 Competency regulations

The board of directors bears overall strategic responsibility for the entire BKW Group. It is responsible for the overall management of BKW AG and the supervision of its governing bodies. It bears overall responsibility for achieving sustainable value for shareholders and makes decisions regarding the business activities of the entire BKW Group, except where these responsibilities are transferred to other bodies by law, articles of incorporation, or the organizational regulations.

The board of directors used the organizational rules to delegate the full operational business management to the CEO. Accordingly, the CEO manages the operational business of the BKW Group with the support of the executive committee. Within the scope of the strategic guidelines set by the board of directors, along with his competencies as specified in the Articles of Incorporation and regulations, the CEO bears comprehensive responsibility for the BKW Group's revenue and earnings. He is responsible for implementing the decisions of the board of directors.

The CEO is the chairman of the executive committee, which also consists of the CFO and the executive vice presidents of the Power Grid Business Segment and the Energy Production, Energy Markets, Building Solutions, Engineering,

and Infra Services Business Areas. The executive committee supports the CEO in his responsibility for the operational management of the BKW Group. The members of the executive committee also manage the business areas for which they are responsible, as well as the Group companies and equity investments assigned to them. They are responsible for ensuring that these entities pursue the BKW Group's strategy appropriately and efficiently and for safeguarding the Group's interests. Decisions of the executive committee are made by the CEO in consultation with the other members of the executive committee. Members of the executive committee have the right of co-determination and may submit motions.

The executive committee may delegate tasks and authorizations within its remit. The executive committee generally met every two weeks during the 2025 fiscal year. The meetings lasted an average of three to seven hours. The meetings are held four times a year over a period of two days.

Competencies of the board of directors

In addition to its statutory duties and the business reserved to it in the Articles of Incorporation, the board of directors has the following particular roles and competencies:

- Preparation and approval of the *raison d'être* and the overarching corporate strategy
- Approval of the main focus areas for implementing the corporate strategy (including financing, taking into account sustainable and responsible corporate development)
- Approval of the expansion of geographical coverage into new countries
- Determination of the top-level management structure and organization of the BKW Group (business areas and business segments), including their duties and competencies and the determination of governance principles valid Group-wide
- Making fundamental decisions relating to personnel policy, salary policy, and salary systems, including succession planning for the board of directors and executive committee (see the presentation in Section 2 of the Remuneration Report from page 305 of the annual report)
- Appointment and discharge of the CEO and members of the executive committee

- Approval of financial matters such as budgets and planning, financial statements, and the BKW annual report, accounting standards, and principles of financial control, as well as establishing the BKW Group's financing and investment policy
- Approval of the principles for operation of the internal control system and risk management of the BKW Group, and assessment of the significant risks
- Assessment of the principles of applicable ESG standards (in particular compliance, health & safety, governance), including a regular review and assessment of compliance and the associated organization
- Approval of borrowing through publicly tradable instruments and the entering into significant financial obligations (CHF >250 million), and for granting relevant loans and securities for third parties
- Approval of significant investments that are not planned for in the financial planning, of large real estate transactions, and of significant purchase or sale transactions of companies

In the event of urgent individual matters within the competencies of the board of directors, where a delay could potentially be detrimental to the BKW Group, the chairman of the board of directors (or the vice chairman in their absence) can decide. Decisions of this nature must be brought to the attention of the board of directors without delay and added to the minutes of the next meeting of the board of directors.

Competencies of the CEO

The CEO has the following particular duties and competencies:

- Management of operational business and implementation of the corporate strategy and the resolutions of the board of directors
- Development of the main directions for the corporate strategy and the main focus areas for its implementation (including financing, taking into account sustainable and responsible corporate development) for the attention of the board of directors
- Reporting to the board of directors on the strategy implementation, course of business,

- market environment, and measures to implement the strategy, the implementation of business of major strategic importance approved by the board of directors, and immediate reporting on significant events
- Development of the basis for determining the top-level management structure and organization of the BKW Group (business areas and business segments), including their duties and competencies, for the attention of the board of directors
- Determination of the organization, duties, and competencies of the business and other organizational units assigned to the business areas
- Preparation of the quantitative and qualitative performance criteria for the variable remuneration of members of the executive committee and assessing target achievement for the attention of the Human Resources & Compensation Committee
- Management and supervision of the members of the executive committee and other personnel under the CEO
- Establishment of an appropriate organization and conducting controls to ensure compliance with applicable standards, regulations, and codes of conduct, and with conformity with the applicable legal and statutory requirements (compliance)
- Preparation of the company's financial plans, annual and half-year financial statements, and annual report for the attention of the Audit & Risk Committee and the board of directors
- Regular reporting together with the CFO to the Audit & Risk Committee and the board of directors on compliance and sustainability issues, significant risks and their development, and liquidity management and financing
- Representation of the company vis-à-vis employees and third parties in coordination with the chairman of the board of directors, in particular ensuring effective communication with shareholders and stakeholders, including representatives of governments, regulators, and organizations

The CEO has delegated roles and competencies to qualified subordinates and instructs and supervises them accordingly.

Competencies of the executive committee

The executive committee has the following particular roles and competencies:

- Supporting the CEO in the operational management of the BKW Group and ensuring commercial success within the context of the Group strategy and instructions of the CEO
- Actively participating in the leadership, planning, and implementation of the company strategy
- Leading the assigned business areas
- Ensuring cooperation within the BKW Group, in particular by defining and implementing the relevant principles, namely through coordinating and aligning activities within the business areas
- Developing the basis for determining the organization, duties, and competencies of the business and other organizational units assigned to the business areas
- Determining the central risks and risk management for the areas run by it for the attention of the CEO and board of directors
- Promoting ethical behavior and compliance with internal and external rules and regulations
- Preparation, creation, and implementation of the financial planning (budget including investment budget, medium-term planning, and long-term planning)

The executive committee may resolve to delegate part of its role and competencies or the preparation, execution, and monitoring of decisions of the executive committee to committees. The composition, organization, roles, and competencies of standing committees shall be defined in separate regulations. The roles and organization of ad hoc committees must be defined in detail in the resolution establishing them. On this basis the executive committee has created the Energy subcommittee. This committee is responsible for coordinating the activities of the Energy Markets and Energy Production Business Areas.

Additional information about the executive committee is provided in Section 4 on pages 294 to 297 of the annual report.

3.7 Information and monitoring instruments in relation to the executive committee

The board of directors supervises its own committees and monitors the work of the CEO and the executive committee using a range of reporting processes and rights to inspect business processes and business transactions.

At each of its meetings, the board of directors is informed by the CEO and the other members of the executive committee about the current course of business and key business issues. The board of directors is provided with detailed information regarding the course of business at least half-yearly when the half-year and annual reports are prepared. The BKW Group has a comprehensive electronic Management Information System (MIS) through which the board of directors and the executive committee are kept informed about the course of business on a monthly basis. The chairman of the board of directors is also informed of the current course of business at regular meetings and discussions outside of the meetings of the board of directors. In the case of extraordinary events, the CEO shall inform the chairman of the board of directors without delay. Comprehensive information about risk management is provided in conjunction with the planning and financial statements.

Business that must be dealt with by the board of directors is first discussed in a meeting of the presiding board. The participants in this meeting are the chairman of the board of directors, the CEO, and, where required, the other members of the executive committee.

The board of directors is responsible for setting up and monitoring the BKW Group's risk management, compliance, sustainability management, and internal audit systems.

Risk management

The executive committee is responsible for implementing the board of directors' risk management guidelines. The board of directors and the executive committee are supported by the Risk Management Business Unit, which reports to the CFO. Risk Management is responsible for the Group's strategic risk management, credit risk management, and the operational risk management of the Trading and Treasury units. The Risk Committee and a professional risk organization support the executive committee and Risk Management in assessing the risk situation. As part of the regular systematic risk management process, risks for the entire BKW Group are identified and assessed on an ongoing basis, and risk mitigation measures are drawn up. The integrated risk management process is based on the ISO 31000 standard.

In addition to the risks arising from operating activities and strategy, external risks such as cybersecurity and the regulatory environment are also assessed. Climate and environmental issues, together with non-financial dimensions such as reputation, are integral parts of this risk assessment and are therefore continually taken into account.

The effects of the energy crisis and the extreme price distortions in 2022 and 2023 have eased significantly. Commodity prices and market volatility have largely normalized, but are still slightly above pre-crisis levels, meaning that the electricity market situation remains somewhat tense. In the regulatory and legal environment, the revision of the Electricity Act, the new regulation of allocable costs in basic supply, and the bilateral electricity agreement between Switzerland and the EU, as well as the complete liberalization of the electricity market, remain of great importance. At the same time, the expansion of trading activities is being systematically driven forward as part of the new "BKW Solutions 2030" Group strategy, which will also increase the risk exposure in line with the targeted growth. The introduction of ESG reporting has also greatly increased the focus on compliance and sustainability issues.

Compliance

The board of directors bears ultimate responsibility for the compliance organization. The board of directors has assigned the CEO and executive committee the responsibility of ensuring that Group Compliance and the compliance organization have the resources and authority they need to perform their supervisory role and duties.

The Group-wide and central Compliance Management System (CMS) strengthens the BKW Group's adherence to and promotion of legally compliant and responsible business practices. It comprises all the Group's regulations and measures, structures and processes, both internal and external, designed to ensure compliance. Key components of the CMS are the compliance program, the BKW Integrity Line, and the Compliance Awareness Program. In 2025, the Compliance program focused in particular on expanding the trading compliance, data governance, including data protection, and compliance risk analysis. There was also a particular focus on corruption and bribery, human rights, and checks on business partners. Compliance risks at BKW are consistently recorded, regularly discussed, assessed, and monitored. In terms of compliance risks, the focus is on identifying and assessing any breaches of legal requirements and internal guidelines, as well as on compliance with the UN Global Compact Principles, which BKW committed to upholding when it signed up in 2022. Measures include risk-based training, ad hoc information on new developments, updated regulations, maintenance of the Integrity Line, and consultations.

The Head of Group Compliance reports directly to the CEO and to the chair of the board of directors' Audit & Risk Committee. He submits a compliance report to the board of directors at least twice a year on compliance activities, assessment of compliance risks and the achievement of targets. In the event of significant changes to the assessment of compliance risks and potentially serious compliance breaches, the CEO, the chairman of the board of directors, and the chair of the Audit & Risk Committee are informed immediately.

Sustainability management

In 2024, the board of directors adopted extensive sustainability goals. In 2025, the board of directors participated in additional training on sustainability and refined its governance to enable more efficient management of sustainability in the board of directors, the Audit & Risk Committee, and the Human Resources & Compensation Committee. The executive committee is responsible to the board of directors for the implementation of these objectives. The board of directors and the executive committee are supported by the Group Sustainability Support Function, which reports to the CEO as part of Group Strategy & Sustainability. In close cooperation with the Business Areas and other Support Functions, in particular Human Resources, Occupational Health & Safety, ESG Procurement, Risk Management, and Compliance, Group Sustainability coordinates BKW's sustainability activities, ensures they are coherent with the corporate strategy, and compliant with the new sustainability regulations and standards, and prepares the annual Sustainability Report for the attention of the executive committee and the board of directors.

Internal Audit

Internal Audit reports quarterly to the Audit & Risk Committee on the audits carried out.

The report includes in particular:

- the assessment of the internal control system,
- the review of functions and business processes throughout the Group.

In addition, Internal Audit reports once a year on:

- the implementation of the internal audit plan approved by the Audit & Risk Committee,
- progress in implementing the recommendations made.

In the event of serious findings – such as criminal acts or serious breaches of basic due diligence obligations – Internal Audit informs the chairman of the board of directors and the Audit & Risk Committee immediately.

External audit

The external auditors act as the Group's auditors. They submit a comprehensive report to the board of directors annually on:

- the audit of the annual financial statements,
- material findings on the internal control system.

4 Executive Committee

4.1 Members

The executive committee of BKW currently consists of eight members.

Executive committee

Composition	Function	Since
Robert Itschner	CEO	2022
Dr. Martin Zwyszig	CFO, deputy to the CEO	2023
Sven Behrend	Executive vice president – Infra Services Business Area	2023
Martin Fecke	Executive vice president – Engineering Business Area	2023
Antonin Guez	Executive vice president – Building Solutions Business Area	2023
Dr. Philipp Hänggi	Executive vice president – Energy Production Business Area	2020
Dr. Corinne Montandon	Executive vice president – Power Grid Business Area	2023
Stefan Sewckow	Executive vice president – Energy Markets Business Area	2023

At the end of 2025, the proportion of women in the executive committee was 12.5 percent.

Resignations during the reporting period

No member of the executive committee resigned in the reporting year.

4.2 Activities and vested interests



Robert Itschner (1966, CH)

Dipl. Electrical engineer, MSc in Electrical Engineering and Computer Sciences

Professional background, career

Since 2022 CEO, BKW Group

2018–2022 CEO, ABB Schweiz AG

2009–2017 Various local and global management functions in the ABB Group

Mandates

Robert Itschner exercises various mandates in BKW Group companies. He has no significant mandates outside the BKW Group.



Martin Zwysig (1965, CH)

Dr. oec. HSG

Professional background, career

Seit 2023 CFO, BKW Group
2020–2023 CFO, REHAU Group
2014–2020 CFO, Autoneum Holding AG
2008–2014 CFO, Ascom Holding AG
2003–2008 CFO, Schaffner Holding AG

Mandates in listed companies

– Belimo Holding AG, Hinwil: Vice chairman of the board of directors and chairman of the Audit Committee

Other mandates

Martin Zwysig exercises various mandates in BKW Group companies. He has no other significant mandates outside the BKW Group.



Sven Behrend (1965, D)

Qualified electrical/electronics engineer

Professional background, career

Since 2023 Executive vice president – BKW's Infra Services Business Area
2020–2023 CEO, BKW Infra Services Europa SE, member of the executive board and COO of BKW Infra Services AG
2019–2020 Member of the executive management and COO, Arnold AG
2011–2017 CTO and COO, SAG Group GmbH

Mandates

Sven Behrend exercises various mandates in BKW Group companies. He has no significant mandates outside the BKW Group.



Martin Fecke (1964, D)

Degree in Engineering

Professional background, career

Since 2023 Executive vice president of BKW's Engineering Business Area

Since 2022 CEO, BKW Engineering AG and member of the board of directors, BKW Engineering SE

Since 2020 Executive director, BKW Engineering SE

2002–2022 Managing director, Assmann Beraten + Planen GmbH

Mandates

Martin Fecke exercises various mandates in BKW Group companies. He has no significant mandates outside the BKW Group.



Antonin Guez (1978, FR)

Dipl. Electrical engineer, MSc in Electrical Engineering and Computer Sciences, MBA Insead

Professional background, career

Since 2023 Executive vice president of BKW's Building Solutions Business Area

2017–2022 Head of Building Services (until 12/2018) and CEO of ENGIE Services AG

2011–2017 Head of Strategy (until 12/2013) and Vice President, Low Voltage and Building Automation at Schneider Electric Germany

Mandates

Antonin Guez exercises various mandates in BKW Group companies. He has no significant mandates outside the BKW Group.



Philipp Hänggi (1968, CH)

Dr. sc. techn. ETH, exec. MBA HSG

Professional background, career

Seit 2020 Executive vice president of BKW's Energy Production Business Area

2014–2019 Head of Nuclear and Coal, BKW Energie AG

2004–2014 Managing director, swissnuclear Alpiq Schweiz AG

Mandates held on the instruction of BKW

- Kernkraftwerk Leibstadt AG, Leibstadt: Member of the board of directors
- Kraftwerke Oberhasli AG, Innertkirchen: Member of the board of directors
- Nagra (National Cooperative for the Disposal of Radioactive Waste), Wettingen: Member of the management

Other mandates

Philipp Hänggi exercises various mandates in BKW Group companies. He has no other significant mandates outside the BKW Group.



Corinne Montandon (1976, CH)

Dr.rer.oec.

Professional background, career

Since 2023 Executive vice president – BKW's Power Grid Business Area

2021–2023 Executive vice president – Energy Markets & Head of Group Services at BKW

2013–2020 Head of Strategy and Grid Development at BKW

2012–2013 Head of Regulation Management at BKW

Mandates

Corinne Montandon exercises various mandates in BKW Group companies. She has no significant mandates outside the BKW Group.



Stefan Sewckow (1971, D)

Industrial engineer

Professional background, career

Since 2023 Executive vice president of BKW's Energy Markets Business Area

2017–2023 Managing Director, MVV Trading GmbH

2012–2017 Head of Trading & Origination, Trianel GmbH

2010–2012 Head of Origination New Markets, E.ON Global Commodities

2008–2010 Head of Short Term Trading SEE, E.ON Global Commodities

2002–2008 Head of Portfolio Management Generation, Vattenfall Trading Services GmbH

Mandates

Stefan Sewckow has no mandates in Group companies of the BKW Group and no significant mandates outside the BKW Group.

4.3 Number of permissible activities

Members of the executive committee may only exercise mandates in comparable functions outside of the BKW Group with the consent of the Human Resources & Compensation Committee. The number of such mandates is restricted by the Articles of Incorporation to no more than four mandates in for-profit companies, and no more than two of them may be in listed companies. Several mandates within one group are considered as one mandate. Mandates with companies that are controlled directly or

indirectly by BKW are not included. In addition, they may not hold more than ten mandates in management functions of industry associations and non-profit organizations. Further regulations relating to mandates can be found in Art. 21 of the Articles of Incorporation at www.bkw.ch/statutes.

4.4 Management contracts

BKW has not delegated any management responsibilities to third parties outside the Group.

5 Remuneration, Shareholdings, and Loans

All information on remuneration, shareholdings, and loans of the members of the board of directors and the executive committee can be found in the

Remuneration Report on pages 308 to 322 of the annual report.

6 Shareholders' Participation Rights

The following provisions are taken from BKW's Articles of Incorporation. These can be accessed at www.bkw.ch/statutes.

6.1 Voting-right restrictions and representation

Only persons listed in the shareholders' register as shareholders with voting rights are entitled to exercise shareholders' rights. There are no limitations on voting rights for BKW shareholders attending the general meeting.

Every shareholder with voting rights can exercise their participation rights at the general meeting themselves or have them exercised by a representative of their choice or by a proxy who is independent of the general meeting. Shareholders may also assign their proxy and voting instructions electronically; the board of directors shall determine the details by which this is done. The independent proxy is obligated to exercise the assigned voting rights as instructed by the shareholder. If instructions were not provided, the vote must be withheld.

Public corporations, legal entities, and trading companies are represented by their governing bodies, partners, or legal representatives, or by representatives with special written power of attorney.

Every share listed in the share register with voting rights is entitled to one vote at the BKW General Meeting. Shareholders who have participated in the management of the company in any form are not entitled to vote on the resolution to approve the actions of the board of directors.

The chairman has full power to determine the procedure for voting and elections. He may, in particular, order that an open vote or election be repeated at any time by means of a written and/or electronic ballot or election if he is in doubt about the result, or order a secret ballot.

6.2 Statutory quorums

The general meeting passes its resolutions by a simple majority of the votes cast unless otherwise provided by law. In the event of a tie, the chairman has the deciding vote. A simple majority of votes cast also applies to decisions concerning the relaxation or lifting of restrictions on the transferability of registered shares.

6.3 Convening the general meeting and setting the agenda

Notice of the general meeting is given by the board of directors at least 20 days prior to the date of the meeting. The general meeting is convened through publication in the Swiss Official Gazette of Commerce (SOGC). A meeting can also be convened by a non-registered letter or by an electronic notification to the contact details of the shareholders registered in the share register. A meeting may also be convened by one or more shareholders whose sole or combined shareholding represents at least five percent of the share capital. This must be requested in writing, stating the agenda items and motions.

Not later than 50 days before the general meeting, shareholders who solely or jointly hold at least 0.5 percent of the share capital or votes may request an item be included on the agenda or submit a motion for inclusion in an agenda item in the notice convening the general meeting.

6.4 Entries in the share register

Entitlement to attend or to be represented at the general meeting is based on the status of entries of shareholders with voting rights in

the share register on the 15th day before the general meeting.

7 Changes of Control and Defensive Measures

There are no statutory regulations regarding opting-up (threshold of 49 percent for the duty to make a takeover bid) or opting-out (no mandatory takeover offer required). This means that the statutory provisions on public takeover offers according to FinMIA apply in full.

There are no agreements or plans for the benefit of members of the board of directors and/or the executive committee or other members of senior management in the event of changes of control.

8 Auditors

Term of office

BKW's auditors are appointed annually by the Annual General Meeting by a motion of the board of directors. PricewaterhouseCoopers AG, Bern, has held this office since the 2024 fiscal year. Thomas Wallmer has been the chief auditor since 2024.

Fees

The auditors' fees for statutory audits of BKW and its consolidated Group companies amounted to CHF 1.9 million for the reporting year. The fees for audit-related services (examinations on behalf of and in accordance with special laws and advice on accounting issues) amounted to 0.3 million.

External audit information mechanisms

Oversight and control of the external auditor is a key responsibility of the Audit & Risk Committee (see Sections 3.5.1 and 3.5.2 above on pages 285 to 287 of the annual report under Duties and competencies of the Audit & Risk Committee). The Audit & Risk Committee convenes four ordinary meetings per year, in which the auditors sometimes participate. The external auditors attended for parts of the agenda at two ordinary meetings of the Audit & Risk Committee during the 2025 reporting year.

The external auditors examine the annual financial statements prepared in accordance with the Swiss Code of Obligations (CO) as well as the consolidated annual financial statements prepared in accordance with IFRS for the attention of the Audit & Risk Committee. At the second meeting, the external auditors must advise the Audit & Risk Committee of the audit focus areas they have set for the following year and the rationale for these focus areas. The Audit & Risk Committee discusses and approves this audit plan and may commission the external auditors to conduct additional specific audit work. At the first meeting, the auditors report on the findings of their audit of the statutory and consolidated financial statements and the Remuneration Report for the previous year and present their audit reports and the comprehensive report according to Art. 728b para. 1 CO.

The performance of the external auditors and their independence are assessed annually by the Audit & Risk Committee. This assessment is based on the quality of the findings and audit reports, implementation of the audit plan approved by the Audit & Risk Committee, and collaboration with the Finance function and Internal Audit. With regard to independence, the Committee examines the relationship between the budgeted audit fee and the fee for other services provided by the audit firm, and what these additional services include.

9 Information Policy

BKW is committed to the timely dissemination of transparent and comprehensive information to its shareholders and clients, as well as its employees and the general public. It regularly informs the media about important events related to its business activities.

Current information in German, French, and English can be found on the BKW website. Among other things, share price-relevant facts are published in compliance with disclosure requirements under stock exchange law (ad hoc notifications). The ad hoc announcements can be accessed at the same time as the notification to the SIX Swiss Exchange and for three years thereafter at www.bkw.ch/media-relations.

In addition, it is possible to receive potentially share-price relevant information directly from BKW free of charge and in a timely manner by email. This service is available at www.bkw.ch/pressrelease.

BKW provides information on the annual results in the form of an electronic annual report. The annual report can be downloaded at www.bkw.ch/annualreport25. BKW also presents its annual results at the yearly Annual Report and Financial Analyst Conference, as well as at the general meeting. You can find the exact dates for the current and following year at www.bkw.ch/financialcalendar.

The half-year report as well as the half-year results as of June 30 are available electronically at www.bkw.ch/halfyearreport25.

The Investor and Media Relations managers can be contacted via the website, email, telephone, or post. Their contact details can be found in the editorial information on page 326 of the annual report, and the headquarters address is on the back cover of this report.

10 Blackout Periods

BKW sets general blackout periods in connection with its annual and half-year financial statements. These apply to all members of the board of directors, the executive committee and the extended executive committee, the minute takers at meetings of the board of directors, the board of directors' committees, and the executive committee, as well as for all employees who are involved in the preparation of BKW's annual and half-year financial statements, or who receive knowledge of them as intended. The fixed blackout period applies on the day following the relevant balance sheet date, i.e., January 1 or July 1 of each year, and lasts until the end of the day on which the annual and half-year results are published. During these blackout periods, persons subject to the blackout are prohibited from

trading in BKW AG shares. No exceptions to the aforementioned general rules were granted in the reporting year.

In addition, BKW orders extraordinary trading blackout periods on an ad hoc basis if other unpublished share price-sensitive information is available. They apply to persons who have the relevant insider knowledge. Corresponding insider lists are kept for this purpose. The blackout periods begin on the date specified by BKW and end at the end of the calendar day following the day on which the price-sensitive information is publicly announced, or as soon as the price-sensitive information is no longer certain to occur, and the persons concerned have been informed.

11 Significant Changes Since December 31, 2025

No significant organizational or personnel changes have occurred.

Remuneration Report

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REMUNERATION REPORT

The Remuneration System Supports Long-Term Corporate Success



Dear Shareholders,
Ladies and Gentlemen,

This Remuneration Report provides information on the principles of remuneration, remuneration programs, and the framework of governance for the remuneration of the members of the board of directors and the executive committee of BKW. It contains detailed information about the remuneration paid to the board of directors and the executive committee during the 2025 fiscal year.

BKW closed the 2025 fiscal year with total operating income of CHF 4.5 billion. This corresponds to a decrease of 4.8 percent compared to the previous year. In the reporting year, BKW achieved a good operating result of CHF 674.6 million before valuation adjustments. As a result of a

valuation adjustment in connection with the investment in the Wilhelmshaven coal-fired power plant in Germany, the reported operating profit (EBIT) amounted to CHF 561.0 million. In the Energy Solutions Business Segment, lower electricity production from hydropower and wind power due to the weather conditions had a negative impact on earnings. The Power Grid Business Segment once again made stable contributions to EBIT and the Infrastructure & Buildings Business Segment further increased its profitability.

The Group generated an operating net profit before adjustment of CHF 444.0 million (minus 19.3 percent year-on-year). Operating cash flow before decommissioning and disposal costs amounted to CHF 788.6 million. It thus covers the investments of CHF 456.6 million and further bolsters BKW's financial strength. BKW has thus

recorded the third-best fiscal year in the company's history.

The Remuneration Report explains the impact of these results on the variable remuneration of members of the executive committee in the reporting year.

The remuneration system for the executive committee consists of base fee as well as performance-based short- and long-term remuneration. The aim continues to be to support the long-term success of the business and to unify the interests of the management with those of BKW and its shareholders.

The remuneration system of the board of directors, which is based on fixed fees and function allowances and partially paid in restricted shares, has proven its worth and will be continued.

Further details on the remuneration systems for the executive committee and the board of directors are set out in this report.

At the 2026 General Meeting, this Remuneration Report will be presented for approval within the scope of a consultative vote. You will note that the amounts paid to the board of directors and executive committee are within the maximum remuneration amounts approved by the general meeting.

You, the shareholders, will also reach a binding decision by voting on the maximum total amount of remuneration of the board of directors for the coming period of office until the next ordinary general meeting and on the maximum total remuneration to be paid to the executive committee for the 2027 fiscal year.

On behalf of the board of directors, I would like to thank you for your confidence in BKW.

Kind regards,



Rebecca Guntern
Chair of the Human Resources & Compensation
Committee of the board of directors

1 BKW's Remuneration Policy

BKW's remuneration policy, as defined by the board of directors, is derived directly from BKW's strategy and is intended, in particular, to promote the long-term interests of the company. In 2025 it was also to be designed around the following principles:

Board of directors (BD)

To foster the independence of members of the board of directors in their supervisory activities, they receive exclusively a fixed remuneration. The base fee is paid 75 percent in cash and 25 percent in the form of restricted shares. The members also receive additional remuneration for performing additional functions.

In 2024, the board of directors commissioned an external comparative analysis (benchmark) of the board of directors' remuneration. It worked together with advisers from PricewaterhouseCoopers AG on this. As part of the comparative analysis, both the structure and amount of remuneration paid to the board of directors and the respective committees were reviewed. The remuneration structure was found to be largely in line with standard market conditions. The remuneration for the members of the board of directors and the corresponding committees is below the market median for all positions. The peer group comprises 30 companies listed in Switzerland from the Swiss Performance Index (SPI), the Swiss Market Index Mid (SMIM), and the Swiss Performance Index 50 (SPI50) whose market capitalization and revenue figures correspond to BKW's median, as well as selected federally affiliated enterprises and companies from the energy sector. This group consists of the following companies and enterprises: Adecco, Alpiq, ams-OSRAM, Avolta, Axpo, Bachem, Barry Callebaut, BELIMO, Bucher Industries, Burkhalter, Daetwyler, Swiss Post, DocMorris, dormakaba, Zurich Airport, Galenica, Georg Fischer, Implenia, Kuehne + Nagel, Landis + Gyr, Lindt & Sprüngli, Ruag, SBB, SGS, SIG Combibloc, Swiss Steel, Swisscom, Tecan, Temenos, VAT Group. The remuneration of the board of directors and the corresponding committees was adjusted based on these findings.

Executive committee (EC)

The remuneration system of the executive committee, as applicable in 2025, is designed to recruit and retain the most suitable persons for the critical functions. It is also designed to ensure alignment of the interests of the top management with the interests of the company and its shareholders, with the aim of sustainably growing the company's enterprise value. The remuneration system is based on the following principles:

Rewarding performance

Executive committee remuneration is linked to a sustainability target, to company performance, and to share price performance, compared to a broad benchmark. The relevant performance criteria for the variable remuneration components are clearly defined and transparent. The KPIs for the short- and long-term variable component, which are described in more detail in the following report, were carefully evaluated and are reviewed annually. There are malus and clawback clauses for both variable remuneration components.

Continuity and stability

BKW's remuneration system both demonstrates continuity and creates stability. In order to link the interests of the executive committee with the interests of the company and its shareholders, a significant portion of the remuneration is allocated in the form of performance share units (PSUs), which are contingent on whether performance targets are met and paid out in shares after a multi-year vesting period. In addition, it guarantees that no disproportionate risks are taken and that the long-term growth trajectory is strengthened.

Market and internal fairness

BKW strives to provide market-rate remuneration for all functions, irrespective of gender, age, nationality, or other demographic characteristics. It rewards competency and responsibility as well as performance, with a focus on the implementation of the strategy and the company's results. In order to ensure that overall remuneration is in line with the market and performance, BKW regularly reviews the salary ranges of the individual professional groups to make sure they corre-

spond to the market median. In recent years, salary equality analyses have been carried out at all the major Swiss companies. The results showed that all the companies examined complied with the provisions of the Gender Equality Act.

Within the scope of this remuneration policy, BKW regularly reviews its remuneration system for the board of directors and executive committee (at intervals of two or four years). The board

of directors reviewed the remuneration system for the executive committee in 2023 and also compared the level of remuneration of the executive committee members against an external benchmark in 2024 (for details, see the 2024 Remuneration Report on [page 301](#)). The benchmark showed that the current level of remuneration (excluding the CEO) is well positioned in the market. No adjustments were made for the executive committee in 2025.

2 Determination of Remuneration: Organization and Competencies

The broad outlines of the remuneration system, as well as the corporate bodies involved in the determination of the remuneration, are defined in Art. 24 to 29 of the Articles of Incorporation. These can be found (in English) on the BKW website at www.bkw.ch/statutes and include:

- Compensation Committee (HRCC) (Art. 24 and 25)
- Voting on remuneration (Arts. 26, 27, and 28)
- Remuneration of the board of directors (Art. 27)
- Remuneration of the executive committee and additional amount for new members (Art. 28)
- Contracts with members of the board of directors and the executive committee (Art. 29)



The table below shows how responsibilities and competencies are divided between the general meeting (GM), the board of directors (BD), and the Human Resources & Compensation Committee (HRCC).

Overview of responsibilities and competencies

Object	HRCC	BD	GM	HRCC activity in the 2025 reporting year			
				February	March	August	November
Maximum total amount of remuneration of the board of directors and the executive committee	PS ¹	S ²	A ³	●	●		
Additional amount for the remuneration of newly appointed members of the executive committee	A ^{4,5}			n/a	n/a	n/a	n/a
BKW's personnel policy, remuneration policy, and system	PS	A				●	
Remuneration system and principles for the board of directors and executive committee	PS	A			●	●	●
Performance criteria for remuneration of the CEO and the members of the executive committee	A				●		●
Individual remuneration for the board of directors	PS	A ⁶		●	●		
Performance assessment and individual remuneration of the CEO	A ⁶			●			
Performance assessment and individual remuneration of the members of the executive committee (excluding the CEO)	A ^{4,6}			●			
Remuneration Report	PS	A	CV ⁷	●	●		
Principles governing the selection of candidates for election or re-election to the board of directors	PS	A				●	
Succession planning for the board of directors and the executive committee	PS	A				●	
Carrying out BD self-evaluation on a regular basis							●
Review of the interests and independence of the members of the board of directors and its committees, and review of compliance with the maximum permissible number of mandates	A			●			
Checking for conflicts of interest when members of the board of directors or the executive committee accept mandates	A			●		●	●

1 PS means preparation and submission to the board of directors.

2 S means submission to the general meeting.

3 A means approval.

4 CEO's proposal

5 Within the scope of the Articles of Incorporation

6 Within the scope of the maximum total amount approved by the general meeting

7 CV means consultative vote

Human Resources & Compensation Committee

According to Art. 25 of the Articles of Incorporation, the Human Resources & Compensation Committee is concerned at senior company management level with the remuneration strategy and with the company's objectives and performance criteria in relation to the remuneration of the executive committee. In addition, it is tasked with designing succession planning and talent management for the board of directors and executive committee, reviewing competencies, and developing criteria for the selection of candidates to the board of directors and the executive committee. The committee has three members and comprises:

Rebecca Guntern	Member of the board of directors, chair
Roger Baillod	Chairman of the board of directors, member
Andreas Rickenbacher	Vice chairman of the board of directors, member

When required, managers may be invited to attend meetings of the Human Resources & Compensation Committee. However, no members of the company's management may be present when their own performance or remuneration is discussed or decided on.

At meetings of the board of directors, the chair of the Human Resources & Compensation Committee reports to the board of directors on the committee's activities and decisions; urgent updates are also provided between meetings. All members of the board of directors have access to the minutes of the Human Resources & Compensation Committee's meetings.

At the committee's four regular meetings held in 2025, it dealt with matters including the recurring agenda items shown in the table above. All members were present at all the meetings. No external consultants participated in meetings in 2025.

Specific election business is not handled by the Human Resources & Compensation Committee but by temporary nomination committees set up on an ad hoc basis. In 2025, the board of directors convened an ad hoc committee on the expansion of the executive committee.

Shareholder involvement

At the General Meeting of April 29, 2025, binding votes were taken on the maximum amounts of remuneration for the board of directors and the executive committee, as well as a consultative vote on the Remuneration Report. The overall amount for the remuneration of the board of directors relates to the period from the current general meeting until the next general meeting. By contrast, the overall amount of remuneration of the executive committee relates to the full fiscal year following the general meeting.

At the 2025 General Meeting, the shareholders approved the total amount of remuneration of the executive committee for the 2026 fiscal year with an approval rate of approx. 99 percent and that of the board of directors for the 2025/2026 term of office with 99 percent (2024 GM: EC 99 percent and BD 99 percent), while the approval rate of the 2024 Remuneration Report was 98 percent (2023 Remuneration Report at the 2024 GM: 95 percent).

3 Remuneration of the Board of Directors

3.1 Remuneration components for the board of directors

BKW's remuneration system is specifically designed to ensure the impartiality of the board of directors in its supervision of the executive committee. For this reason, fixed remuneration components are the key components for the

board of directors – no performance or success-based component is paid to the board of directors.

The remuneration system for the board of directors is now as follows:

a) Base fee

The base fee for the board of directors was adjusted based on the benchmark data mentioned in section 1. These showed that the current remuneration is below market. The basic fee includes a fixed board of directors' fee, whereby the Chairman receives a higher remuneration due to his higher workload. Unlike the other members of the board of directors, the chairman now receives no additional compensation for his work on the committees, as was previously the case. This has been adjusted accordingly in the interests of transparency and corporate governance:

Function	Net remuneration (p.a.) previously	Net remuneration (p.a.) starting 01.05.2025
Chairman of the board of directors	CHF 350,000 (excluding additional remuneration for committee work; for the 2024/2025 fiscal year, this amounted to CHF 30,000)	CHF 420,000 (including additional remuneration)
Member of the board of directors	CHF 100,000	CHF 110,000

A total of 75 percent of this base fee is paid in cash in three equal payments, and 25 percent in the form of restricted shares in BKW AG. The shares are transferred annually in January of each year. The number of shares to be transferred is calculated on the basis of the average closing price on each of the first ten trading days

of the fiscal year. The shares are transferred within three business days after the tenth trading day of the fiscal year. The allocation of the shares is not affected by a blackout period. The blocking period for the shares is three (3) years from the transfer date.

b) Function allowances

If a member of the board of directors assumes additional functions, they are entitled to the following additional remuneration:

Function	Net remuneration (p.a.) previously	Net remuneration (p.a.) starting 01.05.2025
Vice chairman of the board of directors	CHF 15,000	CHF 20,000
ARC chair	CHF 25,000	CHF 30,000
ARC member	CHF 15,000	CHF 18,000
HRCC chair	CHF 25,000	CHF 30,000
HRCC member	CHF 15,000	CHF 18,000
Ad Hoc Committee chair	CHF 15,000	CHF 15,000
Ad Hoc Committee member	CHF 10,000	CHF 10,000

c) Social security contributions (other remuneration)

BKW pays the employer's and employee's social security contributions. For individual members of

the board of directors, payment is made in whole or in part to their employers. Members of the board of directors are not insured by the BKW Pension Fund.

d) Contracts

Contracts between the company and the members of the board of directors, and on which their remuneration is based, must not exceed their term of office (Art. 29 of the Articles of Incorporation); however, the effectiveness of the mandate is subject solely to the annual election to the board of directors by the general meeting.

No employment contracts exist between BKW and members of the board of directors. The members of the board of directors are independent, and their rights and obligations are based on the norms of company law and the provisions of the

Articles of Incorporation, regulations, and mandate agreements.

e) Changes to the board of directors

In April 2025, the General Meeting elected Linda de Winter as a new member of the board of directors. This expanded the board of directors by one additional person. Her proven expertise in digital transformation and IT/cybersecurity ideally complements the competencies of the board of directors. The competencies of all members of the board of directors are listed in the qualification matrix on page 280 of this annual report.

3.2 Remuneration paid in 2025

The remuneration amounts paid to the board of directors are disclosed in the fiscal year in which they are recognized in the annual financial statements (according to the principles of accrual accounting). The remuneration paid to members

of the board of directors for the 2025 and 2024 fiscal years is detailed below. Function allowances were also paid in addition to the base fee (split into a cash portion of 75 percent and a share portion of 25 percent).

Members of the board of directors received the following remuneration in 2025:

Remuneration of the members of the board of directors in 2025

CHF thousands		Remuneration in cash ¹	Share-based remuneration ²	Total remuneration	Social security contributions ³	Total
Roger Baillod	Chairman	318	89	407	39	446
Andreas Rickenbacher	Deputy Chairman	125	25	150	22	172
Dr. Carole Ackermann	Member	108	25	133	17	150
Martin à Porta	Member	97	25	122	16	138
Prof. Dr. Petra Denk	Member	107	25	132	14	146
Linda de Winter	Member	55	0	55	8	63
Rebecca Guntern	Member	108	25	133	18	151
Kurt Schär	Member	85	25	110	14	124
Total		1,003	239	1,242	148	1,390

1 Remuneration in cash, in addition to basic remuneration, includes functional allowances, but not the portion of basic remuneration that is paid in shares. The amount is determined according to the new regulations and the new rates as of May 1, 2025 (see table in section 3.1).

2 Share-based remuneration is valued at the stock market closing rate on the day of the share assignment (January 17, 2025).

3 Includes social security contributions (employer and employee).

Remuneration of the members of the board of directors in 2024

CHF thousands		Remuneration in cash ¹	Share-based remuneration ²	Total remuneration	Social security contributions ³	Total
Roger Baillod	Chairman	277	85	362	35	397
Andreas Rickenbacher	Deputy Chairman	104	24	128	13	141
Dr. Carole Ackermann	Member	100	24	124	16	140
Martin à Porta	Member	85	24	109	14	123
Prof. Dr. Petra Denk	Member	90	24	114	41 ⁴	155
Rebecca Guntern	Member	98	24	122	12	134
Kurt Schär	Member	90	24	114	15	129
Total		844	229	1,073	146	1,219

AUDITED

- 1 Remuneration in cash, in addition to basic remuneration, includes functional allowances, but not the portion of basic remuneration that is paid in shares.
- 2 Share-based remuneration is valued at the stock market closing rate on the day of the share assignment (January 17, 2024).
- 3 Includes social security contributions (employer and employee)
- 4 Petra Denk was retroactively exempted from social insurance in Switzerland up to May 1, 2021. This means that, like other members of the Board of Directors, she is entitled to social security compensation payments. This includes CHF 27,682 that was paid retroactively in 2024 for the period from May 1, 2021 to December 31, 2023 (less CHF 1,400 reimbursement at the expense of BKW).

3.3 Compliance with the maximum overall remuneration ratified by the general meeting for the 2025/2026 term of office

The general meeting ratifies the maximum overall amount of remuneration of the board of directors for its term of office, that is, from the general meeting (each May) until the next general meeting (the following April).

By contrast, this Remuneration Report is based on the fiscal year; the amount disclosed in this report has therefore been adjusted to a period of eight months (May to December 2025).

The 2025 General Meeting approved overall remuneration of CHF 1,800,000 for the board of directors for the 2025/2026 term of office. Calculated for the period of eight months to December 31, 2025, payments to members of the board of directors amounted to CHF 768 thousand. The additional remuneration yet to be paid in 2026 (from January to April 2026), which had not yet been definitively calculated when this report was prepared, will remain within the scope of the total amount approved by the general meeting. A report on the entire remuneration period (2025 General Meeting to 2026 General Meeting) will be provided at the 2026 General Meeting.

The 2024 General Meeting ratified a maximum overall remuneration of CHF 1,400,000 for the 2024/2025 previous term of office. This amount complied with the total remuneration of CHF 1,285 thousand actually paid during the term of office. For the calculation of the total remuneration, the market value of the shares received on the allocation date was taken into account.

3.4 Payments to former members of the board of directors and their related parties

No remuneration was paid to former members of the board of directors during the reporting year. No remuneration was paid to parties related to the members of the board of directors.

3.5 Loans and credits to members of the board of directors

No loans or credits were granted to members of the board of directors or related parties during the fiscal year. No such loans or credits existed at the end of the reporting year.

AUDITED

4 Mandates of the Board of Directors in Comparable Functions in For-profit Non-Group Companies

As of December 31, 2025, members of BKW AG's Board of Directors held the following mandates in for-profit companies outside the BKW Group:

Roger Baillod, chairman of the board of directors

Companies	Activity/activities
Listed	
Rieter Holding AG, Winterthur	Vice chairman of the board of directors, Lead independent director, member of the compensation committee, member of the human resources committee
Unlisted	
Geistlich Pharma AG, Wolhusen	Member of the board of directors, chairman of the Audit and Risk Committee
Cascina Immobilien AG, Vaz/Obervaz	Member of the board of directors
Obere Au happy car AG, Chur	Member of the board of directors
Configest AG, Pfäffikon	Chairman of the board of directors

Andreas Rickenbacher, Vice chairman

Companies	Activity/activities
Listed	
Aebi Schmidt Holding AG, Frauenfeld	Member of the board of directors, chairman of the Human Resources and Compensation Committee, member of the Governance and Nominating Committee
Unlisted	
Bernexpo AG, Bern	Member of the board of directors
CSEM AG, Neuenburg	Chairman of the board of directors
HRS Holding AG, Frauenfeld, with mandates in the subsidiaries:	Member of the board of directors
– HRS Real Estate AG, Frauenfeld	Member of the board of directors
– HRS International AG, Zurich	Member of the board of directors
– HRS Investment AG, Frauenfeld	Member of the board of directors
– HRS Promotion AG, Frauenfeld	Member of the board of directors
– HRS Real Estate AG, Vaduz	Member of the board of directors
Leolea GmbH, Bern, with mandates in the subsidiaries:	Member of the executive management
– Leolea Kanton Bern GmbH, Bern	Member of the executive management
– Leolea Luzern GmbH, Luzern	Member of the executive management
Suva, Lucerne	Chairman of the Suva Council
Rimane Ventures AG, Biel, with a mandate in the subsidiary:	Member of the board of directors
– Andreas Rickenbacher Management AG	Board of directors

Dr. Carole Ackermann, member

Companies	Activity/activities
Listed	
BVZ Holding AG, Zermatt	Vice chair of the board of directors, member of the Nomination and Remuneration Committee, member of the Audit Committee
Unlisted	
Allianz Suisse Versicherungs-Gesellschaft AG, Wallisellen, with mandates in the affiliated companies:	Member of the board of directors
– Allianz Suisse Lebensversicherungs-Gesellschaft AG, Wallisellen	Member of the board of directors
– CAP Rechtsschutz-Versicherungs-gesellschaft AG, Wallisellen	Member of the board of directors
Mandates in subsidiaries of BVZ Holding AG, Zermatt:	
– BVZ Asset Management AG, Zermatt	Vice chair of the board of directors
– Gornergrat Bahn AG, Zermatt	Vice chair of the board of directors
E.H.L. Holding SA, Lausanne	Chair of the board of directors
DiamondScull AG, Zug	CEO, member of the board of directors

Martin à Porta, member

Companies	Activity/activities
Listed	
Stantec Inc., Edmonton, Kanada	Member of the board of directors, member of the Nomination, Governance and Remuneration Committee, chairman of the Sustainability & Safety Committee
UPM-Kymmene Corporation, Helsinki, Finland	Member of the board of directors, chairman of the Human Resources and Compensation Committee
Unlisted	
Wüest Partner AG, Zürich	Member of the board of directors
VTU Investment Group GmbH, Grambach, Austria	Chairman of the Supervisory Board
APM Trans4mation AG, Zug	Member of the board of directors

Prof. Dr. Petra Denk, member

Companies	Activity/activities
Listed	
VAT Group AG, Haag (Sennwald)	Member of the board of directors, member of the Technology Committee, member of the ESG Committee
Pfisterer Holding SE, Winterbach, Deutschland	Member of the Supervisory Board, chair of the Technology Committee
Unlisted	
PMPL Consulting GmbH, Oberschleissheim, Germany	Managing director
Institut für Systemische Energieberatung GmbH, Oberschleissheim, Germany	Managing director

Linda de Winter, member

Companies	Activity/activities
Listed	
–	–
Unlisted	
Swisscard AECS GmbH, Horgen	Chief Information Officer, member of the executive committee
SKYGUIDE, Société Anonyme Suisse für zivile und militärische Luftfahrtdienste	Member of the board of directors, chair of the Projects Committee and member of the Safety & Security Committee

Rebecca Guntern, Mitglied

Companies	Activity/activities
Listed	
Sandoz AG, Basel	Chief Commercial Officer and member of the executive committee
Unlisted	
Mandates in affiliated companies of Sandoz AG:	Chair of the board of directors
– Sandoz Pharmaceuticals AG, Risch	

Kurt Schär, member

Companies	Activity/activities
Listed	
–	–
Unlisted	
Sunnsite Management AG, Roggwil (BE)	Chairman of the board of directors
Herzroute AG, Burgdorf	Member of the board of directors
Event- und Tourismus AG, Burgdorf	Member of the board of directors
Sankt Martin Calfeisental AG, Pfäfers (SG)	Chairman of the board of directors
Striebig AG, Lucerne	Chairman of the board of directors
Stöcklin Möbel AG, Aesch (BL)	Member of the board of directors
Sorglos Design AG, Roggwil (BE)	Member of the board of directors
Bacol AG, Ochlenberg	Chairman of the board of directors
Tiliacor AG, Roggwil (BE)	Chairman of the board of directors



5 Remuneration of the Executive Committee

5.1 Remuneration of the Executive Committee

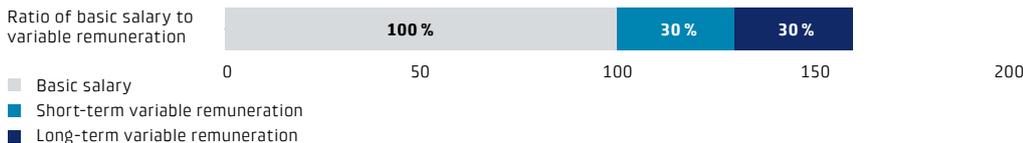
BKW's remuneration policy for the executive committee has proven effective in recent years. The remuneration system was last reviewed in 2023, when long-term variable remuneration was linked to performance criteria ("pay for performance"). In addition, governance was strengthened through the introduction of malus and claw-back provisions. The system in use since 2024 was not changed in 2025. Base fee and long-term variable remuneration remain relatively highly weighted compared to short-term variable remuneration. This supports the sustainable, long-term development of BKW and prevents exposure to excessive short-term risks.

The remuneration system for the executive committee is designed to create incentives to ensure the long-term positive development of BKW. For this reason, remuneration comprises a substantial fixed base fee component, a short-term variable cash remuneration component, and a long-term profit-sharing component in the form of performance share units (PSU), which, after a three-year vesting period, are converted into shares and transferred to the members based on achievement of the relevant targets.

Remuneration components for the executive committee

	Instrument	Purpose	Influencing factors	2025 performance targets
Annual base fee	Monthly cash remuneration	Employee recruitment/retention	Position, market-level remuneration, qualifications, and experience of the person	
Short-term variable remuneration	Annual variable remuneration in cash	Performance-based remuneration	Target achievement of performance criteria	<ul style="list-style-type: none"> – Group operating net profit – Area targets – Sustainability targets (ESG)
Long-term variable remuneration	PSUs with a three-year vesting period	Long-term employee retention in line with shareholder interests	Share price, target achievement of performance criteria	<ul style="list-style-type: none"> – ROCE – CCR – TSR
Pension benefits and social security contributions	Pensions and insurance Additional benefits	Hedging against risks Employee recruitment/retention	Standard market practice and position	

At 100-percent target achievement, the short-term variable and the long-term variable remuneration each amount to 30 percent of the base fee:



a) Fixed annual base fee

The base fee provides remuneration for the role performed in the organization. This takes into account the person's experience, scope of responsibility, and influence on the company's success. The base fee is paid in cash.

b) Short-term variable remuneration

The short-term variable remuneration (short-term incentive plan, STI) is intended to reward the short-term performance of the company. It is determined and paid out annually based on an assessment of target achievement of specific performance criteria. As before, the STI for full target achievement (100 percent) is generally 30 percent of the

base fee ("target bonus"), but can vary between 0 percent and 200 percent [of the base fee] depending on the degree of target achievement. The performance criteria are specified annually by the Human Resources & Compensation Committee for one fiscal year. They aim to constitute the most reliable and realistic depiction possible of sustainable and commercial company success.

At the Group level, the following targets apply to all executive committee members:

- **Operating net profit:** Net profit according to the consolidated IFRS financial statements, minus positive/plus negative STENFO performance, and corrected for the tax effect (calculated at a flat 20 percent) on performance
- **Sustainability (ESG: Environmental, Social, Governance):** Relative improvement (points) of the annually commissioned ESG Rating compared to the baseline assessment in the previous year.

In addition to these general Group targets, a defined target was set for all members of the executive committee for their area of responsibility or strategic focus:

- **CEO and CFO:** EBIT (earnings before interest and taxes) of Infrastructure & Buildings (Building Solutions, Engineering, and Infra Services), with the same principles applying as for the operating net profit.
- **Energy and Infrastructure & Buildings Business Segments (Building Solutions, Engineering, and Infra Services):** EBIT of the respective area, that is, earnings before interest and taxes, with the same principles applying as for operating net profit.
- **Power Grid Business Segment:** Distribution grid costs in accordance with the cost declaration submitted to the Swiss Federal Electricity Commission (ElCom). Distribution grid expenditure (TOTEX) corresponds to total CAPEX (capital expenditure) and OPEX (operating expenditure) of the grid and the basic supply according to the budget

The targets are weighted as follows:

	Operating net profit (at the Group level)	ESG (at the Group level)	Performance criterion for CEO/CFO	Performance criterion of the business area
Functions without business areas	50%	20%	30%	
Functions with business areas	40%	20%		40%

At the end of the assessment year, the Human Resources & Compensation Committee makes an assessment of the target achievement of every member of the executive committee. The degree of target achievement is measured for each performance criterion during the relevant assessment year and the STI payout factor is subsequently determined.

The payout factor (based on the target bonus) is between 0 and 200 percent. The HRCC has defined a payout range for each target. The amount of any STI payout for each EC member for the respective assessment year equals the individual STI target amount multiplied by the STI payout factor. The maximum amount of the STI is 200 percent of the target bonus, that is, 60 percent of the base fee.

The short-term variable remuneration is paid out in cash during the calendar year following the year for which it is awarded.

At the request of the Human Resources & Compensation Committee, the board of directors can reduce or cancel the bonus payments in exceptional circumstances, irrespective of the achievement of the target. Such exceptional circumstances may arise if the company's existence is at risk and, for this reason, dividend distributions and/or any profit-sharing to eligible employees is to be waived. In such a case, there is no legal entitlement to short-term variable remuneration.

In the event of departure, an EC member is entitled to a pro-rata STI payout up to the end of the employment relationship. The calculation of the

payout factors of each performance criterion and the calculation of the amount of the STI payout follow the normal process for the entire year. The STI is paid together with the general STI payout to the EC members, irrespective of the departure date.

If the employer terminates the employment relationship for cause, all STI entitlements of the EC member lapse without remuneration at the same time as the notice of termination.

Malus and clawback clauses

The Human Resources & Compensation Committee can reduce or cancel part or all of the benefits promised under the STI or clawback benefits already paid from individual members of the executive committee if it turns out that they were based on non-compliance with accounting standards, or in the event of demonstrably unlawful acts or legal infringements by a member, provided that the respective event was not more than three years ago.

c) Long-term variable remuneration

The long-term incentive (LTI) is aimed at securing long-term success and is linked to the achievement of the defined performance criteria as well as to share price performance. The objective of the LTI is to secure a sustainable increase in the enterprise value and to align the interests of the executive committee and the shareholders.

Since fiscal year 2024, all members of the executive committee have been allocated entitlements to shares of BKW AG (performance share units or PSUs), based on an amount of 30 percent of the base fee (target value at PSU allocation date, with the share reference price corresponding to the average closing price of the share in the month prior to the HRCC meeting at which the HRCC decides on the allocation of the PSUs). These PSUs are converted into shares at the end of the assessment period, which is normally three years. However, this conversion requires that the performance criteria defined by the Human Resources & Compensation Committee are met: If the threshold values for the performance criteria are not met, the payout factor is 0 percent. If the threshold values are met, 50 percent of the allocated PSUs are con-

verted into shares. This value increases the more the targets are exceeded, but does not exceed 150 percent of the allocated PSUs.

The Human Resources & Compensation Committee has defined targets for the following performance criteria for the assessment period that began in 2025 and runs until the end of 2027:

- **Return on Capital Employed (ROCE):** This comprises earnings before interest and taxes (EBIT) less imputed taxes (=NOPLAT) divided by the average interest-bearing capital tied-up over the year.
- **Cash Conversion Rate (CCR):** Cash flow from operating activities divided by earnings before interest, taxes, depreciation, and amortization (EBITDA)
- **Relative Total Shareholder Return (TSR):** The total amount that a shareholder receives from their investment, including capital gains and dividends from a share compared to a peer group consisting of the SPI Middle Index

The targets are weighted as follows:

Weighting of the performance criteria

Return on Capital Employed (ROCE)	Cash Conversion Rate (CCR)	Relativer Total Shareholder Return (TSR)
33.33%	33.33%	33.33%

The Human Resources & Compensation Committee measures the target achievement for each performance criterion annually and determines the payout factor using a linear interpolation between the threshold specified by the committee (below which the payout factor is 0 percent) and the maximum value, at or above which maximum PSUs of 150 percent are awarded.

After the conclusion of the assessment period, it determines the average of annual target achievement across the entire period. The payout factor, on the basis of which the PSUs are converted into BKW shares, is derived from the weighted average of the target achievement and weighting of all three performance criteria and ranges between 0 and 150 percent.

If the employment relationship is terminated before the allocation date defined in the allocation document, the entitlement to an allocation of PSUs lapses regardless of who gave notice of termination or for what reason.

In the cases of retirement, disability, or termination by the employer for operational reasons, the termination of the employment relationship has no impact on the assessment period and the transfer date of the outstanding PSUs. The number of shares to be transferred is adjusted pro rata temporis, based on the duration of the full vesting period in relation to the period between the start of the vesting period and the termination date.

The shares are transferred after the end of the vesting period in accordance with the defined provisions.

In the event of termination due to a change of control or in the event of the death of an EC member, the number of outstanding PSUs is also reduced on a pro rata temporis basis. The LTI payout factor is determined for each year of the assessment period based on the performance achieved. If the termination date falls in the first year, the LTI payout factor is set at 100 percent. In the second year, the factor is calculated based on the average of the target achievement in the first year and 100 percent target achievement in the second year. In the third year, the calculation is based on the average of the target achievement in the first two years and 100 percent target achievement in the third year. The shares are transferred as soon as administratively possible after the termination date.

If an EC member terminates the employment relationship or if the employer gives notice of termination for good cause or for performance- or conduct-related reasons, all outstanding and unvested PSUs lapse without remuneration at the same time as the notice of termination.

If the employment relationship between the EC member and BKW is terminated using a termination agreement, the HRCC may also enter into other agreements with the EC member affected

that deviate from the above provisions (taking into account the requirements of Swiss law regarding the prohibition of [hidden] severance payments).

Malus and clawback clauses

As with the STI, the Human Resources & Compensation Committee can also reduce or cancel part or all of the benefits promised under the LTI or clawback benefits already paid from individual members of the executive committee if it turns out that they were based on non-compliance with accounting standards, or in the event of demonstrably unlawful acts or legal infringements by a member, provided that the respective event was not more than three years ago.

d) Social security contributions, pension benefits, and fringe benefits

Members of the executive committee are covered by the regular pension plan established for all employees. Pension benefits include the employer contributions to social insurance and the pension fund. For the members of the executive committee in Switzerland, the BKW pension fund operates a defined contribution pension plan in accordance with the provisions of the Occupational Pensions Act (BVG). The pension plan covers an annual income up to CHF 907,200 with age-dependent contribution rates (including a maximum of ten percent of the short-term variable cash remuneration) paid by the company and the employee in accordance with the rules applicable to all employees.

The executive committee members in Switzerland are entitled to a lump-sum expense allowance in accordance with the ordinary expense policy applicable to all members of management, which has been approved by the tax authorities. A company vehicle or a season ticket is provided to individual executive committee members. The private portion is charged as remuneration. Like all employees, executive committee members are also entitled to a long-service bonus in accordance with the general regulations. Apart from this, the executive committee is not entitled to any other fringe benefits.

e) Contracts

In accordance with Art. 29 of the Articles of Incorporation, contracts between BKW and members of the executive committee may only be concluded for a maximum period of one year or with a maximum notice period of twelve months.

The employment contracts of members of the executive committee comply with the requirements of the Swiss Code of Obligations. During the reporting period, all executive committee members had unlimited employment contracts with a notice period of six months. Members of the executive committee are not entitled to any contractual severance payments, special change-of-control provisions or non-competition payments.

f) Changes to the executive committee

There were no personnel changes to the executive committee in the 2025 fiscal year.

5.2 Remuneration paid in 2025

The remuneration amounts paid to the executive committee are reported in the fiscal year in which they are recognized in the financial statements (in accordance with the principles of accrual accounting). Specifically the following development of the individual remuneration components should be noted:

Short-term variable remuneration

All members of the executive committee have two targets for the short-term variable remuneration that are aligned with the entire BKW Group: operating net profit and the ESG target.

Reported net profit for the BKW Group for 2025 is CHF 387.9 million. For the purposes of calculating the short-term variable remuneration, the Human Resources & Compensation Committee adjusted this net profit by the performance of the Decommissioning and Waste Disposal Funds (net of taxes) and inorganic growth (which is not included in the target value). In addition, the committee excluded the adjustment in connection with the Wilhelmshaven coal-fired power plant. This has resulted in an adjusted net profit of CHF 441.8 million. The budgeted net profit was thus exceeded, but the maximum threshold was not reached. This results in a payout factor of 108 percent for this component.

For the ESG target, an independent sustainability rating (conducted by EthiFinance) is prepared to review and assess BKW's sustainability performance.

In the rating, the "corporate management" (9 criteria), "social aspects" (5 criteria), and "environment" (5 criteria) aspects are added together on a weighted basis and rated on a scale of 0 to 100 points. The defined target was significantly exceeded. This results in target achievement of 200 percent. The defined area targets, which are based on the respective EBIT or distribution grid costs, were not met, with an average target achievement of 73 percent.

Base fee

There were no adjustments to the base fee in 2025.

AUDITED	Target	Target achievement
	Operating net profit (at the Group level)	108%
	ESG target (at the Group level)	200%
	Average target achievement of the area targets (as per Section 5.1)	73%

On average, this results in target achievement of 114 percent for the individual executive committee members, based on the individual target achievement values and the weightings listed in Section 5.1.

AUDITED

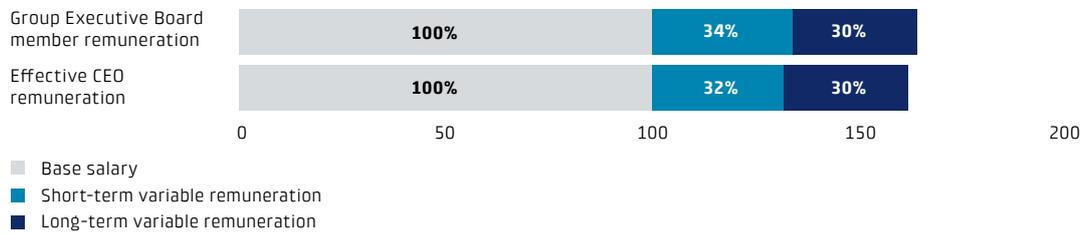
Long-term variable remuneration

The entire executive committee (including the CEO) was allocated 8,861 PSUs (2024: 9,504). The PSUs allocated in 2025 will be converted into shares in 2028, based on the target achievement under the 2025–2027 LTI plan.

Ratio of fixed to variable remuneration

In 2025, the variable remuneration of the CEO was 62 percent of the base fee paid. For the other members of the executive committee, this was 64 percent.

AUDITED



Remuneration (gross) of members of the executive committee and the highest-earning member in 2025

CHF thousands	Robert Itschner CEO 2025	Group Executive Board (including CEO) 2025
Fixed base salaries	800	4,591
Short-term variable remuneration	254	1,597
Long term variable remuneration (PSU) ¹	238	1,365
Pension contributions and additional benefits ²	227	1,274
Total	1,519	8,827

AUDITED

- 1 For the long-term variable remuneration, the PSU were evaluated according to the KPI weightings: for the TSR as market condition (to one third) using the Monte-Carlo simulation and for the ROCE and CCR (together two thirds) as performance condition at market value of March 1, less the anticipated dividend. This resulted in a fair weighted value of CHF 154.02 per PSU.
The Monte-Carlo simulation is a statistical method used to model the probability of different outcomes in a process that is not deterministic due to random variables. It is often used to quantify uncertainties and assess risks by running numerous scenarios and using random values for uncertain parameters. Probability distributions for various possible outcomes can thus be created to support sound decision-making. Pension contributions correspond to the contributions paid in the reporting year and the assumed social security contributions for the PSU.
- 2 Pension contributions correspond to the contributions paid during the reporting year and the assumed social security contributions for the PSU

Remuneration (gross) of members of the executive committee and the highest-earning member in 2024

CHF thousands	Robert Itschner CEO 2024	Group Executive Board (including CEO) 2024
Fixed base salaries	800	4,595
Short-term variable remuneration	353	1,903
Long term variable remuneration (PSU) ¹	195	1,118
Pension contributions and additional benefits ²	244	1,270
Total	1,592	8,886

AUDITED

- 1 For the long-term variable remuneration, the PSU were evaluated according to the KPI weightings: for the TSR as market condition (to one third) using the Monte-Carlo simulation and for the ROCE and CCR (together two thirds) as performance condition at market value of March 1, less the anticipated dividend. This resulted in a fair weighted value of CHF 117.65 per PSU.
- 2 Pension contributions correspond to the contributions paid during the reporting year and the assumed social security contributions for the PSU

5.3 Compliance with the maximum total remuneration for the 2025 fiscal year ratified by the general meeting⁵

In summary, the remuneration paid fully complies with the maximum total amount of CHF 11,800,000 for remuneration to the executive committee for the 2025 fiscal year approved by the 2024 General Meeting.

AUDITED

5.4 Payments to former members of the executive committee and their related parties

No remuneration was paid to former members of the executive committee during the reporting year. No remuneration was paid to parties related to the members of the executive committee.

AUDITED

5.5 Loans and credits to members of the executive committee

No loans or credits were granted to members of the executive committee or related parties during the fiscal year. No such loans or credits existed at the end of the reporting year.

AUDITED

6 Mandates of the Executive Committee in Comparable Functions in For-profit Non-Group Companies

As of December 31, 2025, members of the executive committee of BKW AG held the following mandates in comparable functions in for-profit companies outside the BKW Group:

Robert Itschner, CEO

No mandates in non-Group companies

Martin Zwysig, CFO

Companies	Activity/activities
Listed	
Belimo Holding AG, Hinwil	Vice chairman of the board of directors and chairman of the Audit Committee

Sven Behrend

Companies	Activity/activities
Listed	
–	–
Unlisted	
FGH e.V., Mannheim, Germany	Member of the board of directors

Martin Fecke

No mandates in non-Group companies

Antonin Guez

No mandates in non-Group companies

Dr. Philipp Hänggi

Companies	Activity/activities
Listed	
–	–
Unlisted (on behalf of BKW)	
Kernkraftwerk Leibstadt AG	Member of the board of directors
Kraftwerke Oberhasli AG	Member of the board of directors

Dr. Corinne Montandon

No mandates in non-Group companies

Stefan Sewckow

No mandates in non-Group companies

7 Shareholdings and Options

As of December 31, 2025, the members of the board of directors and the executive committee held the following shares in BKW AG:

Members of the Board of Directors

Number of shares		31.12.2025	31.12.2024
Roger Baillod	Chairman	7,556	6,993
Andreas Rickenbacher	Deputy Chair	1,250	1,532
Dr. Carole Ackermann	Member	2,893	2,732
Martin à Porta	Member	3,518	3,357
Prof. Dr. Petra Denk	Member	1,118	957
Linda de Winter	Member	0	n/a
Rebecca Guntern	Member	2,893	2,732
Kurt Schär	Member	518	957
Total		19,746	19,260

Members of the Group Executive Board

Number of shares		31.12.2025	31.12.2024
Robert Itzchner	CEO	2,261	2,261
Dr. Martin Zwyszig	CFO	740	740
Sven Behrend	Head of Infra Services	1,796	1,796
Martin Fecke	Head of Engineering	1,670	1,670
Antonin Guez	Head of Building Solutions	721	721
Dr. Philipp Hänggi	Head of Production	3,248	8,181
Dr. Corinne Montandon	Head of Power Grid	5,077	6,952
Stefan Sewckow	Head of Energy Markets	209	209
Total		15,722	22,530

Some shares of members of the board of directors and executive committee have a blocking period of up to three years.

As of December 31, 2025, the company's equity consumption (burn rate) amounted to 0.245 percent (2024: 0.307 percent). This is defined as the number of shares allocated by all BKW profit-sharing programs in 2025 divided by the total number of shares outstanding. In 2025, 129,457 shares were allocated across the entire BKW Group (2024: 162,085).

Report of the Statutory Auditor on the audit of the Remuneration Report



Report of the statutory auditor to the General Meeting of BKW AG, Bern

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of BKW AG (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on pages 309 to 313 and 318 to 322 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 309 to 313 and 318 to 322) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PricewaterhouseCoopers AG

Thomas Wallmer
Licensed audit expert
Auditor in charge

Matthias Zimny
Licensed audit expert

Bern, 9 March 2026

Imprint

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The expectations and forecasts expressed in this report are based on assumptions and are subject to risks and uncertainties. The actual results may differ from the expectations and forecasts expressed in this report. This report is published in German, French, and English. The German text is the authoritative version.

Imprint

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