

BKW GROUP

Annual Report 2024



We create spaces for life.

 **BKW**

Our contribution

Sustainability is part of our corporate DNA. 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

Margarita Aleksieva, Head of Wind and Solar, BKW Energy Production, at the Castellaneta wind farm, Puglia, Italy. Commissioned in 2024 in southern Italy, this is BKW's eleventh wind farm.

Table of Contents

4	Sustainability as a Core Element of the "Solutions 2030" Strategy
---	--

6	At a Glance: Sustainability at BKW
---	------------------------------------

7	General information
8	Basis for preparation
9	Sustainability governance
12	Strategy
24	Impact, risk and opportunity management

27	Environmental information
28	EU Taxonomy – progress with the conceptual work
30	Climate change and energy transition
48	Water use
52	Biodiversity and ecosystems
58	Resource use and circular economy

63	Social Information
64	Employees
74	Customers (focus topic data protection)

79	Governance information
80	Responsible business practices

89	Company-specific Sustainability Matters
90	Security of energy supply
94	Emergency preparedness

101	Appendix
102	Implementation of unbundling at BKW – for fair competition
107	Waste balance
108	ESRS Index
112	TCFD Index
113	Sustainable Development Goals

115	Imprint
-----	---------

INTRODUCTION

Sustainability as a core element of the “Solutions 2030” strategy

BKW has set itself ambitious sustainability-related goals as part of its “Solutions 2030” strategy. With our commitment to sustainability, we take responsibility for the environment and society. At the same time, this results in long-term growth opportunities that make BKW attractive for investors, customers and employees.

Dear readers,

With the new “Solutions 2030” strategy, we have laid a further foundation for BKW’s future success. Sustainability is a core element of this strategy. We are pursuing our sustainability-related goals and helping to shape a more sustainable future on four fronts - climate, energy, nature and people - and strong governance.

To make its contribution to climate change mitigation, BKW wants to reduce its emissions to net zero as a Group. BKW is aiming for net-zero emissions in Scope 1 and 2 by 2040 and plans to halve greenhouse gas intensity by 2030 compared to 2022. To achieve this ambitious goal, we are looking into phasing out coal early, focusing on expanding renewable energy production and electrifying our fleet of over 3,500 vehicles by 2030.

Today, over 75% of our installed output already comes from renewable sources - a proportion that we will continue to increase. All this with

the aim of making a more active contribution to the protection and preservation of natural ecosystems and the promotion of biodiversity. True to our guiding principle: We create spaces for life.

Our efforts would not be possible without our more than 12,000 employees. They contribute to the energy transition and also make a significant contribution to a forward-looking and collaborative work environment. We are driven by sustainability and, as a responsible employer, we focus on a culture of appreciation, continuous employee development, diversity and high standards in occupational health and safety.

Kind regards



Roger Bailod
Chair of the Board of Directors

WE SUPPORT



More information at:
globalcompact.ch



“For BKW, sustainability not only means taking responsibility, but also seeing new developments as an opportunity to strengthen its long-term competitiveness.”

At a glance: Sustainability at BKW

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

On the climate front, BKW is aiming for net-zero emissions in Scope 1 and 2 as a Group by 2040 and halving greenhouse gas 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.

On the energy front, BKW is focusing on investments in renewable and efficient energy infra-

structures. It aims to increase the installed capacity from renewable energies from 2.7 GW in 2024 to 3.4 GW by 2030.

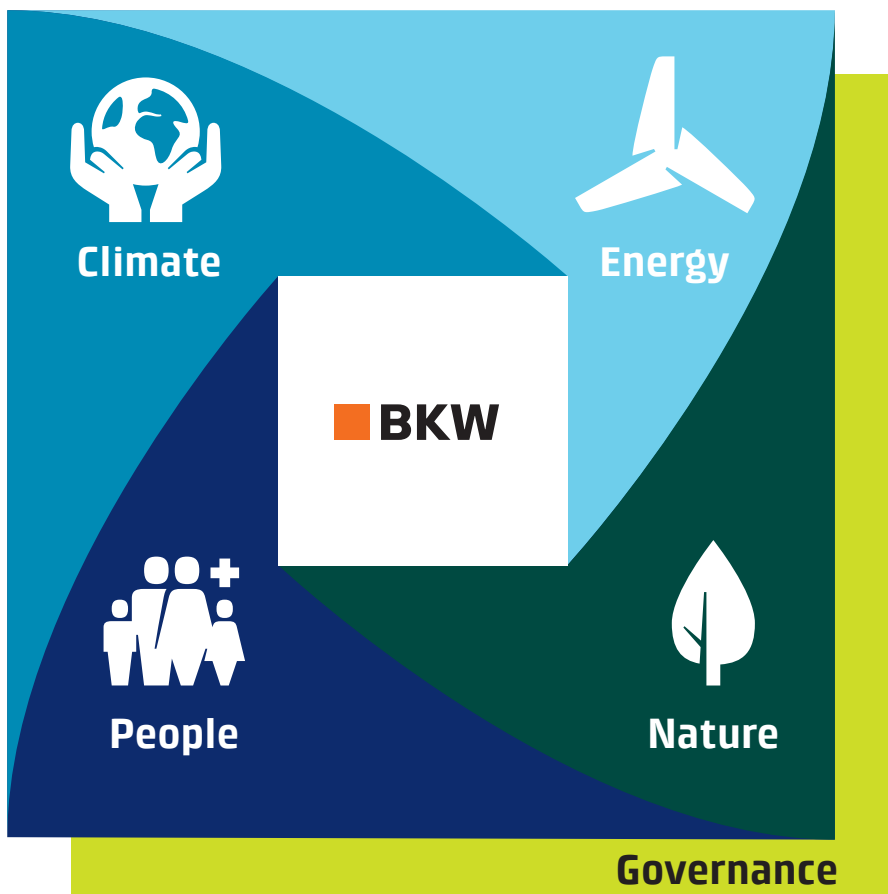
On the nature front, BKW aims to strengthen its commitment to natural ecosystems and biodiversity, including through increasingly nature-oriented management of its land.

Ultimately, the people front stands for the importance of BKW stakeholders. The over 12,000 employees are BKW's greatest asset, and their health and safety is the top priority. BKW therefore invests in occupational safety, attractive development opportunities, appreciative leadership, equal opportunity and flexibility.

More information at:

bkw.ch/sustainability

Sustainability framework



General information

"Roots" wooden high-rise in Hamburg

Fynn Rösch, Project Manager at Assmann Beraten + Planen, BKW Engineering in conversation with a flat owner.

CONTENTS

- 8 Basis for preparation
- 9 Sustainability governance
- 12 Strategy
- 24 Impact, risk and opportunity management

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 of January 1, 2024, to December 31, 2024.

BKW's sustainability reporting meets the requirements of the Swiss Code of Obligations and complies with the new requirements of the Ordinance on Climate Disclosures.

With regard to content and structure, the report is already based on the European Sustainability Reporting Standards (ESRS), to which BKW will be subject in the future (see chart below). As a reading aid, the report refers to the respective disclosure requirements of the ESRS, even if these have not yet been fully implemented in individual cases as of the end of 2024. A complete list of the reported ESRS disclosure requirements can be found in the Appendix starting on page 108.

The contents of the sustainability report are based on a double materiality analysis, which was carried out in 2024 in accordance with the requirements of the ESRS and the currently available implementation aids. The analysis included the entire BKW

value added as well as the upstream and downstream value chain. Where material, the impacts, risks and opportunities in the value chain are discussed in the respective chapters.

Certain disclosures in the sustainability report are subject to significant uncertainties with respect to outcomes. This applies in particular to forward-looking statements (e.g., in relation to climate scenarios) and quantifications of greenhouse gas (GHG) emissions. These 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 chain. BKW is working continually to reduce measurement uncertainties.

BKW aims to prepare the 2025 Annual Report in accordance with the ESRS and to have the relevant content reviewed externally. This will exempt all BKW Group companies in EU Member States from their individual reporting requirements.

BKW is committed to the ten principles of the UN Global Compact and, as a participant, regularly publishes its annual progress report on the initiative's website.

ESRS standards applied by BKW and company-specific information

General Standards

ESRS 1 General requirements	ESRS 2 General disclosures
---------------------------------------	--------------------------------------

Topical Standards

Environmental	Social	Governance
ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS E2 Pollution	ESRS S2 Workers in the value chain	
ESRS E3 Water and marine resources	ESRS S3 Affected communities	
ESRS E4 Biodiversity and ecosystems	ESRS S4 Consumers and end-users	
ESRS E5 Resource use and circular economy		

Company-specific information

Security of energy supply	Emergency preparedness
----------------------------------	-------------------------------

■ Covered in the sustainability report
 ■ Not covered in the sustainability report (not material)

Sustainability governance

ESRS 2 GOV-1

SUSTAINABILITY MANAGEMENT AT BKW

The Board of Directors bears ultimate responsibility for BKW's sustainability impacts, risks and opportunities and approves the sustainability-related goals and the annual sustainability report.

The Group Executive Board is responsible for the development and implementation of sustainability-related goals and, as an overall body, makes strategic decisions on the management of sustainability-related impacts, risks and opportunities for the entire BKW Group. The members of the Group Executive Board are also responsible for implementing the sustainability requirements, goals and targets in their respective business areas.¹ As part of the Corporate Development

Group function, the Sustainability Management office supports the organization in Group-wide sustainability management. As a staff unit of the CEO, Sustainability Management coordinates BKW's sustainability activities, ensures their coherence with the corporate strategy and advises the Board of Directors and Group Executive Board.

The various Group functions or business areas are responsible for dealing with the impacts, risks and opportunities depending on the topic. They report to the Group Executive Board in accordance with their reporting lines (see the relevant section of the sustainability report).

¹ Further information on the composition, independence and competences of the Board of Directors and Group Executive Board can be found in the Corporate Governance Report from page 271 onwards

ESRS 2 GOV-2**SUSTAINABILITY TOPICS AT THE BOARD OF DIRECTORS AND GROUP EXECUTIVE BOARD LEVEL**

In 2024, the Board of Directors and Group Executive Board continued to address a wide range of sustainability topics. In addition, the members of the Group Executive Board completed further training on sustainability with an external partner, which covered, among other things, regula-

tory principles, foreseeable developments and the strategic relevance of sustainability governance.

The Board of Directors and Group Executive Board addressed the following sustainability topics in 2024 (not exhaustive):

Topics dealt with in Group committees

	Board of Directors	Audit and Risk Management Committee	Group Executive Board
Sustainability Report 2023	●	●	●
Integrity Report 2023	●	●	●
"Solutions 2030" corporate strategy with sustainability-related goals ²	●		●
Transition plan related to climate change mitigation	●		●
Compliance Program	●	●	●
Internal/external compliance investigations and actions	●	●	●
Corporate policies concept	●		●
Climate and environmental policy and human rights policy	●		●
Group risk report	●	●	●
Corporate Sustainability Reporting Directive (CSRD) Audit Readiness	●	●	
ESG regulatory requirements		●	
Corporate goal for sustainability performance	●		●
Monthly compliance update			●
Monthly occupational safety update			●

ESRS 2 GOV-3**SUSTAINABILITY-RELATED COMPONENTS OF REMUNERATION**

In the 2024 fiscal year, BKW included an assessment of its progress in the area of sustainability in its incentive and remuneration system for the first time. The relative improvement in sustainability performance compared to the previous year was assessed based on an external sustainability rating. The rating assesses corporate governance (40%), social aspects (30%) and the environment (30%) and compares these areas with a baseline measurement carried out in 2023. 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 Group Executive Board, the achievement of sustainability-related goals determines 20% of the short-term incentive remuneration. The targeted relative improvement is determined by the Personnel and Remuneration Committee (PRC) at the beginning of the year and assessed at the end of the year on the basis of the

² Incl. material sustainability topics

external rating. Further information on the remuneration of the Group Executive Board can be found on page 304 of the Annual Report (Remuneration Report).

In addition to the members of the Group Executive Board, sustainability performance influences 25%

of the variable remuneration component for senior management and 50% of the performance bonus for other employees of BKW Energie AG and BKW Management AG³. Some of the BKW companies in the Infrastructure & Buildings business segment have defined their own sustainability-related goals, or are planning to do so in the future.

ESRS 2 GOV-4

STATEMENT ON DUE DILIGENCE

The BKW Group Executive Board is aware of its responsibility for the health and safety of its employees and customers as well as compliance with international employment standards and human rights along its value chain. BKW is also committed to 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 as follows: The due dili-

gence and reporting obligations regarding conflict minerals and metals do not apply to BKW, as BKW neither imports nor processes conflict minerals and metals. With regard to child labor in BKW's own business activities, there are no reasonable grounds to suspect that BKW companies would be in breach of applicable regulations. However, certain categories of goods in BKW's upstream supply chain may contain raw materials with a potential risk with regard to child labor in the supply chain. 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 83 to 86.

ESRS 2 GOV-5

RISK MANAGEMENT OF SUSTAINABILITY TOPICS

In 2024, BKW continued to drive forward the consideration 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 and Risk Management Committee (ARMC)⁴ and the Group Executive Board since 2023. Since 2024, Risk Management has had the mandate to fully integrate sustainability topics into the risk management framework. Further information on Group risk management can be found on page 286 of the Annual Report.

In order to meet the requirements of the Swiss Ordinance on Climate Disclosures, BKW analyzed its climate-related risks and opportunities in

depth in 2024. To this end, BKW examined a selected portfolio of assets in relation to three different climate scenarios. Further information on the procedure and the findings can be found in the Climate Change Mitigation section on pages 32 to 36.

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 in the business conduct section on pages 83 to 86.

³ Incl. subsidiaries. The higher the management level, the more important sustainability becomes because a larger proportion of total remuneration is variable.

⁴ For responsibilities of the ARMC, see the Corporate Governance report on page 281

Policy

ESRS 2 SBM-1

POLICY, BUSINESS MODEL AND VALUE CHAIN

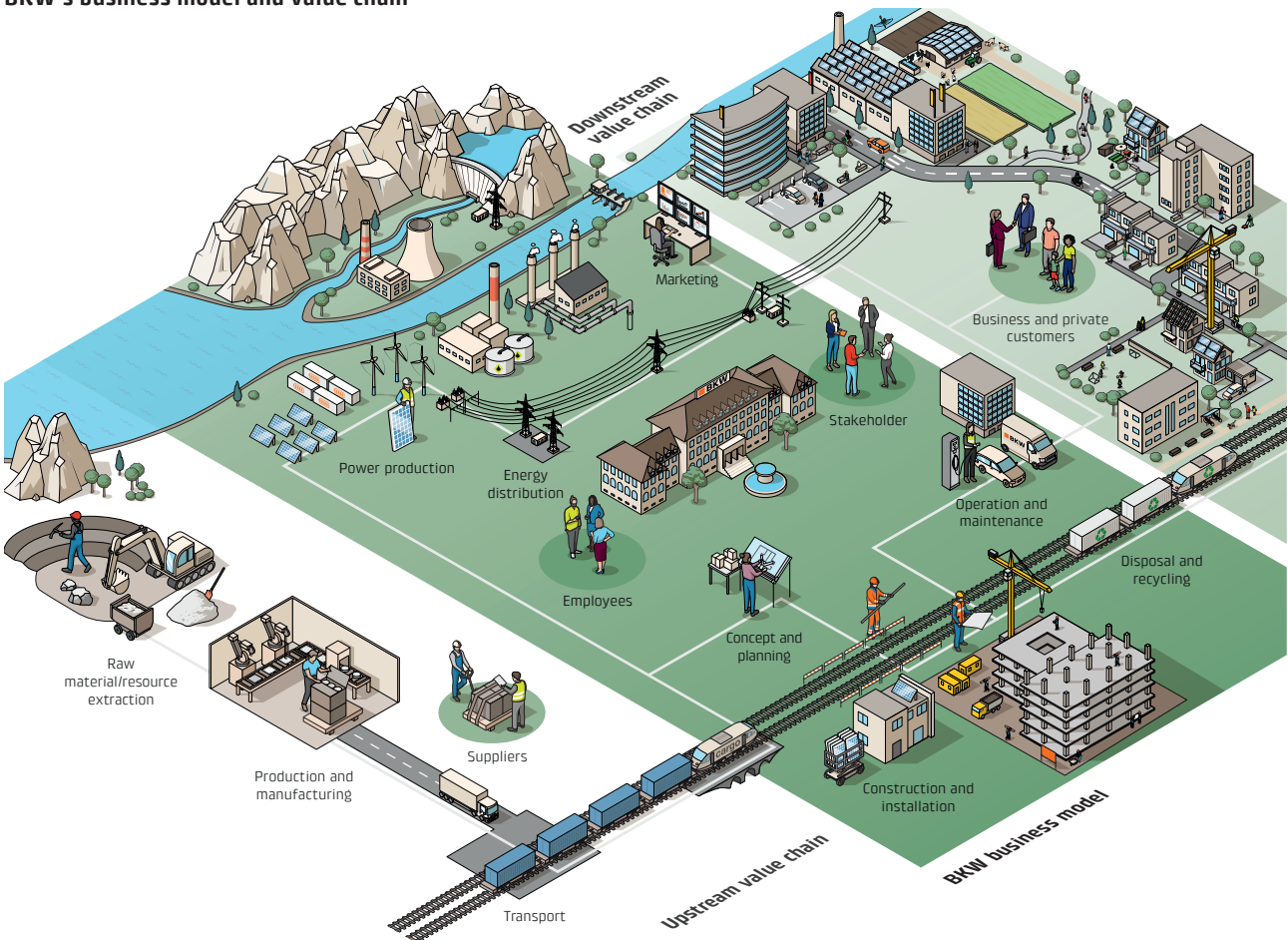
BKW is a leading Swiss energy and infrastructure company with over 12,000 employees and operations in 12 countries.⁵ It has a broad portfolio of products and services in the Energy Solutions, Power Grid and Infrastructure & Buildings business segments. It serves a wide range of customer groups, including private households, companies and public institutions.

BKW's business model comprises the generation, marketing and distribution of energy as well as the planning, realization and maintenance of infrastructure and buildings (see also Annual Report page 17). BKW's activities are part of a value chain that extends from the extraction of resources by suppliers to customers and ultimately

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

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 new strategy (see also information on the corporate strategy on page 16). As part of the double materiality analysis (see also pages 24 to 25), BKW has analyzed its sustainability-related impacts, risks and opportunities along the entire value chain and

BKW's business model and value chain

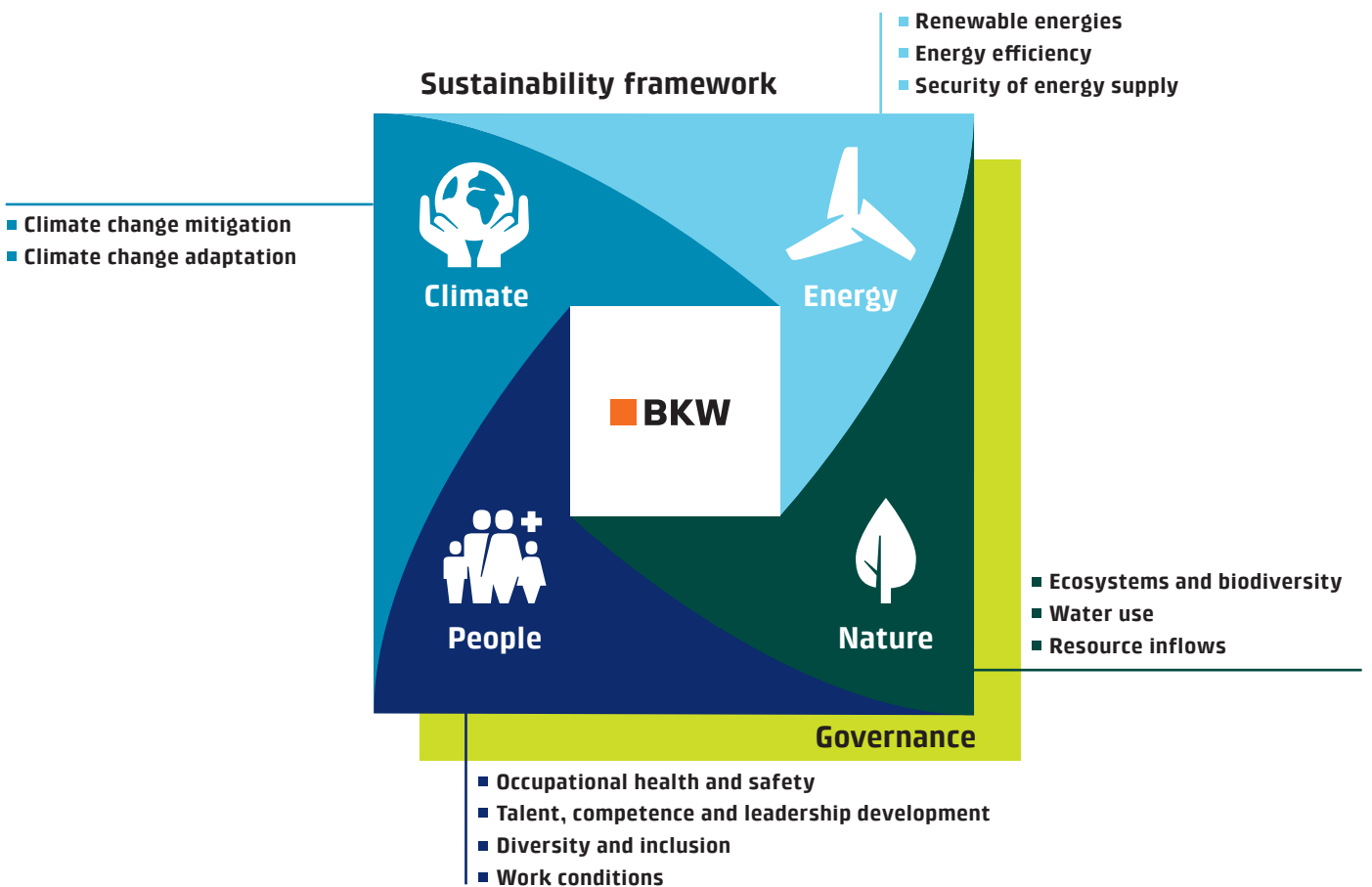


⁵ Switzerland, Germany, France, Italy, Croatia, Norway, Austria, Romania, Sweden, Singapore, Spain, Vietnam

updated its sustainability framework on this basis. This sustainability framework consists of four strategic fronts and takes into account BKW's key sustainability matters (see also below). BKW has defined strategic objectives for all four thrusts, which will be pursued during implementation of the new corporate strategy.⁶ A strong governance foundation 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 will press ahead with the planning and implementation of actions in all areas of the sustainability framework. For topics that are being considered at Group level for the first time in the 2024 materiality analysis, the basic principles are being developed and based on those principles, implementation planning has started with actions, responsibilities and clarification of resource requirements.



Other material topics:

Data protection | Emergency preparedness | Relationships with suppliers

⁶ See page 113 for the contribution from these thrusts to the Sustainability Development Goals (SDG) of the 2030 Agenda

Sustainability framework – overview of the status of goal achievement

Strategic thrust	Material topics	Strategic targets	As of: 12/31/2024
Climate	Climate change mitigation	Scope 1 and 2 reduction to net zero by 2040, Scope 3 by 2050	Being implemented
		Reduce Scope 1 and 2 greenhouse gas intensity (in tCO ₂ /kWh) by at least 50% by 2030 compared to 2022	-33%
	Climate change adaptation	Climate-related risks will be assessed for all new strategically relevant projects from 2025 onwards	To be started (new target)
Energy	Renewable energies	Expansion to 1.5 GW of wind and PV capacity by 2030	935 MW (2023: 893 MW)
		Targeted installed capacity from renewable energy (hydro, wind, solar, biomass) of 3.4 GW by 2030	2.7 GW (2023: 2.6 GW)
		Expansion of storage capacity 500 MW battery capacity by 2030 to accelerate the integration of renewable energies	0 MW
	Energy efficiency	Increase in energy efficiency (MWh/MA) within BKW by 15% by 2030 compared to 2022, excl. Energy for electricity and heat production	+0.2%
	Security of energy supply	We are maintaining the high availability level of the 2024 base year to 2030 in our distribution grid. We are investing more than CHF 1 billion (CAPEX) in grid expansion by 2030 to enable the energy transition and maintain the distribution grid.	Being implemented To be started (new target)
Nature	Ecosystems and biodiversity ⁷	Negative impacts of our own ⁸ energy and infrastructure projects on biodiversity are reduced beyond the statutory requirements and BKW is aiming for a "net positive impact" ⁹ when implementing projects from 2030 onwards.	To be started (new target)
		Increasingly near-natural management of land owned and managed by BKW (influenced in the longer term)	To be started (new target)
	Water use	Create a data basis for water use and water efficiency at all locations by 2026	To be started (new target)
	Resource inflows	Establishment of Environmental Product Declarations (EPDs) ¹⁰ as a procurement criterion in all five risk areas defined by Procurement Services (photovoltaics, wind, large-scale batteries, power grids and hydro) by 2027	To be started (new target)
By 2028, the life cycle costs will provide a structured basis for decision-making for asset management to optimize the service life (in terms of new construction, replacement and repair) of photovoltaics, wind, large-scale batteries, power grids and hydro.		To be started (new target)	

7 Combination of the material topics "Biodiversity loss due to land and freshwater use changes" and "Impacts on the extent and condition of ecosystems"

8 Group company facilities

9 Net Positive Impact (NPI) is an objective in which the impacts on biodiversity are balanced and outweighed by actions to avoid and reduce these impacts and actions to restore the affected species/landscapes

10 Standardized, objective environmental assessment of products

Strategic thrust	Material topics	Strategic targets	As of: 12/31/2024
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."	Being implemented
		Avoidance of serious accidents at work and no work-related fatalities.	Being implemented
	Talent, competence and leadership development	Targets being developed	-
	Diversity and inclusion	Targets being developed	-
	Work conditions	Targets being developed	-
Other material topics	Data protection	BKW will have a uniform, standardized and Group-wide privacy information management system in place by 2028.	Being implemented
	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.	24% (launched in 2024)
		Responsible purchasing practices, including due diligence procedures, will be standardized across the Group by 2025 through a robust set of rules and implemented in all purchasing organizations from 2026.	Zu starten (neues Ziel)
Emergency preparedness	Annual cybersecurity training and campaigns implemented and continually developed for all employees	Being implemented	

ESRS 2 SBM-2

STAKEHOLDER MANAGEMENT

BKW builds respectful, appreciative relationships based on mutual trust with its internal and external stakeholders. BKW relies on long-term partnerships: Among other things, BKW is a participant in the UN Global Compact and 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 81).

For employees, BKW continued to use the dialog forums that have existed for many years in 2024. As part of the 2024 materiality analysis, selected

employees from all business areas and various Group functions were asked about their assessment of BKW's impacts, risks and opportunities on a wide range of sustainability matters (see also pages 24 to 25).

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 the impact of BKW on various sustainability matters (see also pages 24 to 25).

Interactions with stakeholders

Stakeholder	Main interactions (not exhaustive)	Purpose
Employees	Digital communication channels Employee discussions Brochures and magazines Events and topic-specific roadshows	Transparent, proactive information for employees about BKW's activities and other relevant information
Customers	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	Establishment and further development of customer relationships (customer loyalty) Knowledge transfer Mandatory communications Image cultivation
Suppliers	Regular supplier discussions	Trusting business relationship Ensuring sustainability requirements
Shareholders, investors and analysts	General Meeting Analyst and media presentations Capital Markets Day Road shows Investor conferences Investor and analyst meetings	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
Associations	Memberships Board meetings Working group meetings Specialist departments Issue-focused exchange	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	Newsletter (quarterly) Regular exchange on specific topics Working groups Opinions on amendments to laws and ordinances Ad hoc exchange	Representation of interests Exchange of expertise Compliance with statutory disclosure requirements Communicating BKW's expertise on political and regulatory topics, maintaining ongoing dialog
Non-governmental organizations	Issue-focused information exchange, such as for project proposals	Early identification of project risks and finding solutions in partnership
Local environment (such as municipalities)	Issue-focused information exchange and events, municipal mayoral events (annual), Journée des Maires in Jura (annual)	Maintain continuous dialog with the municipalities, explain BKW's positions on political issues
General public, media	Media relations (media releases, media events, inquiries) Social media Presentation of the company at events Specialist presentations Website	Transparent and proactive information for the media and the public about BKW's activities.

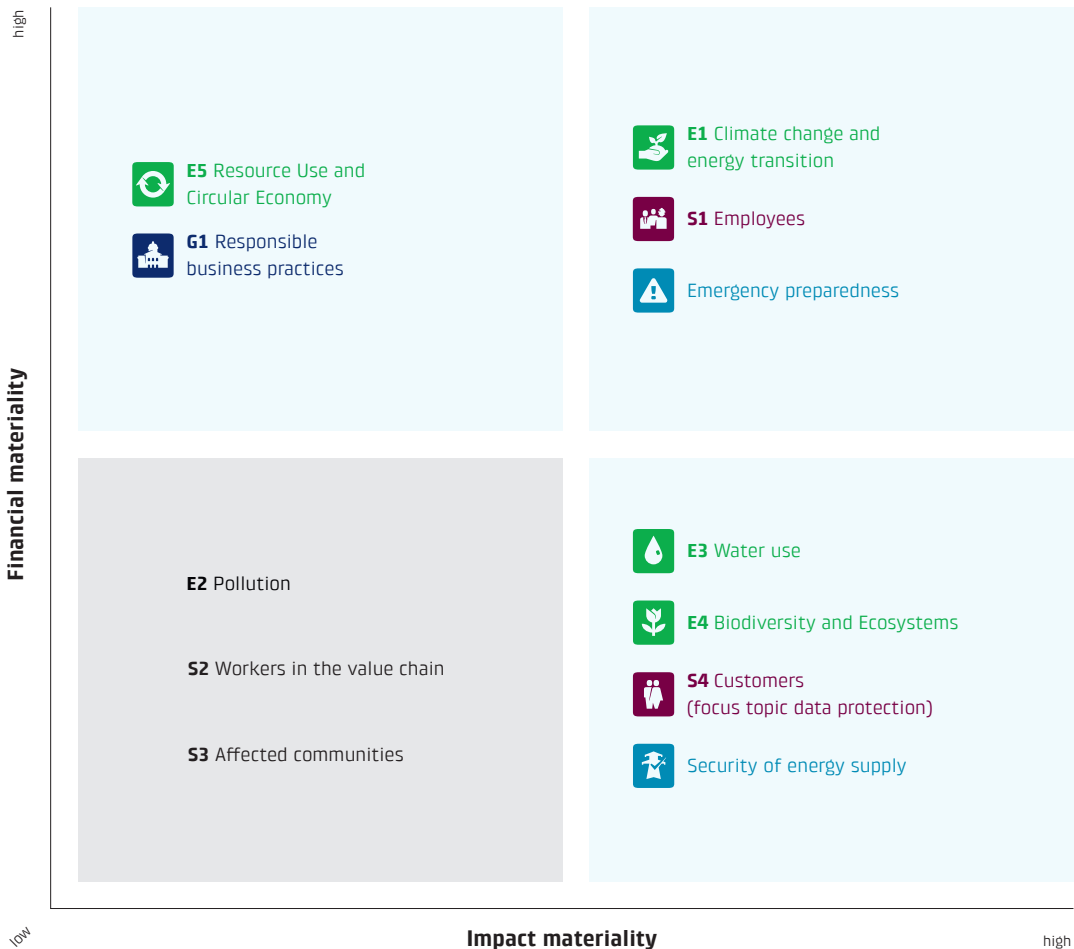
ESRS 2 SBM-3

MATERIAL SUSTAINABILITY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

In 2024, BKW renewed its double materiality analysis in accordance with ESRS (see pages 24 to 25 for the procedure). Impacts, risks and opportunities were assessed as material in 17 sustainability topics relating to seven of the ten ESRS topic standards (see materiality matrix below)¹¹. BKW thus applies these seven ESRS topic standards and reports on the sustainability topics that are material to them.

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



¹¹ The topics of emergency preparedness and reliability of supply were also included as company-specific topics. Information on this is reported in separate sections (from page 89).



ESRS E1

Climate change mitigation and energy transition

Topic	Impacts	Risks	Opportunities
Climate change mitigation Reducing GHG emissions in step with Swiss climate targets	<ul style="list-style-type: none"> – Greenhouse gas emissions from energy production from coal, gas and wood – Greenhouse gas emissions from commercial vehicles – Greenhouse gas 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
Climate change adaptation The ability to adapt the business model to climate change and to developments or uncertainties related to climate change.	<ul style="list-style-type: none"> – Solutions in the areas of flood protection, provisions for heavy rainfall 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
Renewable energies Expansion of renewable energy production (water, wind, solar, biomass)	<ul style="list-style-type: none"> – Planning, operation and expansion of power plants for electricity from renewable energies – Expansion of decentralized renewable energy production at 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 greenhouse gas intensity of own energy production – Technological progress in distribution grid expansion, e.g., smart grid
Energy efficiency Increasing energy efficiency in the company's overall energy use and offering efficiency services relating to buildings and infrastructure to third parties.	<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 for own business activities



ESRS E3

Water use

Topic	Impacts	Risks	Opportunities
Water use Use of water that is dammed or extracted for energy generation or cooling, and after use, released back into the environment clean	<ul style="list-style-type: none"> – Water damming and withdrawal 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 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, etc.</p>	<ul style="list-style-type: none"> – Land use changes due to the construction of power plants and grid systems – Changes in water use due to the construction of hydropower plants – Land required for the construction of own sites such as warehouses – Land requirements 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 called for
<p>Impacts on the extent and condition of ecosystems 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 infrastructure – 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 – Reputation increase with high biodiversity standards



ESRS E5

Resource use and circular economy

Topic	Impacts	Risks	Opportunities
<p>Resource inflows 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"> – Resources required for the construction and operation of power plants and power grids – Resources required in the service 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 use of resources and purchase of secondary raw materials as well as switch to less critical resources – Market advantages through the establishment of a circular economy



ESRS S1 Employees

Topic	Impacts	Risks	Opportunities
<p>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 and 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 actions) 	<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 an improved 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 employee satisfaction – Increasing labor market participation
<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 program – Targeted management development – Establishment of a learning culture 	<ul style="list-style-type: none"> – Reduction in employee qualification – Reduced productivity and innovative ability – Reduced competitiveness 	<ul style="list-style-type: none"> – Increased employer attractiveness – Increased adaptability and future viability – Increased employee loyalty

Topic	Impacts	Risks	Opportunities
<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 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 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"> - Increased 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 in-depth supplier relationships

Company-specific sustainability matters

Topic	Impacts	Risks	Opportunities
<p>Security of energy 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 level and forward-looking planning – Energy transition 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 trust if critical supply structures fail – Insufficient responsiveness – Costs due to bad investments in the use of new technologies – Customer losses in the event of unsecure digital products 	<ul style="list-style-type: none"> – Business potential through 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

The double materiality analysis to identify and assess the material impacts, risks and opportunities was conducted in 2024 in accordance with 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 is the basis of the dual materiality analysis (see page 12). 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. This analysis included technical expertise from all BKW's business areas and all affected Group functions¹².

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. BKW assessed these sustainability matters along the two materiality dimensions (impact materiality 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 following six categories 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 stake-

holders 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 assess the impacts, all stakeholders were given the opportunity to provide their assessment of the strength of the impacts of the sustainability topics on the 56 sustainability matters using an online questionnaire. This assessment was made up in equal parts of the dimensions specified in ESRS (extent, prevalence, reversibility). These were each rated on a four-point scale. To simplify the survey, the probability of occurrence of the impact 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 Sustainability Management in consultation with the Group Executive Board in such a way that sustainability matters with a rather high to very high impact for BKW are material.

Financial materiality

Internal experts from the Group 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 qualitative 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.

The materiality threshold was defined by Sustainability Management with the involvement of Risk Management such that sustainability mat-

¹² Corporate Development incl. Sustainability Management, Group Finance incl. Risk Management, Human Resources, Occupational Safety, Group Communications, Group Compliance, Legal Services, Procurement Services, Group Security

ters with rather high to very high financial risks and opportunities for BKW are material.

Stakeholder and management review

The materiality analysis identified a total of 15 material sustainability matters, four of which are material in both dimensions examined (climate change mitigation, renewable energy production, occupational health and safety, emergency preparedness). The results were presented to various Group functions, in particular Risk

Management, Procurement Services and Human Resources, for validation in relation to their strategic priorities. 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 with 17 material sustainability matters was approved by the Group Executive Board and the Board of Directors.

Environmental information

Schattenhalb solar test facility
Patrick Nussbaum setting up
and assembling a solar panel for
BKW Energy Production.

CONTENTS

- 28 EU Taxonomy - progress with the conceptual work
- 30 Climate change and energy transition
- 48 Water use
- 52 Biodiversity and ecosystems
- 58 Resource use and circular economy

EU Taxonomy - progress with the conceptual work

In 2024 BKW intensified with its work on reporting its environmentally sustainable economic activities (implementation of the EU taxonomy). It plans to apply the EU Taxonomy Regulation (Regulation (EU) 2020/852 - Taxonomy Regulation) for the first time in the 2025 Annual Report. This classification system distinguishes between "taxonomy-eligible" and "taxonomy-aligned" economic activities: Taxonomy-eligible economic activities are those that can in principle be assigned to an economic activity ("eligibility"). Taxonomy-aligned activities are the share of eligible activities that fulfill the associated criteria (see below) ("alignment").

In future, BKW will report the taxonomy-eligible and taxonomy-aligned share of identified economic activity for the taxonomy indicators of revenue, operating expenses and investments. To this end, it identified its taxonomy-eligible economic activities in 2024 and implemented processes and analyses to check taxonomy alignment.

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. For these identified economic

activities, BKW has launched extensive analyses of taxonomy alignment and set up processes in the various business segments to continuously evaluate and review the criteria. EU Directive 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.

In 2025, BKW will continue the analyses with a particular focus on climate scenario analyses ("do no significant harm" test) and minimum safeguards. It will also roll out the process for consolidating taxonomy figures across the Group in order to satisfy its reporting obligations applicable as of the 2025 fiscal year.

Taxonomy-eligible economic activities of the BKW Group

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 result in or enable 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 in parking lots belonging to buildings)
E01 Climate change mitigation	7.5.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to 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.	Computer programming, consultancy and related activities
E02 Climate change adaptation	14.2.	Flood risk prevention and protection infrastructures

ESRS E1

Climate change and energy transition



As an energy and infrastructure service provider, BKW is helping to implement the energy transition and is thus making an important contribution to combating climate change and its impacts. BKW is promoting the expansion of renewable energies and is considering the early phase-out of coal-fired power generation. It also offers a wide range of sustainable, energy-efficient products and services in the Infrastructure & Buildings business segment. BKW also takes its responsibility seriously when it comes to increasing its own energy efficiency, reducing its greenhouse gas emissions and adapting to the consequences of climate change. It has sharpened its ambitions in these areas in 2024, demonstrating its willingness to change and contribute to a climate-neutral society.

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. In doing so, it is reducing its risks and exploiting the opportunities that arise in the transition to a low-carbon economy.

BKW is reducing its own emissions Group-wide in Scopes 1 and 2 to net zero by 2040. To achieve this, it will reduce its greenhouse gas (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 will achieve net zero by 2050. BKW thus fulfills the requirements of the Swiss Ordinance on Climate Disclosure to present a transition plan comparable with the Swiss climate targets. In the coming years, BKW will consider having its reduction path certified externally for its coherence with limiting global warming to 1.5°C in accordance with the Paris Agreement (e.g., SBTi). For the time being, however, the focus is on achieving the targets already set and on improving 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 884 kilotonnes of Scope 1 and 2 emissions in 2024, 97% came from investments in power plants in Germany and Italy that run on fossil fuels. In addition, the combustion of fossil fuels in the operation of our own vehicles and properties are the main relevant sources of emissions. BKW has therefore defined the following three 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 companies by 2030

The transition plan for climate change mitigation was approved by the Group Executive Board and Board of Directors of BKW in the fall of 2024 and is a key component of the new "Solutions 2030" corporate strategy. Additional information on the risks, opportunities, actions and objectives that form part of the transition plan can be found on pages 32–41.

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 underlying the analy-

sis are naturally subject to considerable uncertainty. The data basis will be refined in 2025 by Group Risk Management and the relevant business areas in order to achieve more precise results in the future, make necessary adjustments and investigate additional potential impacts. 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 is focused are displayed in the table on the right.

Key findings from the climate scenario analysis

Low emissions scenario (RCP 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 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 34.

Medium emissions scenario (RCP 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, in particular 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 (RCP 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 35 to 36

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 of 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)</p> <p>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 these 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 wall against coastal flooding for the Wilhelmshaven coal-fired power plant. Locations hardly susceptible to extreme weather events.</p>
Hydropower	<p>Glacier melt (chronic)</p> <p>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 others: 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 rockfall</p>	<p>Hazard zones in which the assets are located are expected to increase significantly by 2050.</p>	<p>Among others: Seepage pits, protective walls on steep slopes, increasing the height of substations.</p>

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 higher requirements (e.g., standards) for energy-efficient infrastructure. As a result, customers are potentially more reluctant to make decisions on new, expansion or maintenance actions 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 imponderables in terms of feasibility.	Medium- and long-term
Policies and legislation	Potentially declining profitability of BKW's fossil fuel power plant investments due to stricter emissions regulations and rising CO ₂ prices.	Medium- and long-term
	An increase in the carbon tax on fossil fuels can lead to additional costs for operational activities, e.g., for fossil-fueled vehicles.	Short- and medium-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	Assessment	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. Leads to growth in new profitable business segments, e.g., e-mobility and battery storage.	Short- and medium-term
Policies 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

¹⁵ Short-term: 1 to 4 years, medium-term: 5 to 10 years, long-term: > 10 years

Impacts, Risks and Opportunities Management

ESRS 2 IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS THE MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

BKW prepares an annual GHG balance to identify and assess the climate-related impacts. It is based on the Greenhouse Gas Protocol. See pages 45 to 47 for additional information.

BKW carried out a forward-looking 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. In doing so, it has followed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and thus fulfills the requirements of the Swiss Ordinance on Climate Disclosure.

The climate scenario analysis considers various risk categories. The analysis includes 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 grid 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, the price forecast models were expanded to include potential CO₂ certificate prices under different scenarios. In addition, other factors that drive material transition risks, such as risks related to political decisions relating to fossil energy technologies, have already been included in the Group risk management portfolio and will continue to be taken into account.

Opportunities arising from climate change are continuously analyzed from the perspective of the business units and their strategic processes.

To assess the impacts, three emission scenarios were modeled based on the "Representative Concentration Pathways" (RCP) used by the Intergovernmental Panel on Climate Change (IPCC). These scenarios help to assess different developments in GHG emissions and their potential impacts on energy infrastructure.

Examined GHG scenarios

Low emissions scenario (RCP 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.

Moderate emissions scenario (RCP 4.5)

The moderate 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 (RCP 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.

The methodological approach and findings from the climate scenario analysis will be further developed by Group Risk Management in 2025. This ensures that the potential financial impacts in subsequent years can be presented as accurately as possible. Furthermore, climate-related risks and opportunities will be taken into account when making relevant investment decisions or developing corporate and business strategies. By extending the climate risk analysis to other locations and business activities, all three of BKW's business segments will be 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 assume their responsibility toward 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 Group Executive Board and approved by the Board of Directors. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. They are supported by Sustainability Management 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 40–41). 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 also has investment in two gas-fired and 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 gas-fired and combined-cycle power plants to gradually reduce GHG emissions during production, for example by replacing 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 storage after the combustion process. BKW is constantly reviewing the use of new options and technologies.

Expansion of renewable energy production

BKW continues to resolutely press ahead with the expansion of renewable energies.

In 2024, the following power plants were in the planning or construction stage:

Photovoltaics:

- Two solar farms in Genzano di Lucania and Tuscania, Italy (under development)
- Open-space solar plant BelpmoosSolar, Canton of Bern (in planning)
- Two alpine solar projects, Canton of Bern (in planning)

Wind power:

- Two wind farms in Cerignola, Italy (in planning)
- Tramelan wind farm, Canton of Bern (permission granted)
- Jeanbrenin wind farm, Canton of Bern (undergoing an objection procedure)

Hydropower:

- Sousbach small hydropower plant, Canton of Bern (under construction)
- Turbach small hydropower plant, Canton of Bern (concession and building permit available)
- Trift power plant, Canton of Bern (Oberhasli power plants) (in planning)
- Expansion of Grimsensee, 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)

Heating networks:

- Kehrsatz heating network, Canton of Bern (under construction)
- Niederscherli heating network, Canton of Bern (under construction)
- Biel-Zentrum heating network, Canton of Bern (under construction)
- Biberist-Industrie heating network, Canton of Solothurn (under construction)
- Bettlach heating network, Canton of Solothurn (preparatory to building application)
- Bützberg heating network, Canton of Bern (preparatory to building application)
- Oensingen-Industrie heating network, Canton of Solothurn (preparatory to building application)
- Ostermundigen heating network, Canton of Bern (preparatory to building application)
- Oensingen-Industrie heating network, Canton of Solothurn (preparatory to building application)

Electrification of the company vehicle fleet

The decision to fully electrify the company's own fleet of business vehicles by 2030 was made back in 2023. 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. 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. At the end of 2024, 214 e-vehicles were in operation and another 85 had been ordered from the supplier.

The electrification of the company vehicle fleet also contributes directly to increasing BKW's energy efficiency as the electric vehicles require less energy to operate than fossil fuel vehicles. BKW has also set new goals for increasing its own energy efficiency (see also page 41).

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 addition, training courses for BKW communication experts were introduced in 2024 to ensure credible communication without greenwashing.

Targets and metrics

ESRS E1-4

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

Climate change mitigation

In 2024, BKW expanded its existing efforts in climate change mitigation and its net zero target. It is extending its Scope 1 and 2 target of net zero in the energy business by 2040, which it adopted last year, to the entire company. This means that BKW's services areas are now also included in the climate targets. It is also specifying the reduction pathway in Scopes 1 and 2 and setting the following sub-targets in relation to net zero in 2040:

- BKW will reduce its GHG intensity by 50% compared to 2022 to 63 g CO₂e/kWh by 2030
- BKW will reduce its GHG intensity by 93% compared to 2022 to 9 g CO₂e/kWh by 2040
- BKW will 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. Greenhouse gas intensity in the base year is a highly representative baseline value because the emissions intensity in the base year corresponds to the average for the years 2021–2023.

Achievement of the 2040 net zero target is ensured by the actions to reduce fossil electricity production, increase renewable electricity production and electrify the company's own fleet of vehicles (see also pages 38–39). The target contributions of the individual initiatives are shown in the table below.

Expected target contributions Scope 1 and 2 actions¹⁷

Action	2022	2024	2030	2040
Examination of the early phase-out of coal-fired power generation			10–20%	10–20%
Expansion of renewable electricity production			up to 30%	No forecast
Electrification of the company vehicle fleet			2–5%	2–5%
Greenhouse gas intensity (g CO₂e/kWh)	126	84 (–33%)	63 (–50%)	9 (–93%)

BKW's top priority is to reduce and substitute its GHG emissions. Unavoidable residual emissions, i.e., emissions that cannot be technically reduced or substituted, must be neutralized for Scopes 1 and 2 as of 2040. Neutralization means that an equivalent of the residual emissions is removed from the atmosphere in the form of CO₂ and stored for the long term, e.g., in suitable underground reservoirs. Over the next few years, BKW will make an initial strategic assessment of the development of its own neutralization portfolio.

BKW has also set itself a net zero target for emissions from the rest of the value chain (Scope 3) and aims to achieve this by no later than 2050. BKW has not yet been able to collect sufficient data to develop a reduction pathway with con-

crete interim targets. Data collection continues to be challenging, particularly for emissions generated by BKW's suppliers and for emissions from products and services sold. The existing data gaps will be closed in the coming years and the path to net zero 2050 will be worked out.

¹⁷ All values for 2030 and 2040 are forecast and may change on an ongoing basis, e.g. due to changes in the market or in the corporate structure

Target calculation methodology:

The GHG figures include all Kyoto GHG¹⁸. The organizational and operational system boundary of the target calculation is congruent with that of the GHG accounting (see page 47). For the target calculation Scope 2 emissions were considered according to the market-based method.

Expansion of renewable energy production

In 2024 BKW achieved its previously communicated target of expanding installed capacity of new renewable energies (wind, photovoltaics, small hydro and biomass) to 1,000 megawatts (MW) by 2026 early. As of the end of 2024, installed capacity was 1,009 MW. BKW has therefore set itself new expansion targets in 2024 and intends to increase the production capacity of renewable energies (hydro, wind, solar, biomass) from the current 2.7 GW to 3.4 GW by 2030. The expansion will enable substitution of a proportion of fossil energy production, which will make a direct contribution to climate change mitigation.

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 aims to achieve a 15% efficiency increase in energy consumption within BKW by 2030 compared to 2022. Energy efficiency is measured in kWh per

employee, excluding the electricity consumption used in electricity and heat production facilities. At BKW, the main levers for increasing energy efficiency are the consistent implementation of vehicle electrification and the replacement of heating systems, as well as 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. From 2025, climate-related risks will therefore be comprehensively assessed for all new strategically relevant projects. BKW is also working on establishing a portfolio of services that are specifically geared toward effective adaptation to climate change.

Additional information on investments in energy production can be found at:

www.bkw.ch/solutions2030

18 Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), halogenated hydrofluorocarbons (HFCs), fluorocarbons (FCs) and sulfur hexafluoride (SF₆).

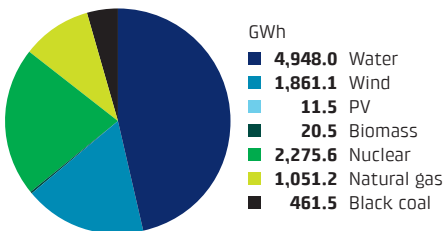
ESRS E1-5

ENERGY PRODUCTION AND ENERGY CONSUMPTION

Energy production

In the course of the year, BKW produced 10,628 GWh of energy. This includes electricity from consolidated power plants, equity investments, procurement rights and unmanaged financial investments. 64 percent of the energy (6,841 GWh) came from renewable sources (water, wind, PV and biomass), corresponding to a 3 percent increase compared to the previous year. The amount of energy produced depends on the one hand 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 increase in renewable energy production in 2024 was mainly due to the much better hydrological conditions than in the previous years, as well as to the increases in investments in wind power. The adjacent table shows BKW's total energy production.

Electricity production at BKW 2024

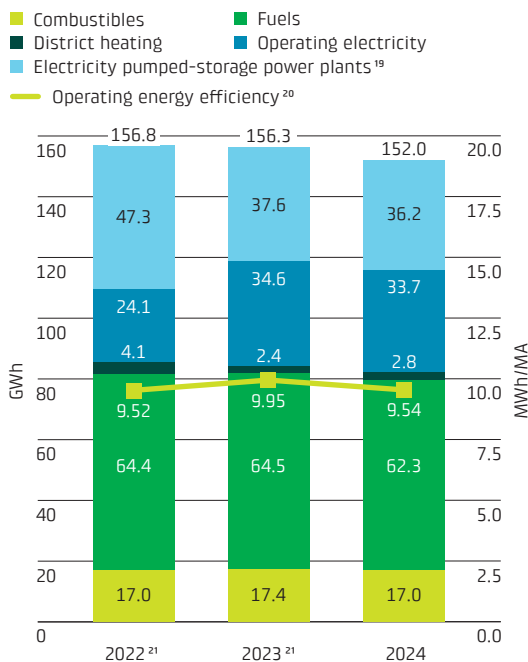


BKW also operates 42 heating networks and individual plant contracts. In the reporting year BKW produced 146 GWh of heat, 92 percent of it from renewable energy sources (wood chips, waste wood, pellets, and heat pumps). In addition to its own production BKW purchases waste heat from waste incineration plants and thus was able to supply another 45 GWh of thermal energy to its customers.

Energy consumption

In 2024, energy consumption within BKW was around 152 GWh. In the last three years total energy consumption at BKW decreased due mainly to declining fuel volumes and lower electricity consumption for pumped energy. Operating energy efficiency per employee (without pumped energy consumption) decreased compared to the previous year from 9.95 MWh/employee to 9.54 MWh/employee. A detailed breakdown of energy consumption, including the proportions of renewable energy sources, can be found in the table on page 44.

Energy consumption of BKW



19 Pumped electricity losses. According to Article 9 of the Federal Energy Act (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.

20 Energy consumption without pumped electricity consumption, calculated by employee (headcount)

21 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 last report.

Electricity production at BKW

	Installed capacity, BKW proportion ²² MW			Energy volume BKW GWh		
	2022	2023	2024	2022	2023	2024
Consolidated power plants²³						
Run-of-river	242	242	242	872.2	995.9	1,201.4
Small hydro	58	67	67	164.3	238.5	316.2
Wind onshore	601	726	785	1,080.2	1,289.0	1,448.4
PV	13	14	14	13.9	12.8	11.5
Biomass	3	3	3	15.4	10.0	20.5
Natural gas	62	62	62	72.8	34.4	44.8
Total	979	1,114	1,173	2,218.9	2,580.6	3,042.8
Joint arrangements and associates²⁴						
Run-of-river	30	30	30	117.4	132.4	162.7
Storage	221	223	223	419.4	553.1	695.4
Pump storage (gross production)	1,145	1,150	1,150	1,720.5	2,071.6	2,559.6
Wind onshore	19	34	17	105.5	206.2	93.9
Nuclear	333	332	333	2,124.7	2,135.5	2,274.6
Natural gas	192	192	192	1,010.7	1,131.2	1,006.4
Black coal	235	235	235	1,014.7	372.3	461.5
Total	2,175	2,196	2,179	6,512.8	6,602.3	7,254.1
Non-managed energy from financial interests²⁵						
Small hydro	3	4	4	10.2	10.8	12.7
Wind onshore	134	119	119	398.9	340.6	318.8
Total	137	123	123	409.1	351.4	331.5
Overall total	3,291	3,433	3,475	9,140.8	9,534.4	10,628.4
% proportion renewable	75%	76%	76%	54%	61%	64%
% proportion non-renewable	25%	24%	24%	46%	39%	36%

BKW heat production

	GWh		
	2022 ²⁶	2023 ²⁶	2024
Own production	127.5	139.9	146.5
% proportion renewable own production ²⁷	91%	90%	92%
% proportion non-renewable own production	9%	10%	8%
Used waste heat ²⁸	38.0	40.7	44.9
Delivered heat	165.4	180.5	191.4

22 Closing date 12/31/2024

23 Power plants controlled by BKW (Group companies). One hundred percent of installed capacity and production volumes are reported.

24 The pro rata installed capacity and the production volumes according to operational influence are reported. This is calculated from the proportion of the electricity taken and managed by BKW and normally corresponds equity interest.

25 The pro rata installed capacity and the production volumes from nuclear power plants in which BKW has no operational influence (no operational management, electricity take-up and management) are reported.

26 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 last report.

27 Wood chips, waste wood, pellets, heat pumps

28 From waste incineration plants

Energy consumption within BKW

	GWh		
	2022 ²⁹	2023 ²⁹	2024
Fuels			
Fuel consumption from fossil sources	16.4	16.6	15.9
% from fossil sources	96%	96%	94%
Heating oil	9.5	10.0	8.6
Natural gas	6.9	6.6	7.4
Fuel consumption from renewable sources	0.7	0.8	1.1
% from renewable sources	4%	4%	6%
Wood	0.6	0.6	0.7
Biogas	0.1	0.2	0.4
Total fuel consumption	17.0	17.4	17.0
Fuels			
Fuel consumption from fossil sources	64.4	64.5	62.3
% from fossil sources	100%	100%	100%
Diesel	55.3	54.5	54.1
Petrol	9.1	9.9	8.2
CNG / natural gas	0.0	0.0	0.1
Fuel consumption from renewable sources	0.0	0.0	0.0
% renewable sources	0%	0%	0%
Total fuel consumption	64.4	64.5	62.3
District heating³⁰			
District heating consumption from fossil sources	1.6	1.2	1.4
% from fossil sources	40%	52%	52%
District heating consumption from renewable sources	2.5	1.1	1.3
% from renewable sources	60%	48%	48%
Total district heating consumption	4.1	2.4	2.8
Electricity			
Operating electricity consumption from electricity mix ³¹	15.5	17.0	14.5
Operating electricity consumption from 100% renewable sources	8.6	17.5	19.2
Total operating electricity consumption	24.1	34.6	33.7
of which electricity used as fuel	0.1	0.3	0.6
of which electricity used in buildings	24.0	34.2	33.1
Electricity consumption pumped-storage power plants ³²	47.2	37.6	36.2
Total electricity consumption	71.3	72.1	69.9
% from 100% renewable sources	12%	24%	27%
% from nuclear power ³³	67%	53%	52%
Total energy consumption	156.8	156.3	152.0

29 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 last report.

30 The proportion of renewables in district heating is calculated with an average factor per country (CH: 75%, DE: 23%, AT: 21%)

31 The electricity mix also includes renewable energy sources

32 Pumped electricity losses. According to Article 9 of the Federal Energy Act (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.

33 The proportion of renewables in district heating is calculated with an average factor per country (CH: 33%, DE: 2%, AT: 0%, IT: 0%).

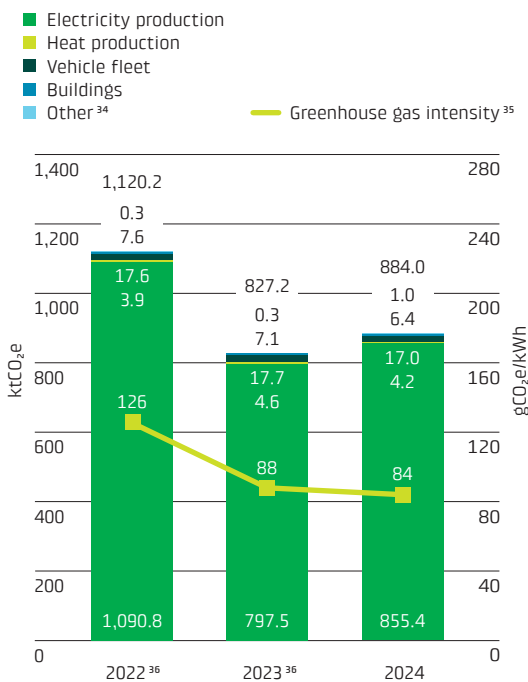
ESRS E1-6

GROSS SCOPES 1, 2 AND 3 AND TOTAL GHG EMISSIONS

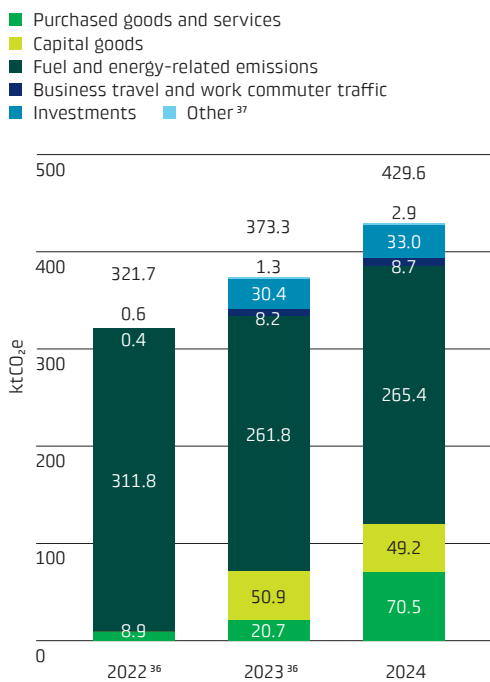
In the fiscal year 2024, a total of 1,314 kilotonnes of CO₂e were released. Therefore, BKW's total emissions increased slightly compared to the previous year. The increase in emissions is mainly due to the higher use of the Wilhelmshaven coal-fired power plant, in which BKW has a stake. Its use depends on the demand for electricity, available capacities on the market and the need for grid stability. The increased use of the power plant is mainly reflected in Scope 1 emissions, but

also in Scope 3 emissions (Scope 3.3 Fuel and energy-related emissions). However, once again the main driver of the Scope 3 emissions development is increased data coverage (for the development status, see next page). Despite an absolute increase, GHG emissions in relation to electricity production have again fallen which is due to the increase in renewable energy production (see also page 42). A detailed breakdown of GHG emissions can be found on page 47.

BKW greenhouse gas emissions Scopes 1 and 2



BKW greenhouse gas emissions Scope 3



Greenhouse gas intensities

	gCO ₂ e/delivery		
	2022 ³⁶	2023 ³⁶	2024
Greenhouse gas intensity Scopes 1 and 2 (in g CO ₂ e/kWh produced energy, market-based) ³⁸	125.9	88.3	84.3
Greenhouse gas intensity Scopes 1–3 (in g CO ₂ e/CHF revenue, location-based)	278.9	262.5	276.7
Greenhouse gas intensity Scopes 1–3 (in g CO ₂ e/CHF revenue, market-based)	277.4	261.1	275.3

³⁴ Emissions caused by refrigerants and volatile gases, particularly SF₆.

³⁵ Greenhouse gas emissions Scopes 1 and 2 per energy produced, excluding electricity production from financial investments.

³⁶ 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 last report.

³⁷ Emissions caused by waste disposal and upstream transport

³⁸ exc. electricity production from non-managed energy from financial interests

Development status of GHG accounting

When preparing the GHG emissions inventory, in 2024 BKW made progress with regard to data quality and data collection efficiency. In Scope 3 in particular, further steps toward completeness were achieved. New groups of goods specifically relating to purchased goods and services were analyzed and GHG emissions were calculated from them. This means that the main GHG emissions of purchased goods and services are now reported for the procurement areas of electricity production and grid operation. 87% of purchasing volumes are covered for 2024 which signifies a considerable increase compared to 17% in the previous year. This is based on the methodical precision of recording by quantity framework (activity-based) and the monetary value of procurement volumes

(spend-based). The quantities are multiplied by precise emission factors which correspond to actual procurement practice. Therefore consistently recorded and assessed quantity frameworks exist for 2023 and 2024.

BKW will continue to invest in increasing coverage and in the coming years will strive to also capture emissions in purchased goods and services of procurement areas in the Infrastructure & Buildings business segment. In addition to emissions from the supply chain, recording emissions from products sold is also a particular challenge. Through the targeted increase in coverage, BKW expects that Scope 3 emissions will continue to rise significantly in the coming years.

Scope 3 categories included according to the Greenhouse Gas Protocol

Scope 3 Category	Development and status, 2024
Considered Scope 3 categories	
3.1 Purchased goods and services	Expanding coverage and improving data quality
3.2 Capital goods	No change, vehicles and power plant construction covered
3.3 Fuel and energy-related emissions	No changes, 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 Work commuter traffic	Improvement of data quality estimated on the basis of country-based commuter statistics
3.15 Investments	No change, financial investments in power plants and investments in Power Grid covered
Non-considered Scope 3 categories	
3.8 Rented or leased tangible assets	Already considered in Scopes 1 and 2
3.9 Transport and distribution (downstream)	Analyzed and classified as not relevant
3.10 Processing of products sold	Analyzed and classified as not relevant
3.11 Use of products sold	Data basis currently insufficient
3.12 End-of-life treatment of products sold	Data basis currently insufficient
3.13 Tangible assets leased or rented out	Data basis currently insufficient
3.14 Franchising	Analyzed and classified as not relevant

BKW GHG emissions in kilotonnes CO₂e

	ktCO ₂ e		
	2022 ³⁹	2023 ³⁹	2024
Scope 1 Emissions			
Scope 1 Group companies	63.4	44.1	48.0
Scope 1 Joint arrangements and associates ⁴⁰	1,054.1	780.4	833.5
Total Scope 1 Emissions	1,117.5	824.5	881.5
Scope 2 Emissions			
Scope 2 Group companies (location-based)	2.3	2.7	2.8
Scope 2 Joint arrangements and associates (location-based) ⁴⁰	8.3	6.6	6.4
Total Emissions Scope 2 location-based	10.6	9.3	9.2
Scope 2 Group companies (market-based)	2.7	2.8	2.4
Scope 2 Joint arrangements and associates (market-based) ⁴⁰	0.0	0.0	0.0
Total Emissions Scope 2 market-based	2.7	2.8	2.4
Scope 3 Emissions			
Upstream Emissions	321.7	342.9	396.7
3.1 Purchased goods and services	8.9	20.7	70.5
3.2 Capital goods	n.a.	50.9	49.2
3.3 Fuel and energy-related emissions	311.8	261.8	265.4
3.4 Transport and distribution (upstream)	0.4	0.2	0.2
3.5 Waste	0.2	1.2	2.7
3.6 Business travel	0.4	0.6	0.9
3.7 Work commuter traffic	n.a.	7.5	7.8
Downstream Emissions	n.a.	30.4	33.0
3.15 Investments	n.a.	30.4	33.0
Total Scope 3 Emissions	321.7	373.3	429.6
Total Emissions Scopes 1–3 location-based	1,449.8	1,207.0	1,320.3
Total Emissions Scopes 1–3 market-based	1,442.0	1,200.5	1,313.6

GHG accounting preparation methodology

The GHG emissions inventory is based on the accounting principles of the Greenhouse Gas Protocol and comprises all Kyoto GHG⁴¹. 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 incorporates the entire BKW Group. 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 nuclear power plants in which it has a stake and whose electricity BKW purchases and manages. This generally corresponds to the equity interest.

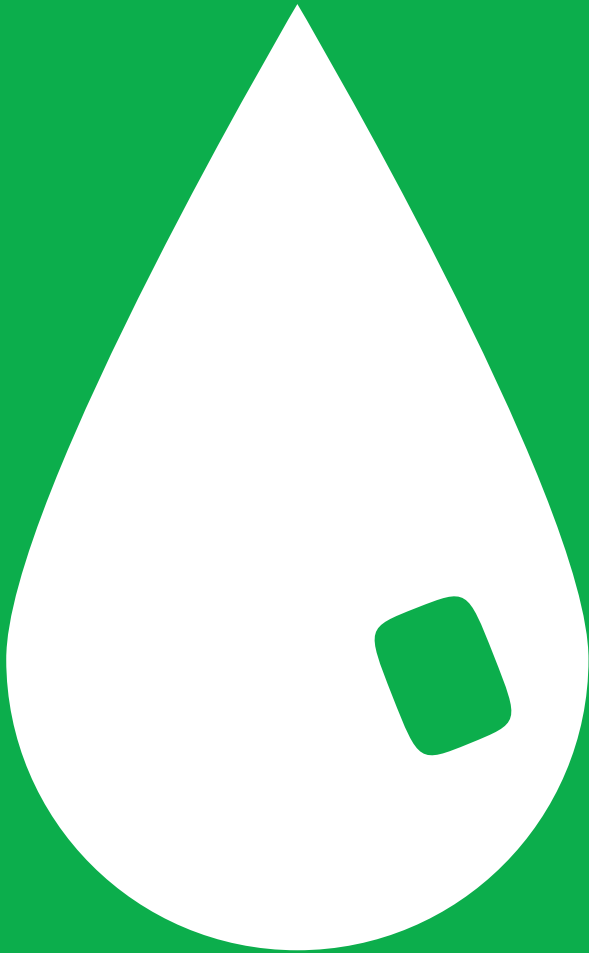
³⁹ Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the last report.

⁴⁰ Operational control approach (see methodology box)

⁴¹ Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), halogenated hydrofluorocarbons (HFCs), fluorocarbons (FCs) and sulfur hexafluoride (SF₆).

ESRS E3

Water use



BKW uses large quantities of water, especially for its hydropower and thermal power plants. Water is extracted or dammed to generate energy or cool systems and subsequently released back into the environment. In contrast to water use, the materiality analysis does not focus on water consumption at BKW. As part of the new sustainability-related goals, BKW will first quantify its water use in order to create a basis for collecting data and identifying actions to improve 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.

Impact, Risk and Opportunity Management

ESRS 2 IRO-1

DESCRIPTION OF THE PROCESSES FOR THE IDENTIFICATION AND ASSESSMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER AND MARINE RESOURCES

The impact of a change in freshwater use is analyzed in the LEAP approach⁴². The LEAP assessment was carried out for the first time in 2024 based on secondary resources⁴³. The approach was used to identify potential material impacts of BKW's business activities. In 2025, the assessment will be expanded to include a company-wide analysis of various impact metrics, including water use.

As part of the LEAP assessment, all the electricity production sites of BKW Group companies and joint operations were located and each site evaluated using the Baseline Water Stress Index⁴⁴ for the respective region. According to the initial findings, BKW operates 15 onshore wind farms, two small hydropower plant clusters and a thermal power plant in areas with severe pressure on water.

The topic of marine resources is immaterial for BKW as the company has no relevant points of contact with it in its business model (specifically no offshore wind farms). Water use is also not a material issue for onshore wind power plants, as they do not have any relevant impact 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 2025, the focus will therefore be 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, potential actions relating to these risks will be developed.

Identification of material risks and opportunities was primarily based on the results of the double materiality analysis (see pages 24 to 25). Further work is required 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. A complete evaluation and quantification of the impact will help to further specify the risks and opportunities.

The processes described for identifying and assessing the impacts, risks and opportunities are carried out 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 business area is already being carried out on an internal data platform. Last year, five more power plants were connected to the system. The connection of additional small hydropower plants is planned for 2025. Various water metrics can be derived from the internal data platform, among other things temperature and water inflows. These metrics can in turn support various future impact analyses.

42 Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD

43 For methodology, see the Section on Biodiversity and Ecosystems on page 54

44 Based on Aqueduct Baseline Water Stress | Resource Watch

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 assume their responsibility towards the environment and climate. The requirements for managing the impacts of water usage 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 climate wherever possible and otherwise to reduce damage as much as possible. The company uses water carefully and efficiently and encourages its suppliers to take their ecological responsibility seriously

and to develop continually. The Environmental and Climate Policy was approved by the Board of Directors and is binding for all BKW Group companies.

The targets relating to water use were defined by the Group Executive Board. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. In this, they are supported by Sustainability Management at Group level.

Targets

ESRS E3-3

TARGETS RELATED TO WATER USE

In relation to water use, BKW has set the goal of creating a data basis for water use and water efficiency at all sites by 2026. In 2025, the Sustainability Management Team will support the business areas involved in planning the implementation. All water use data and other suitable metrics of the relevant BKW sites will first be collected. This data will be extended to the entire value chain as part of ongoing development. For the value chain, the focus will be on activities with high water consumption in areas where pressures on water are high.

This goal supports management of the material impacts of BKW. A sound understanding of these impacts depends on a company-wide database, which is currently being developed. The development and monitoring of relevant data form the basis for understanding the material impacts and for quantifying the material risks and opportunities. Actions can only be developed and defined once a database of the impact metrics is available.

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, the nature-related impacts, dependencies, risks and opportunities were analyzed across the Group for the first time. This analysis is based on the findings of the previous year and provides an initial understanding of the relationships between the BKW business model and the direct causes of natural change and biodiversity loss⁴⁵. The Group also implemented actions in 2024 with the help of financing from the BKW Eco Fund. In this way, it contributes to the protection of individual species, local species communities and entire ecosystems.

Strategy

ESRS 2 SBM-3

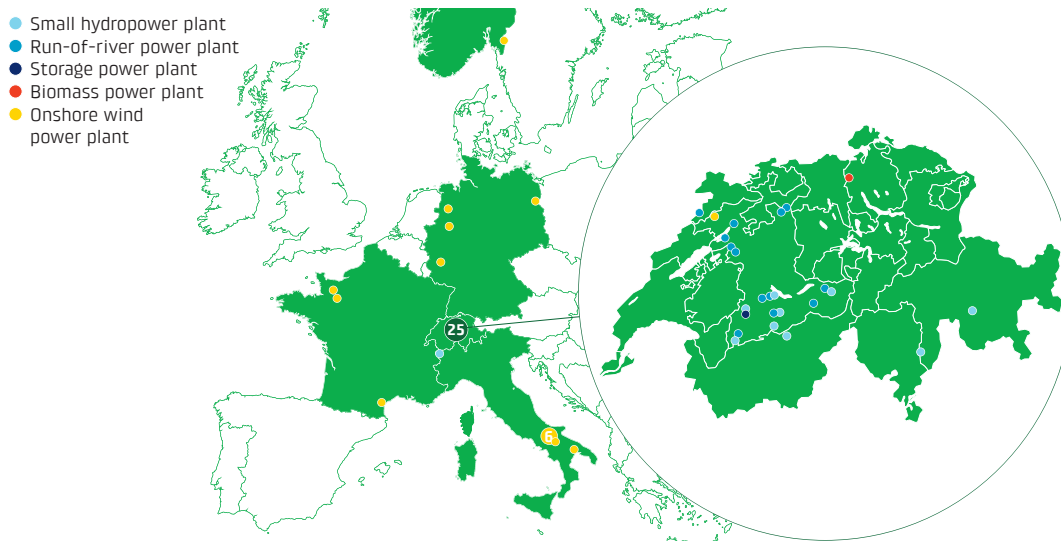
MATERIAL IMPACTS, DEPENDENCIES, RISKS AND OPPORTUNITIES IN THE AREA OF BIODIVERSITY AND ECOSYSTEMS

As a company in the energy and infrastructure sector, BKW inevitably interacts with various habitats, among others urban and industrial ecosystems, alpine ecosystems, water bodies, forests and grasslands⁴⁶. On the one hand its activities have an impact on these habitats, while on the other this interaction results in risks such as delays in projects due to appeals. 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 impact on biodiversity and ecosystems, in 2024 BKW mapped the sites in close proximity⁴⁷ 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, 42 power plants (58%) are located in the immediate vicinity 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 according to the type of power plant were identified and evaluated. For BKW's power plants there are potential material impacts in the areas of land use change, climate change, environmental pollution and resource consumption. Potential material dependencies were also identified. For example, the "Protection against inter-ruptions" 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, extent and scope of the various impacts will be carried out in future.

BKW power plants in the immediate vicinity (1 km) of ecologically sensitive areas



45 Climate change, invasive species, land use change, environmental pollution, exploitation of natural resources – Global Assessment Report on Biodiversity and Ecosystem Services | IPBES secretariat

46 Additional sector guidance – Electric utilities and power generators – TNFD. Sea beds, deserts and tropical rainforests are not relevant for BKW.

47 1 km radius

Impact, Risk and Opportunity Management

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 assessment⁴⁸ according to the TNDF Framework⁴⁹ was performed in 2024. Due to a lack of primary data, this initial assessment is 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 GIS intersection analysis. Ecologically sensitive areas were identified using data from the European Environmental Agency (EEA) taking into account the Natura 2000 data sets and Nationally Designated Areas that cover national protected areas throughout Europe. A radius of 1 km to the next protected area defined the immediate vicinity. For the register, priority was given to the power plant sites⁵⁰ of the BKW Group companies and joint operations. Other sites such as substations and office buildings as well as facilities in the value chain will be included at a later date. The aim is to map the entire value chain in future 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 TNDF sector guidelines. The secondary data was validated internally in cooperation with the relevant stake-

holders and experts. In order to measure the materiality of impacts and dependencies of the individual sites, the “TNFD Recommended Core Metrics” for primary data collection were checked. Certain data gaps were identified at Group level which will be addressed in future LEAP iterations. BKW plans to collect more primary data in future iterations 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 24 to 25). 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 impact and dependencies will help to further increase the identification of risks and opportunities.

The “Prepare” step is mainly based on the targets of BKW's new sustainability framework (see the section on Targets). Further targets and actions for specific actions and business areas are expected to be defined in future iterations of the LEAP assessment.

48 Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD

49 The Taskforce on Nature-related Financial Disclosures (tnfd.global)

50 Without regional 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 assume 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 and otherwise to reduce damage as far as possible as well as actively contributing 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 targets relating to biodiversity and ecosystems have been set by the Group Executive Board. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. In this, they are supported by Sustainability Management at Group level.

ESRS E4-3

ACTIONS RELATED TO BIODIVERSITY AND ECOSYSTEMS

To determine the impact 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 actions and initiatives implemented in various business areas of BKW in 2024.

Neophyte workshop

In May 2024, a neophyte workshop was organized for BKW employees. The problems, regulatory strategies and a variety of practical examples were discussed in cooperation with the Association for Environment and Nature⁵¹. By controlling and combating these alien and harmful plants, BKW is able to protect its areas, nearby agricultural land or sensitive nature conservation areas from excessive neophyte spread.

Green spaces at substations

BKW takes great care in maintaining the green flat roofs and the meadows in and around the facilities. In 2024, Power Grid tested a new maintenance concept in two substations that support biodiversity: The areas are only partially mowed, while some areas are deliberately left untouched, even during the winter. In this way, the company creates valuable havens for insects and small ani-

mals, thereby strengthening biodiversity in the long term.

BelpmoosSolar

BelpmoosSolar, currently under construction, will be the largest free-standing photovoltaic system in Switzerland. The partners involved in this project are pursuing a holistic approach in which biodiversity is an integral part of the planning and will also be given high priority during the construction and operation of the facility. Preliminary investigations made it possible to define detailed compensation and replacement actions to preserve the lost natural areas. In summer 2023, the seeds of the existing flora were collected and stored so that they could later be sown again on a compensation area to preserve the original state of the vegetation.

Fish ladders

Fish ladders will be erected at the water power plants Bannwil, Brügg and Wynau. In Bannwil, the shell construction phase was completed in 2024. The fish ladders for Brügg and Wynau will be completed in 2025. Fish ladders are used to restore fish migration in watercourses with migration barriers such as hydropower plants. Unhindered fish migration ensures optimal use of available resources in terms of nutrition, growth, reproduction and protection from predators. Fish migration is therefore essential for healthy fish stocks.

51 VUN: Verein Umwelt + Natur (vun-aen.ch)

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 own⁵² energy and infrastructure projects will be reduced beyond legal requirements and BKW is aiming for “net-zero impact”⁵³ for projects as of 2030 onwards.
- Increasingly near-natural cultivation of the land owned and managed (influenced in the long-term) by BKW

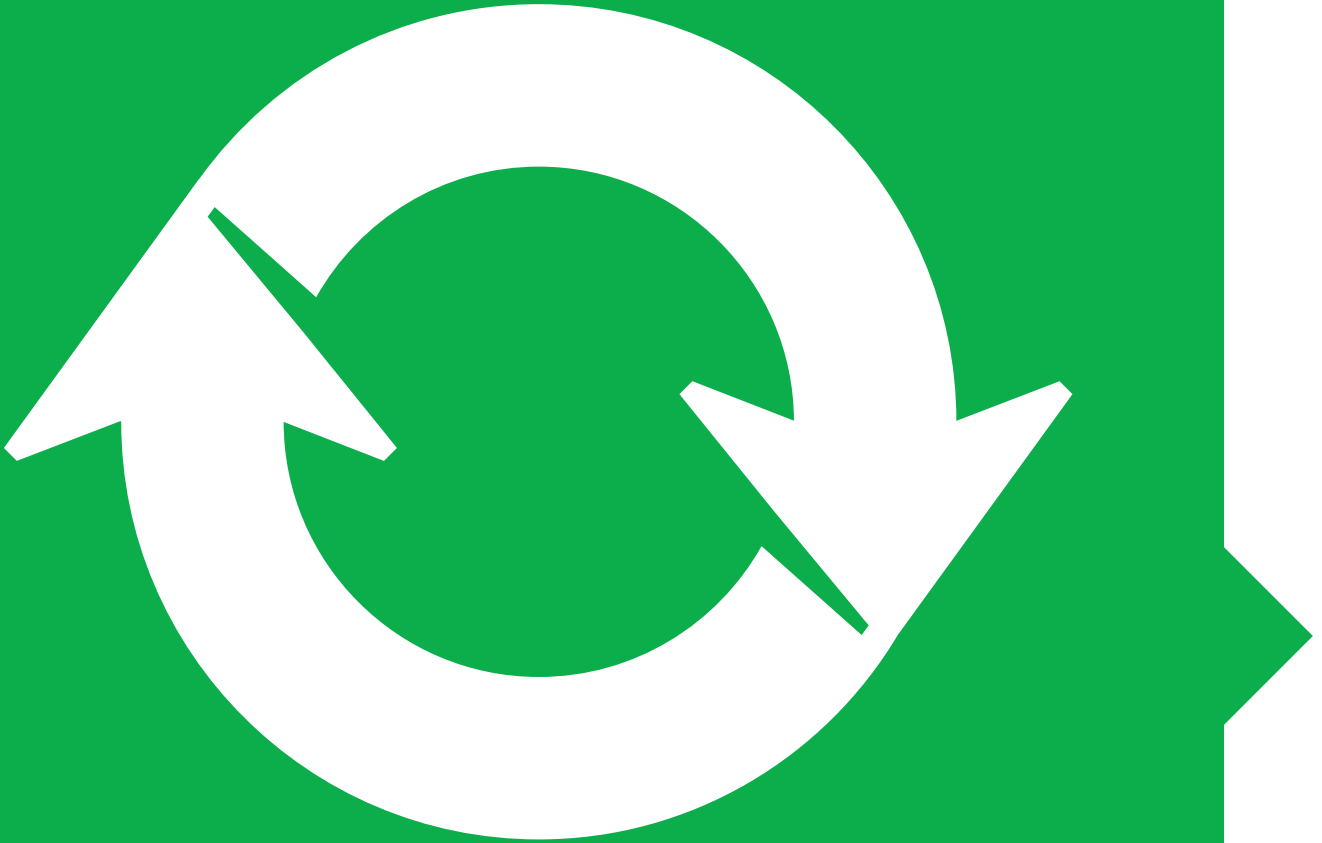
In 2025, the Sustainability Management Team will support the various business areas in planning the implementation. The objectives will be underpinned by various analyses and actions in 2025. First and foremost, areas owned by BKW will be systematically documented throughout the Group. Further iterations of the LEAP assessment and the collection of relevant data will form the basis for target measurement. The data collection will also make it possible to quantify the impacts on business activities and publish them in future sustainability reports.

⁵² Plants with a majority stake held by BKW

⁵³ Net Positive Impact (NPI) is an objective in which the impacts on biodiversity are balanced and outweighed by actions to avoid and reduce these impacts, and actions to restore the affected species/landscapes.

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 service provider, the focus is on resource inflows from a materiality perspective (see also page 12). 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. By contrast, BKW has identified resource outflows as a secondary issue, but nevertheless publishes its waste balance in order to meet the transparency requirements of various stakeholders (see page 107).

Impact, Risk and Opportunity Management

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 five defined risk areas power grids, photovoltaics, wind power, hydropower and battery storage. In addition to avoiding procurement risks, the analysis of social and ecological risks also enables a fundamental classification of resource efficiency. This includes the consideration of GHG and other air pollutants, water-polluting substances, 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, are described in detail in the section Relationships with Suppliers on page 83. In addition, the impact, risks and opportunities in connection with resource inflows and outflows (including waste) were identified and assessed as part of the dual materiality analysis (see pages 24 to 25).

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 assume their responsibility towards the environment and climate. The requirements for managing the impact of resource use and the circular economy 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 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 encourages its suppliers to take environmental responsibility and continually develop. The Environmental and Climate Policy was approved by the Board of Directors and is binding for all BKW Group companies.

The supplier Code of Conduct of BKW as well as sustainability criteria in tenders require their suppliers to act sustainably. 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 on page 83.

The targets relating to resource inflows were set by the Group Executive Board. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. They are supported in this by the respective procurement organizations and the Procurement Services Group function.

ESRS E5-2

ACTIONS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

Sustainability criteria are structurally required for all goods procured in the five risk areas. The relevant processes are described in the section Relationships with Suppliers on page 83. With a special focus on resource use and the circular economy, there are two procurement strategies that will introduce a fundamentally new approach at BKW in 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 Relationships with Suppliers on page 83), conscious resource use and circular economy have been established as principles for the entire product group. Suppliers were asked to meet the requirements of minimizing cable waste, environmental product declarations, life cycle costs and a circular economy concept. Com-

pliance with these requirements is taken into account by BKW when making procurement decisions.

Establishing recycled concrete in power grid construction projects

When tendering for construction work the use of recycled concrete was systematically assessed in 2024. The focus was on a potential surcharge and the technical implementation for the use of recycled concrete. The aim is to be able to make a basic assessment of the preferred use of recycled concrete.

Procurement projects have shown that taking the use of recycled concrete into account during the engineering phase is essential, and that the additional costs are negligible. This means that the fundamental resource-saving use of recycled concrete is increasingly becoming the standard.

Targets and Parameters

ESRS E5-3

TARGETS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

BKW is striving to reduce its environmental impact in procurement and actively promoting the circular economy. To this end, it intends to establish Environmental Product Declarations (EPDs)⁵⁴ as a procurement criterion in all five risk areas (power grids, photovoltaics, wind power, hydropower and battery storage) by 2027. In addition, by 2028 a structured basis for decision-making on service life optimization with regard to new construction,

replacement, repair of power grids, photovoltaics, wind power, hydropower and battery storage units should be created by the provision of life-cycle costs for asset management. The foundations will thus be laid for developing a resilient reduction path for Scope 3 emissions, further increasing the efficient use of resources and achieving progress in the circular economy.

54 Standardized, objective environmental rating of products

ESRS E5-4

RESOURCE INFLOWS

In 2024, BKW continued to work on the Group-wide standardized documentation and consolidation of material flows. For the first time, it can now report the quantitative inflow of resources for the most important goods in the procurement areas power production and grid operation pro-

urement. The resource inflows specified correspond to the quantity structure of the Scope 3 emissions (activity-based). BKW aims to be able to report on additional categories of goods (e.g., IT equipment) in the future.

Resource inflows	Medium weight goods ⁵⁵		Heavy goods ⁵⁶		Total goods purchased	
	2023	2024	2023	2024	2023	2024
Procured resource in metric tons (t)						
Aluminum	240	109	269	287	509	397
Concrete	961	1,548	0	0	961	1,548
Wood	313	344	0	0	313	344
Plastics	39	46	953	1,095	992	1,141
Copper	22	19	2,662	3,176	2,684	3,195
Mineral oil	255	68	79	146	333	215
Steel	847	307	169	276	1,017	582
Others ⁵⁷	45	33	0	0	45	33
Total goods purchased	2,722	2,475	4,132	4,980	6,854	7,455

55 Transformers <5MVA; substations; distribution grid cabin; overhead line pylons

56 Transformers >5MVA; distribution grid cable

57 Chromium steel, epoxy resin, brass, SF₆

Social Information

Grid electrician initiative

Lukas Schmocker, grid electrician, BKW Power Grid in the Energy Training Center in Kallnach

TABLE OF CONTENTS

64	Employees
74	Customers (focus topic data protection)

ESRS S1

Employees



As an employer of over 12,000 employees BKW is committed to forward-thinking personnel development and to a motivating and responsible corporate culture. The key sustainability-related matters here are occupational health and 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 offers its employees employment conditions which are based on the respective national employment law and guarantee adherence to human rights, fair wages, appropriate working hours and social security.

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, an increase in the need for energy and resource efficiency and by an accelerated transformation of the energy system. These developments are creating new opportunities for BKW as an employer, yet at the same time the Group is facing an increasing skills shortage primarily due to the demographic development in Europe.

For the energy transition and STEM⁵⁸ professions in particular, sufficient apprentices and qualified staff must be acquired. These technical professions fulfill important roles including in the fields of renewable energies, energy efficiency, security of supply, e-mobility, sustainable buildings technology and smart infrastructure. 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.

One essential aspect due to our specific sector is the risk of permanent and temporary staff suffering occupational accidents. 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 prevention measures.

Other material risks, opportunities and impacts on the employee area can be found in the table on pages 20–21.

58 Professions in the fields of 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 superior. They are supported at the Group level by the Group functions of Human Resources (HR), Occupational Health and Safety (OHS) and Group Compliance which define the relevant framework conditions.

The HR Group function assumes overarching responsibility for HR. It supports the HR organizations in the different business areas. The HR organizations coordinate their activities on an HR Board held on a monthly basis and collaborate in the drafting of BKW Group's HR strategy. The Head of Group HR is a member of the Extended Group Executive Board and chairs the HR Board.

The BKW Safety Engineer, who reports directly to the CEO, is responsible for occupational health and safety at Group level. They head up the Group function of occupational health safety and the OHS office, manages prevention campaigns and programs for increasing awareness of the topic, performs audits and communicates with authorities. The Group functions of occupational health and safety (OHS) and Occupational Health Management (OHM), along with BKW's three business segments, are represented in the OHS office through trained specialist staff. The latter ensure that the measures decided upon by the Safety Officers and by the authorities are implemented.

Data protection is the responsibility of the Privacy & Data Governance office which is part of Group Compliance. For further information on this, see pages 75–76.

Working conditions

BKW is committed to offering appropriate working conditions to its employees. Specifically, this covers adherence to human rights, jobs with fair remuneration, regulated working and rest periods and social security for income loss should significant life events occur. In this regard HR management is subject to relevant applicable national

employment laws. Furthermore, the principles of the UN Global Compact are embedded in the BKW Group.

The internal basis for appropriate working conditions include the Group-wide personnel policy and the salary policy, both of which are underpinned by the Code of Conduct in the same way as the entire BKW regulation system. The BKW Code of Conduct expresses our corporate culture and the values and principles that we pledge to uphold. It excludes all forms of human rights violations. In order to clarify the Code of Conduct in 2024 BKW approved a Human Rights Policy. In doing this BKW wants to ensure working conditions which guarantee the payment of appropriate salaries and the physical and mental health and safety of employees. Other key points are non-discrimination, the promotion of equal opportunity, the right to join a trade union and employee committees along with the prohibition of child labor, forced labor and human trafficking. The Human Rights Policy was approved by the Board of Directors and is binding for all BKW Group companies. Violations can be reported via the BKW Integrity Line whistleblower system (see page 81).

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. These include the safest possible workplace design and health-promoting working conditions. To achieve this the Occupational Health and Safety (OHS) office works closely with Occupational Health Management (OHM). In accordance with the importance of these topics, the Group Executive Board addresses the issue of occupational health and safety at each of its monthly meetings.

Interaction of OHS and OHM



BKW fulfills all the relevant national and international regulatory requirements in relation to OHS. Effective management in the field of occupational health and safety is based on a regular review of actual and potential hazards. The analysis is managed at the business area level and takes place within the scope of management systems and audits. Based on the results of the analyses, the Board of Directors of BKW determines 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 on this topic is to be approved in 2025. These regulations will be made accessible to all employees via a central system. The information flow will also be ensured via work instructions, checklists and factsheets.

In addition to country-specific statutory requirements, both at the BKW Group level and Group company level there are established commitments to safety and management systems in place:

- ISO 45001: BKW business areas and BKW companies which are particularly exposed to occupational health and safety risks, such as Power Grid, Arnold AG, LTB Leitungsbau GmbH and BKW Energy Solutions GmbH were certified to this standard in 2024 for their occupational health and safety management systems. Other certifications are planned for 2025.
- Suva Charter: By signing this self-declaration that applies Group-wide, the Group Executive Board has committed to the consistent and effective implementation of industry-specific and our own safety regulations.

- Minimum standards which apply to all Group companies cover requirements of the safety system and reporting regulations in the event of incidents in operation and on reporting.
- The ten-point system of the Federal Coordination Committee for Occupational health and safety⁵⁹ is implemented at all locations in Switzerland.
- Assessment methods such as the Safety Culture Ladder and the *suissetec* and *Batisec* industry solutions are utilized.

This means that management systems cover all employees for occupational health and safety.

In addition to this, BKW supports employees with protracted absences due to illness or following 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, gender, social or ethnic origin, skin color, nationality, language, sexual orientation, religion, physical and mental abilities and ways of thinking. BKW has its own "Diversity and Inclusion" office, which is developing the Group-wide diversity strategy. It implements targeted training and awareness-raising measures in order to establish a welcoming culture within the Group and promote under-represented groups. The guideline for the activities of this office is the BKW Code of Conduct which forbids all forms of discrimination and envisages the promotion of diversity, inclusion and equal opportunity.

In order to improve work compatibility with various personal life situations, BKW offers flexible working models where possible. In all countries where BKW operates, BKW employees are entitled to maternity or paternity leave, time-out for parenthood or to care for family members.

59 EKAS 6508: Involvement of occupational physicians and other occupational health and safety specialists

Talent, competence and leadership development

The capabilities and knowledge of our own employees are key factors in the competitiveness of BKW. This is why vocational training and continuing education are extremely important in the company and the trainee programs will continue to expand. In accordance with the respective skills, qualifications and commitment, BKW gives its employees the opportunity to further their own development both professionally and personally. In 2024 BKW developed the strategic foundations for further activities in the area of Leadership & Development which are to be launched in 2025.

Protection of employee data

In its processing of employee data BKW respects the EU General Data Protection Regulation (GDPR)

and the Federal Privacy Act (CH DSG). Employee data are only processed at BKW if there is a clear legal justification and consent for the establishment, maintenance and termination of an employment relationship, a contractual fulfillment, compliance with statutory obligations or due to a legitimate interest.

With the new Group-wide data privacy advice for employees, all BKW employees are informed in detail about the processing of their data, including about the purposes, legal bases and their rights. Furthermore, employees who are in charge of the processing of employee data are trained specifically in how to handle sensitive employee data. You can find more information about data protection at BKW on pages 75–78.

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 the heterogeneity of BKW into account. 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.

In the OHS area the employees concerned collaborate in the acquisition of personal protective

equipment (PPE) and working tools and also in clarifications of accidents. In relation to data protection, employees have the right to verify their personal data with the Group Data Protection Officer (GDPO). 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 channel of communication for employees, customers, business partners and other individuals

or organizations interacting with BKW makes it possible to submit complaints and to report violations of current legislation, ethical principles or BKW guidelines. Reports using the BKW Integrity Line can also be submitted anonymized (see also page 81).

ESRS S1-4

ACTIONS RELATED TO EMPLOYEES

BKW has implemented the relevant measures for all material topics relating to employees (non-exhaustive list):

Working conditions

- Adoption of the Human Rights Policy (see above)
- Implementation of equal pay analyses

Occupational health and safety

- The development of the Group-wide occupational health and safety reporting tool was completed by the end of 2024. Figures can now be reported Group-wide as of 2025.
- Creation of a register for Personal Protection Equipment (PPE) for the Energy Production, Power Grid and Building Solutions as business areas. This will be implemented in other business areas in 2025.
- The first training sessions on “Managing resilience and safety” for managers (blue collar) have been carried out.
- An awareness-raising campaign with a focus on hand injuries in business areas with blue collar employees.
- Initial driver safety training courses for BKW employees who drive a vehicle for business purposes.
- Individual coaching and advice sessions as well as training in mental health (4 pilot sessions of the Ensa courses “First aid for mental health”).

- New partnerships with third parties since 2024:
 - Santé24 by SWICA: psychological support in the form of online self-help training and remote psychological consultancy (Energy Solutions and Power Grid business segments and Group functions).
 - Case Management Schweiz and Compasso Network: Service offers relating to professional integration (Energy Solutions and Power Grid business segments and Group functions).
 - SUVA: Prevention agreement with a discounted course offer (for BKW companies in Switzerland).
 - Forum BGM Bern-Solothurn: Health promotion (Energy Solutions and Power Grid business segments and Group functions).
- Introduction of a professional digital case management tool (Energy Solutions and Power Grid business segments and Group functions).



Diversity and inclusion

- Awareness-raising measures on the topic of diversity and inclusion along with new working time models, e.g., workshops on apprentices start days, presentations in the BKW Learning Week, podium discussion on flexible working time models.
- Expansion of the work of the BKW Communities (Equality Community, Pride Community on the issue of LGBTQ+ and the Generation 50-plus Community) with an internal women's network.
- Expansion of part-time opportunities to improve work compatibility with various personal life situations (e.g., advertisements for all jobs in the Energy Markets business area as a potential part-time equivalence between 50 percent and 100 percent with an option for job and top sharing).
- Pilot project of a mentoring program for female managers (to be opened in the future to all employees, see right column).

Talent, competence and leadership development

- Holding of a "People Conference" at the top management level in order to address the skills shortage and succession planning.

- Employee training on the Code of Conduct and cybersecurity.
- Various skills-specific internal training and educational opportunities for employees.
- Creation of a solar fitter training qualification (Switzerland-wide) recognized with a Swiss Certificate of Proficiency.
- Expansion of the trainee program.
- Development of a mentoring program to promote promising talent.
- Leadership summit on the topic of sustainability and the skills shortage.
- Various leadership courses both for new and experienced managers, e.g., "BKW Leadership Principles", "Strong leadership of Trades and Operations" and "Respectful Leadership Culture".
- The start of a compulsory leadership development program (Development Center) for the individual support of top managers.

Protection of employee data⁶⁰

- Compliance training of HR employees relating to the protection of employee data
- Compulsory data protection training for all employees

⁶⁰ For additional data protection and privacy measures, see page 77.

Targets and metrics

ESRS 2 S1-5

TARGETS RELATED TO EMPLOYEES

BKW's goals and targets in relation to its employees focus on creating a secure working environment to support happy, healthy and committed employees. Therefore, the avoidance of serious occupational accidents and achievement of the goal of zero work-related deaths continues to be a top priority. BKW has put its focus on prevention and on the promotion of a culture of occupational health and safety. By 2026 it will be compulsory for all managers to attend training sessions on "Managing resilience and safety". In addition, all drivers of a company vehicle must have completed a one-day driver safety course by 2026 in order to increase road traffic safety,

to help prevent accidents and increase awareness for environmentally-friendly driving.

As regards data protection, BKW has set itself the goal of continuously improving the privacy of its employees in the processing of their 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 12,139 employees (headcount) in 2024⁶¹. A detailed breakdown of personnel master data can be found in the tables below. In 2024 the employee turnover rate was 15 percent gross (1620 people)⁶² and was therefore slightly higher

than the previous year at 14 percent. This number includes both voluntary and involuntary departures, retirements and the termination of fixed-term employment contracts.

Employees by employment level

Employment level	Women		Men		Total		Proportion in %	
	2023	2024	2023	2024	2023	2024	2023	2024
<90%	1090	1155	983	1078	2073	2233	17%	18%
>=90%	1442	1548	8418	8358	9860	9906	83%	82%
Total	2532	2703	9401	9436	11933	12139	100%	100%

Employees by age

Age	Women		Men		Total		Proportion in %	
	2023	2024	2023	2024	2023	2024	2023	2024
Under 30 years of age	587	623	2468	2466	3055	3089	26%	25%
30-50 years of age	1267	1418	4367	4538	5634	5956	47%	49%
Over 50 years of age	678	662	2566	2432	3244	3094	27%	26%
Total	2532	2703	9401	9436	11933	12139	100%	100%

Employees by nationality

Nationality	Number (Headcount)		Proportion in %	
	2023	2024	2023	2024
Swiss	5,903	5,731	49%	47%
German	3,571	3,898	30%	32%
French	365	377	3%	3%
Italian	363	351	3%	3%
Austrian	356	333	3%	3%
Portuguese	304	320	3%	3%
Spanish	105	120	1%	1%
Other nationalities ⁶³	966	1,009	8%	8%
Total	11,933	12,139	100%	100%

61 Group company employees on the 13/31/2024 closing date excluding the Board of Directors, external employees and non-executives

62 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, non-executives, apprentices, interns, trainees, temporary workers, time-bankers, employees with special contracts, internal transfers and employees of sold companies.

63 2023: 89 other nationalities; 2024: 97 other nationalities

ESRS S1-9

DIVERSITY METRICS

Employees by gender

Gender distribution	Women		Men		Total	
	2023	2024	2023	2024	2023	2024
Employees	2,532	2,703	9,401	9,436	11,933	12,139
Proportion in %	21%	22%	79%	78%	100%	100%
of which apprenticeships ⁶⁴	129	132	754	770	883	902
Proportion in %	15%	15%	85%	85%	100%	100%
of which upper management level ⁶⁵	18	24	103	130	121	154
Proportion in %	15%	16%	85%	84%	100%	100%

ESRS S1-14

OCCUPATIONAL HEALTH AND SAFETY METRICS

In 2024 there were no fatalities due to occupational injuries nor did any BKW employees have a serious occupational accident. Furthermore, once again 100 percent of BKW employees were covered by management systems for occupational health and safety (see also page 67).

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.

64 The previous year was recalculated retroactively due to improvements in data quality. Therefore, the figures may differ from the figures in the last report.

65 Top two management levels below the Group Executive Board. Increase in figures due to improved data quality.

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 impact on customers, the materiality analysis indicates that the protection of privacy and customer data is of key importance. The information in the Customers section thus focuses on 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 year under review, 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

In the course of its business activities, BKW processes a large amount of customer data. Loss, theft, manipulation or misuse of this data could affect the informational self-determination of customers, for example through identity theft, reputational damage or discrimination. In addition

to social and health impacts, this could also have financial consequences for BKW's stakeholders. In order to prevent any such negative effects on customers, BKW protects customer data and uses it responsibly and in accordance with legal requirements⁶⁶.

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. To achieve this, BKW takes a hybrid and systematic approach: in organizational terms, Data Compliance is made up of the central Group Data Protection department and decentrally appointed Local Privacy Officers. The central elements of data compliance are the Group's data protection policy and a functioning Privacy Information Management System (PIMS).

The Group Executive Board has commissioned the Group Data Protection Officer (GDPO), with reviewing compliance with the relevant statutory and regulatory requirements in the area of data compliance. The GDPO heads the Privacy & Data Governance specialist department, which is part

of the Group Compliance. Group Compliance reports to the Group Executive Board and to the Financial Audit and Risk Management Committee (ARMC) as well as the Board of Directors. The GDPO defines actions and processes in the PIMS and coordinates and supports the implementation of the BKW data protection program. The GDPO's tasks also include carrying out an annual data compliance risk assessment and corresponding monitoring and definition of the actions to be derived from it. Their implementation is the responsibility of the management of the respective Group companies and business areas of BKW.

The GDPO is supported in monitoring compliance with data protection by data protection coordinators appointed throughout the Group as well as external data protection officers appointed by and reporting to the supervisory authorities. The GDPO is responsible for processing data protection complaints and data protection incidents and communicating with the supervisory authorities.

66 Detailed information on the implementation of the so-called "unbundling requirements" may be found starting on page 102

The GDPO also runs communication and training courses. Furthermore the GDPO advises managers and specialist departments on all data protection issues.

Data protection Group Directive

BKW's commitment to ensuring that personal data is handled responsibly is anchored in the Group directive on data protection. This defines that personal data may only be processed at BKW in accordance with the principles of data protection law. Accordingly, customer data is also processed exclusively in a lawful manner, in good faith, in a way that is comprehensible to the data subject, exclusively for specified, clear and legitimate purposes, to an extent that is appropriate for achieving the purpose, factually correct and with appropriate security, integrity and confidentiality guaranteed. The Data Protection Group Directive will be further developed into a new Privacy and Data Protection Group Directive in 2025. Furthermore, a Cyber Security & Privacy Policy will be adopted by the Board of Directors in 2025.

Privacy Information Management System (PIMS)

BKW's Privacy Information Management System (PIMS) supports the Group in implementing actions and processes for data protection compliance in a systematic and risk-based manner. For Group companies in the EU, the General Data Protection Regulation (GDPR) is binding, for Group companies in Switzerland the Federal Act on Data Protection (FADP). Outside the EU, the internal BKW standards for compliance with data protection together with local data protection laws form the basis.

The building blocks of the PIM are the Group-wide register of processing activities, a reporting channel for the internal reporting of data protection incidents directly to the GDPO, the systematic implementation of data protection lawfulness and risk checks and data protection impact assessments. Data protection risks are to be identified, analyzed and evaluated as part of these systematic processes. The results of these processes serve as a basis for managing risks and mitigating them by implementing appropriate actions.

ESRS S4-2 | ESRS S4-3

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CUSTOMERS TO ENGAGE AND RAISE CONCERNS

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 via the BKW Integrity Line whistleblower system. 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 via the BKW Integrity Line can also be made anonymously (see also page 81).

Dealing with data privacy incidents

The GDPO and the Privacy & Data Governance specialist department handle reports of data protection incidents. The GDPO 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 needs to be identified whether personal data has been compromised and, in the event of a data protection breach, the severity and scope determined in order to plan the appropriate remedial actions. The remedial actions are divided into immediate actions and long-term actions. Immediate actions aim to contain the damage and inform the affected person(s) as soon as possible. The long-term actions aim 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 information received in 2024 on potential data security breaches was investigated by the Group Data Protection Officer and, where necessary, the relevant reports were submitted to

the responsible supervisory authorities. No legal 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 a data protection training course. In addition to mandatory data protection training, BKW also provides data protection training for specific areas and roles. All training measures are available via a digital Learning Management System. Furthermore, BKW's employees are informed about data protection on the intranet. For employees from areas particularly relevant to data protection, the GDPO offers separate on-site and online training courses.

Responsible use of artificial intelligence (AI)

In order to ensure responsible use of AI, BKW has implemented AI Governance. 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 affected persons 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 decisions and processes of AI systems are 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 PIMS for the reporting year showed that the design of PIMS 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 passed on to a 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 Privacy Information Management System by

2028. This will be accompanied by the further development of BKW's data protection guidelines and additional training measures for employees to raise awareness of data protection violations.

Governance Information

Munich airport, terminal 1

Gregor Molnar, Project Manager
Assmann Beaten + Planen,
BKW Engineering in conversation
with Manfred Abler.

TABLE OF CONTENTS

80 Responsible business practices

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 Group policies that apply throughout the 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. It is based on a risk-based procedure with which BKW together with its suppliers develops its sustainability performance, for example through targeted requirements in procurement projects. It thus minimizes its risks in the supplier network and establishes a practice for responsible procurement within the Group.

Impact, Risk and Opportunity Management

ESRS G1-1

POLICIES AND ORGANIZATION RELATING TO RESPONSIBLE BUSINESS PRACTICES

The Code of Conduct forms the basis for BKW's compliance architecture and defines binding ethical standards and legally compliant conduct for all employees and governing bodies. BKW defines compliance as adherence to all relevant laws, internal regulations and international standards.

The principles of good conduct set out in the Code of Conduct provide all employees with clear guidelines for their daily actions thereby creating a uniform understanding of compliance throughout the Group. With the aim of making the underlying principles even clearer, an update of the internal Group directives and regulations was launched in 2024 as part of a Group project.

The BKW regulations are being revised and in future will comprise nine Group policies in addition to the Code of Conduct, replacing the currently applicable directives and regulations. The policies concerning human rights and climate and the environment were adopted by the Board of Directors in 2024. The Group policies on corporate governance, occupational health and safety, compliance, human resources, finance and risk, taxes, cyber security and data protection will follow in 2025. These new and updated policies ensure that BKW sets Group-wide standards for these areas and achieves strategic corporate targets through fair and sustainable business practices.

The BKW Compliance Management System

BKW has an effective mechanism in place for ensuring compliance with and the promotion of lawful and responsible business practices: the BKW Compliance Management System (CMS). It comprises all the Group's regulations and measures, structures and processes, both internal and external, designed to ensure compliance. The CMS consists of the compliance program, the BKW Integrity Line and the Compliance Awareness Program. Group Compliance regularly reviews the effectiveness of the CMS and coordinates and mitigates compliance risks throughout the Group.

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 Group Executive Board and the CEO.

Compliance with valid regulations, whether external or from within the Group, is achieved using the Three Lines Model⁶⁷. In the first line, the directly affected employees and managers of the various business areas are responsible for observing the compliance regulations. Together with Risk Management and other functions with monitoring and controlling roles, the Group Compliance department forms the second line. As an independent function, Internal Audit constitutes the third line.

The head of Group Compliance thus performs the role of a Corporate Compliance Officer (CCO). In day-to-day business, the head of Group Compliance reports directly to the CEO and BKW's Audit and Risk Management Committee (ARMC). The Group Executive Board and the Board of Directors are kept informed about all key compliance issues by the head of Group Compliance.

The restructuring of the compliance organization mentioned in last year's report has been successfully completed and the actions to strengthen the Group Compliance function implemented. In the Infrastructure & Buildings business segment, locally embedded Compliance Managers will be appointed in the 2025 fiscal year; in larger entities, Compliance Partners will be appointed. They ensure that compliance is put into practice at an operational level.

BKW Integrity Line

BKW aims to promote a speak-up culture that encourages employees and external stakeholders to report violations. Internal and external stakeholders can report violations anonymously via

More information at:

www.bkw.ch/codeofconduct

⁶⁷ The Three Lines Model is a model drawn up by the international professional association for internal auditors, the Institute of Internal Auditors (IIA). It describes structures and processes that can be used to ensure sound governance and strong risk management.

the BKW Integrity Line, a publicly accessible whistleblowing system. Among other things, information on corruption, fraud, conflicts of interest, discrimination, harassment and breaches of environmental regulations and occupational safety standards can be reported.

BKW has introduced appropriate measures to protect whistleblowers from internal retaliation or discrimination. All reports are carefully scrutinized. The responsibilities and multi-stage processes for investigating reported internal incidents are set out in the Group directive on internal investigations.

The multi-stage process guarantees the independence and objectivity of the investigations. A further guarantee of these cornerstones of the investigations is the direct reporting of Group Compliance to the Group CEO. If circumstances require, Group Compliance can outsource individual investigative activities or the entire investigation to external parties, in order to protect the integrity of the investigation.

The results of investigations are shared with the independent disciplinary board, which makes a decision on appropriate sanctions or disciplinary actions. Depending on the severity of the violation, internal sanctions up to and including consequences under employment law as well as actions under criminal or civil law may be taken. The results of the investigations and the decisions of the Disciplinary Board are communicated to the Group Executive Board and, where appropriate, to the Board of Directors.

Compliance awareness program

It is the responsibility of Group Compliance to provide BKW employees with regular training at an appropriate level in all relevant areas of compliance. The objective is to raise awareness of compliance risks and violations, to prevent misconduct and to promote a culture of compliance within BKW. All employees are required to take part in training on the content of the Code of Conduct every two years. At the end of 2024, 90% of employees had completed the mandatory training (53% in 2023). This quota is to be increased further in 2025.

In addition to training about the content of the Code of Conduct, BKW has developed a program of specific training and further educational measures in individual specialist areas, which is continually being expanded. In the near future, customized e-learning courses on relevant topics will also be made available for all employees. One focus will be on the area of anti-corruption and bribery. These measures will be accompanied by the publication of revised directives and regulations in this area and on dealing with conflicts of interest.

Group directives and regulations can be accessed by employees at any time via the BKW intranet. BKW is currently testing a digital tool for delivering instructions to employees, following successful beta testing, employees should receive the relevant instructions automatically. They will also be informed of any changes.

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 chain are key factors in ensuring sustainable and responsible corporate governance.

BKW has five purchasing organizations: Procurement Services for the Grid and Energy business segments as well as four other purchasing organizations in the Infrastructure & Buildings business segment. To develop comprehensive sustainability management in procurement, BKW has made human resources available to Procurement Services in 2023 and 2024, in order to promote this Group-wide matter. As a Group function, Procurement Services receives their mandate from the Group Executive Board, which leads to regular reporting on projects and targets. The purchasing organizations coordinate their activities in the ESG⁶⁸ Procurement Board that has met several times a year since 2024 and is convened on an ad hoc basis in the event of problems with suppliers. Coordination at specialist level takes place in the Steering Committee.

BKW works closely with its suppliers to drive sustainability in the supply chains in order to reduce risks and strengthen resilience. At the same time, it is crucial for BKW to design the sustainability requirements in such a way that the market is not excessively restricted and the availability of suppliers remains guaranteed.

For the impact, risk and opportunity management in procurement, BKW has the following objectives:

- All suppliers with potential ecological and social risks shall have a sustainability rating by 2026 that is at least equal to the industry average⁶⁹.
- Responsible purchasing practices will be standardized across the Group by 2025 through a robust set of rules and implemented in all purchasing organizations as of 2026.

The initial objective in the medium term focuses on onboarding and the development of 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 of consumers and purchasing 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.

Supply chain risk analysis

Since 2023, BKW has carried out a supply chain risk analysis in the areas of power production and grid operation. The starting point was to identify the areas of activity where relevant risks could potentially arise. During the analysis, four risk areas (power grids, photovoltaic systems, wind power and battery storage units) were identified for BKW, to which hydropower was added in 2024. For these risk areas, 25 raw materials⁷⁰ have been identified that are associated with potential environmental or social risks (see the table below).

68 Environment, Social and Governance

69 BKW defined the industry average based on data from 2023 and it corresponds to a EcoVadis rating of 56 points.

70 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.

Sustainability risks in the supply chain analyzed by BKW

Social risks

- Child labor
- Forced labor and all forms of slavery
- Inadequate occupational health and safety, and health hazards in the workplace
- Disregard for freedom of association and the right to collective bargaining
- Discrimination
- Precarious working conditions and withholding adequate wages
- Environmental human rights risks
- Land use conflicts and property rights
- Conflicts and security

Environmental risks

- Greenhouse gas (GHG) emissions
- Consumption of water and land
- Exploitation of abiotic and biotic raw materials
- Emissions of air pollutants
- Discharge of substances hazardous to water
- Waste

Based on the risk areas and the goods and services procured by them, BKW has identified suppliers with potential environmental and social risks (ESG relevant suppliers). To this end, information on the supply chains and the origin of the raw materials risk was collected from suppliers, resulting in an ESG risk profile for each supplier. Procurement projects concerning these suppliers or goods and services with medium to high risks are closely monitored by sustainability management in procurement in order to minimize sustainability risks.

Supplier assessment and development

BKW has set itself the goal of ensuring that all relevant suppliers with potential environmental and social risks have a sustainability rating that is at least equivalent to the respective industry average by the end of 2026. In coordination with all purchasing organizations, the respective 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 issues.

In 2023, BKW identified 149 direct suppliers (TIER 1 – first level of the supply chain) in the power production and grid operation procurement areas. In 2024, the number of relevant suppliers in

these procurement areas increased by 22 to 171. They cover over 75% of revenues in the relevant product groups. Furthermore, 32 relevant suppliers in the Construction procurement area (engineering and construction companies) were identified in 2024 which will be included in the rating process as of 2025.

27 of the 171 relevant suppliers in the power production and grid operation procurement areas currently have no active business relationship with BKW. 17 others only have to complete a self-declaration due to the nature of their activities (low risk relevance). 42 of the remaining 127 suppliers have confirmed that they already have an EcoVadis rating.

- 30 have a rating above the industry average
- 12 have a rating that does not yet reach the industry average, but do not show any fundamental misconduct in their business practices. These suppliers are being developed towards the formulated target
- None have an inadequate sustainability performance or need to immediately rectify any fundamental shortcomings

With regard to activities to increase sustainability and transparency in the supply chain, BKW in 2024 was able to get seven initial ratings and one reeva-

evaluation underway. To date, no suppliers have refused to provide information on sustainability issues.

BKW is gradually extending onboarding of ESG relevant suppliers to all procurement areas and will continue to drive forward the development of existing suppliers.

Actions in risk areas

General sustainability requirements apply in all risk areas (including contractual clauses, self-declaration and supply chain transparency). In 2024, additional processes were also introduced in three of the five risk areas. In future, these processes will be used as standard to avoid risks in the respective risk areas.

Power grid risk area

An in-depth analysis of supply chain risks shows that copper – particularly in the cable product group – is highly relevant to BKW in terms of sustainability: there is a potential risk of the use of child labor, large quantities are procured and there are direct opportunities for action vis-à-vis the producers. In the tender for distribution grid cables (low voltage/medium voltage) strict MUST criteria were therefore specified. The suppliers had to disclose their supply chains as well as the origin of the raw materials. For example, it was possible to prove that none of the suppliers sourced copper ore from countries where there was

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 to deepen cooperation with all suppliers.

Photovoltaics risk area

In the photovoltaics risk area there is a potential risk of forced labor in connection with the raw material silicon. The reason for this is that a large proportion of the raw material worldwide comes from the Xinjiang region of China. In preparation for a tender for photovoltaics modules for alpine facilities, extensive research was carried out. Based on this, BKW conducted a market survey of potential suppliers to identify sustainability risks with a focus on forced labor. The aim of the survey was to understand the aspirations of potential suppliers and make them aware of BKW's expectations.

Large batteries risk area In the procurement of large batteries, for regulatory reasons the focus is on conflict minerals (3TG)⁷¹ 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 for the supplier, which can be used to identify in-depth measures for the parties in the supply chain.

71 Tin, tungsten, tantalum and gold

Responsible purchasing practice

Responsible procurement is based on a set of rules that includes the directive for procurement management, the General Terms and Conditions of Purchase (GTCP), the Supplier Code of Conduct, the submission regulations for tenders (incl. a self-declaration form for suppliers and a criteria catalog), as well as decentralized regulations at the level of the purchasing organizations. In 2024, BKW started to standardize its extensive set of rules for responsible procurement across the Group. The work is scheduled for completion by 2026.

Sanctioning mechanisms

In the event of suppliers failing to meet BKW's sustainability requirements, BKW has defined a staged procedure (supplier interview, blocking of products until remedial action is taken, separation from the supplier). The ESG Procurement Board is regularly informed about progress in onboarding and convened on an ad hoc basis in the event of suspected infringements and breaches, i.e. when sustainability risks arise at suppliers or when measures need to be escalated. The aim is to find an effective solutions to remedy any shortcomings.

Training

In 2024, buyers 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.

Procurement Services also raised awareness of ethical standards and legal requirements in the procurement process. The buyers attended a mandatory training course on competition law. They were also made aware that stricter rules of conduct in the area of impartiality in public procurement will apply as of 2025.

ESRS G1-3

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

BKW pursues a zero-tolerance policy towards all forms of corruption. Corruption risks are addressed and mitigated by means of periodic training and sensitization of employees as well as a variety of other actions.

A key component here is the “Anti-Corruption” Group directive. As part of its efforts to raise awareness of this issue, BKW is already training its employees on the Code of Conduct. This training will be deepened and expanded in the coming year.

In addition, BKW is committed to limiting financial authority and carrying out continuous controls of relevant processes. These actions serve to identify potential risks at an early stage and address them in a targeted manner.

Group Compliance is the central point of contact for suspected cases of corruption and bribery and operates a whistleblower system (BKW Integrity Line, see page 81) that is available to employees and external persons. Whistleblowers are protected from retaliation.

Metrics

ESRS G1-4

VIOLATIONS OF CORRUPTION, BRIBERY, HUMAN RIGHTS AND ENVIRONMENTAL REGULATIONS

In the fiscal year, there were no convictions or penalties in connection with breaches of bribery and corruption regulations. Similarly, there were

no convictions or penalties in connection with breaches of human rights and environmental regulations.

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. Management also includes the terms of payment, 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), special agreements with an installment payment of typically 30 percent may be made. The whole payment procedure is subject to the supervision of Financial Controlling. In 2024, there were no pending cases regarding BKW's payment practices.

Company-specific Sustainability Matters

Arzberg

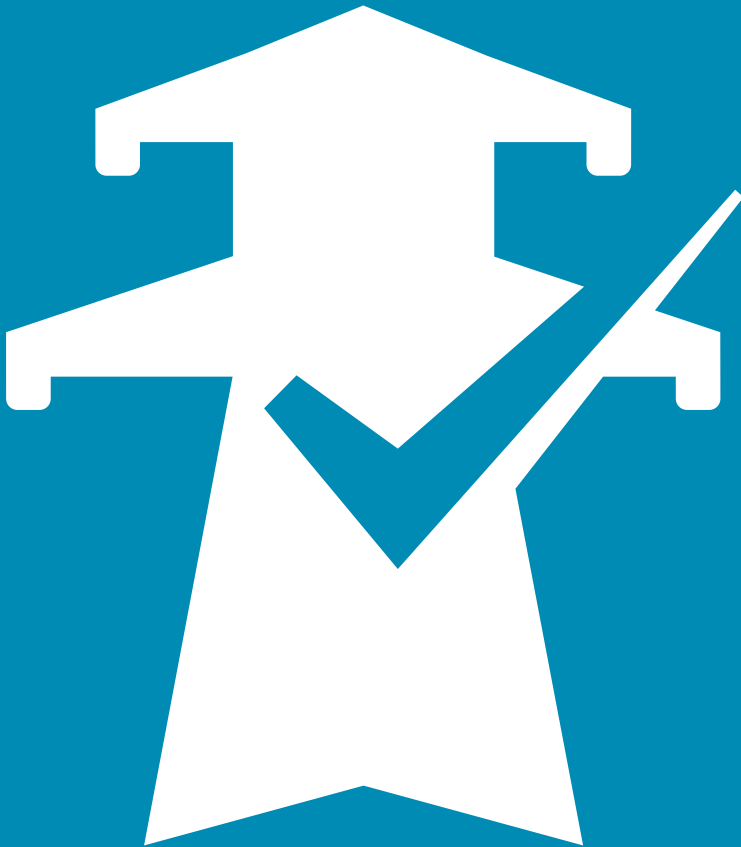
Stephan Fitze, Project Manager BKW Energy Solutions GmbH, BKW Infra Services at one of the largest energy storage facilities in Europe.



TABLE OF CONTENTS

- 90 Security of energy supply
- 94 Emergency preparedness

Security of energy supply



Reliable energy supply is a key prerequisite for prosperity, economic growth and social development. BKW makes a significant contribution to ensuring electricity supply in Switzerland. As an energy and infrastructure service provider, BKW seeks to ensure a high level of availability of the distribution grid and high availability of the power plants.

Impact, Risk and Opportunity Management

POLICIES AND ORGANIZATION RELATED TO SECURITY OF ENERGY SUPPLY

With regard to its production and grid facilities, the BKW Group pursues a predictive maintenance strategy. On the basis of regular needs and risk analyses, necessary maintenance measures and investments are made on an ongoing basis thereby ensuring the reliable functioning of the grids and facilities. At the same time, BKW makes targeted investment in the training of its employees. This means that the performance level with regard to reliability and availability of the power plants and grids remains at a continuously high level.

The impact, risk and opportunity management of BKW, relating to the availability level of the distribution grid, is the responsibility of the Power Grid business area. The availability of the power plants is the responsibility of the Energy Production business area. They are subject to numerous legal requirements related to security of supply. The national legislation on electricity, energy and land use planning, the Heavy Current Ordinance, the Swiss Standard SN EN 50110-1:2013 and specific instructions of ESTI, the supervisory and regulatory authority for electrical installations, are applicable to the Energy and Grid business segments in Switzerland. Both business areas also comply with national and international norms and standards. The distribution grid in particular is regulated and there are clear statutory provisions in place to ensure planning, construction and operation is performed in a safe, effective and efficient way, as well as implementing an obligation to connect.

Distribution grid

The overall responsibility for the distribution grid is assigned to the Power Grid business area. This is based on the aforementioned legal requirements. In addition, 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 according to ISO 9001, ISO 14001 and ISO 45001. Power Grid's integrated management system provides clear guidelines and defines how

operational processes should be planned, implemented, documented and monitored. To ensure continuous improvements, the processes are regularly reviewed and adapted in order to fulfill statutory requirements. Risk management, information security and Business Continuity Management are key pillars of high level of availability and are central to all internal processes. These are based on the Group-wide documents "Cybersecurity Group Directive" and "Risk Management Group Directive" which are integrated in the Power Grid processes. Risk management, information security and Business Continuity Management jointly contribute to strengthening operational resilience and ensuring reliable energy supply. A safety concept according to Art. 12 of the Heavy Current Ordinance was drawn up by Power Grid as proprietor, to ensure that sufficient qualified personnel are available. Regular internal and external audits ensure the efficiency and implementation of these processes. Furthermore, regular reviews are carried out by the Internal Audit department, focusing on the assessment of compliance, governance, financial management and control, risk management and IT security checks. Internal Audit has an unrestricted right to access information and files in order to fulfill its duties.

As a Swiss distribution grid operator, Power Grid is subject to the legal obligation to operate the distribution grid safely, efficiently and at a high level of performance. Operational management of BKW's distribution grid is performed from the central control center. Power Grid pursues a comprehensive, forward-looking approach to the maintenance, renewal and expansion of the distribution grid to successfully meet future maintenance and energy transition requirements. The basis for this, among other things, is the targeted grid planning for the medium and high-voltage grid, forecasts in the context of the expansion of renewable energies and the electrification of transportation and heat supply. Another component is the installation of smart meters. They contribute to the high availability level by better monitoring grid utilization, supporting grid planning and improving the quality of

forecasts thanks to more accurate measurement data.

Electricity production

BKW's contribution to security of supply is based on the high level of availability of the distribution grid and of the power generation plants. BKW's production facilities are managed by the Energy Production business area.

The technologically diversified portfolio of BKW's 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 hydropower plants but also stakes in modern and efficient coal and gas-fired power plants), plannable base-load energy (e.g., run-of-river power plants, biomass and nuclear power plants) as well as new renewable energy power

plants (wind and solar power plants). Furthermore, BKW plans to invest in battery storage systems that increase grid stability, permitting the integration of fluctuating new renewable energy generation in the power 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 regulates responsibilities, operating processes and maintenance procedures. All sites have a quality management system certified according to ISO 9001, most of them also have ISO 14001 certification (environmental management systems). The maintenance workshop of the Hydraulic Power Plants function also has certifications for welding work (EN 1090 EXC3 and ISO 3834-2).

ACTIONS RELATED TO SECURITY OF ENERGY SUPPLY

Investments in grid expansion and maintenance

In 2024, BKW invested CHF 160 million in the maintenance and expansion of the distribution grid as well as in the use of modern processes and technologies throughout the energy system. Among other things, around 15,000 smart meter were installed by the end of 2024, marking the start of their widespread use across the entire supply area.

Investments in refurbishment of power plants

To keep availability of the power generation plant at the highest level possible over the long term, BKW invested CHF 14 million in refurbishment measures in 2024.

Flexibilization of run-of-river power plants and investment in battery storage

BKW is investing in making its run-of-river power plants more flexible and plans to invest in battery storage systems to increase their contribution to the security of supply.

Solar plant system integration

BKW is working toward solar plants being built and operated in a grid-compatible manner. On the one hand, BKW is politically committed to flexible regulation of solar plants while on the other hand enabling flexible operation of its own solar power plants and those of third parties.

Targets and Metrics

TARGETS RELATED TO SECURITY OF ENERGY SUPPLY

BKW has set itself the goal of maintaining the high level of availability of its distribution grid it has already achieved for many years by 2030. To this end, it wants to invest CHF 1 billion (CAPEX) in the grid expansion and maintenance of the distribution grid by 2030. This includes, among others, the conversion and expansion of 2,500 km of power grids, the enhancement or new cons-

truction 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 meter will be installed by the end of 2028. In the area of power plants, BKW pursues the goal to increase its power generation capacity by 1,300 MW (38%) by 2030.

METRICS RELATED TO SECURITY OF ENERGY SUPPLY

Distribution grid

The grid availability in BKW's distribution grid was 99.997% in 2024. The average downtime measured according to the System Average Interruption Duration Index (SAIDI)⁷² amounted to 17 minutes during this period. In 2024, additional planned shutdowns, three technical errors and the weather conditions in summer and winter affected the availability level.

Average downtime of the distribution grid (SAIDI⁷³)

	2022	2023	2024
BKW score	12 min	11 min	17 min ⁷³
Swiss benchmark	16 min	18 min	not available ⁷⁴

Electricity production

In terms of power plant availability, BKW focuses on run-of-river power plants and the Tamarete thermal power plant.⁷⁵

As in the previous year, the economic availability of the run-of-river power plants in 2024 was 96%. Commercial availability of 100 percent is the amount of energy that could be produced with technical machine availability of 100 percent. In 2024, the gas-fired Tamarete power plant operated by BKW achieved an availability of 87.4% (97.5% in the previous year), taking into account both planned and unplanned interruptions. The lower availability compared to the previous year is mainly referable to an unplanned outage in the high-voltage substation in August/September 2024.

72 Calculation based on the "old SAIDI method", regardless of the voltage level in order to facilitate a comparison with the Swiss benchmark.

73 Preliminary value

74 The Swiss benchmark will only be available after publication of this report.

75 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.

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 cyber attacks. Therefore, BKW has established a crisis management system at Group management level and an emergency management system at business area level, to ensure the functionality of (critical) energy supply structures, data security and the detection of and defense against cyber attacks.

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 population, a large number of customers or BKW employees or 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 develop 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 team. By contrast, less serious incidents that can be managed with the resources of the affected business area are considered emergencies. They can be mitigated or eliminated with the help of the corresponding management system.

To prevent or manage potential crises, BKW established an efficient organizational structure: relevant strategic decisions and those of fundamental importance to the company are taken by the crisis management team (member of the Group Executive Board). Whether a crisis is declared is decided by the CEO at the request of the head of the Group crisis management.

Group crisis management team and emergency management

The crisis management team is the Group's central management instrument at operational level. The activities of the Group crisis management team are based on specific BKW principles and specialist concepts as well as a manual that is also available in analog form in case the Internet should fail. In the event of a crisis, a rapid res-

ponse is essential. For this reason, the head of the Group crisis management team has the authority to initiate the necessary measures independently in the case of an emergency.

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 team". This organization, with internal and external expertise, makes it possible to tackle all types of crisis according to 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, 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 of threats and attacks from the virtual world (objectives, 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.

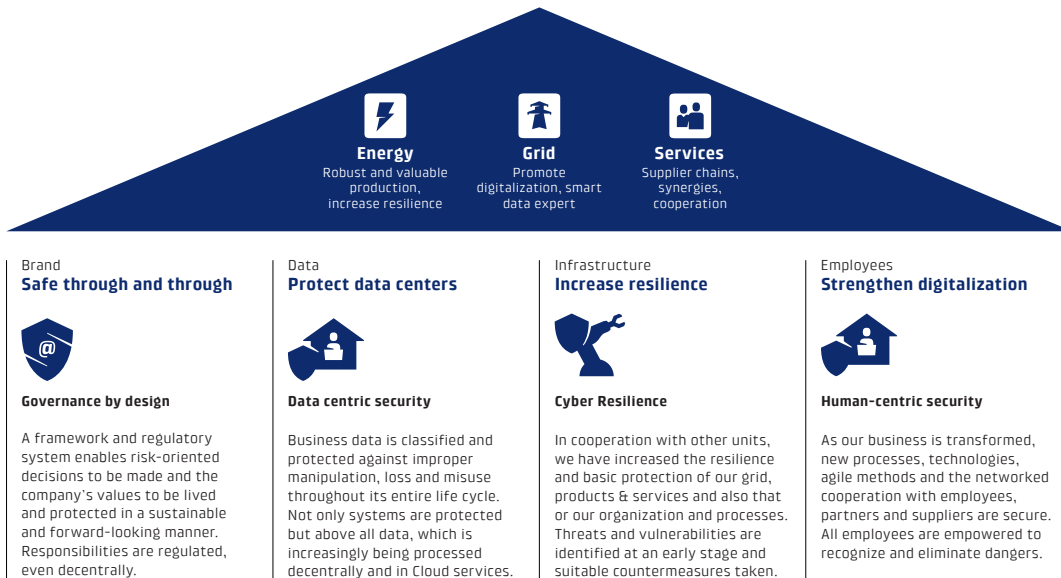
Cybersecurity

The Group Executive Board is responsible for the operational organization of cybersecurity. The Group Executive Board delegates the strategic and tactical organization of the cybersecurity management system and the operational implementation of cybersecurity to the Group Security function, headed by the Group Chief Information Security Officer (Group CISO). The Group CISO reports to the CIO who in turn reports to the CFO. The CISO acts according to the Cybersecurity Group Directive. The CISO develops the cybersecurity strategy, defines the principles of cybersecurity (see diagram on the right), provides all requirements for information security, safe IT and OT operation and regularly checks compliance with them. In future, Group-wide specifications

for cybersecurity management will also be defined in the Cybersecurity & Privacy Policy to be introduced in 2025. Operational tasks in the area of cybersecurity are performed decentrally by local security officers in the BKW companies.

To detect and prevent potential cyber incidents and fend off actual attacks, BKW has established a four-pillar strategy, implemented with the help of the Information Security Management System (ISMS) (see figure). In the four-pillar strategy, objectives are defined taking into account the Group-wide corporate strategy and the current threat situation. Key criteria are the availability of services as well as the confidentiality and integrity of data in the areas of technology, procedures and organization.

Overview of the cybersecurity strategy



Overview of the principles of cybersecurity



At BKW, cybersecurity is operated according to the internationally recognized security standards NIST Cybersecurity (CSF)⁷⁶ and ISO/IEC 27001/27002:2022, IEC 62443 and the industry standards of the Association of Swiss Electricity Companies (VSE/AES). NIST CSF is applied to analyzing and assessing BKW's security level; regular stress tests, as well as internal and external audits, are carried out in parallel.

BKW places a special focus on data and information security. The ISMS includes interrelated

processes for determining the security level, implementing the required measures and performing the audit, optimization and reporting on the implemented measures. BKW also works closely with authorities and bodies in the context of the national cybersecurity strategy and is instrumental in formulating security requirements and recommendations in the Swiss energy sector. This applies, for example, to the definition of legally required levels of resilience to meet minimum cybersecurity maturity values in the energy sector.

⁷⁶ The NIST Cybersecurity Framework provides best practices and guidelines supporting companies in the private sector to improve their information and cybersecurity risk management.

ACTIONS RELATED TO EMERGENCY PREPAREDNESS

In 2024, 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

- 30 to 40 employees, including all members of the Group crisis management team, are trained annually in different fields. The training includes crisis role-plays 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 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 central projects were implemented in 2024 (non-exhaustive list):

- Awareness-raising measures, training and communication on different channels aimed at different stakeholder groups (awareness communication)
- Expansion of the Bug Bounty Program
- 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 of the Group Security Group function

Target and Metrics

TARGETS RELATED TO EMERGENCY PREPAREDNESS

Emergency preparedness 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 for all business areas are to be continuously expanded. Based on the emergency response plans, training is provided for the relevant employees of all business areas.

In addition, continuously strengthening the ability to recognize and ward off cyber attacks and limit damage is an important goal of BKW. To this end, financial and human resources for Group Security will be further expanded. Furthermore, annual training and campaigns for cybersecurity will be implemented for all employees and continually expanded.

METRICS RELATED TO EMERGENCY PREPAREDNESS

Over the course of 2024, BKW registered a monthly average of 1,500 cybersecurity events; furthermore, BKW is exposed each month to around 50,000 phishing attempts. Of all security events, around 40 actual security incidents with interventions were identified. To handle incidents, BKW made use of external services as an SOCaaS (Security Operation Center as a Service).

In 2024, 72% of employees with access to a computer completed an E-learning course on cybersecurity.

Appendix

Lindt & Sprüngli, Olten

Marc Hasler, Project Manager Sigren, BKW Building Solutions checks the control cabinets in the Cocoa Center.

CONTENTS

- 102 Implementation of unbundling at BKW – for fair competition
- 107 Waste balance
- 108 ESRS Index
- 112 TCFD Index
- 113 Sustainable Development Goals

Implementation of unbundling at BKW – for fair competition

BKW is committed to providing holistic solutions for energy, buildings and infrastructure for spaces for life. Based on its three-pillar strategy (see page 16 of the Annual Report) it operates in the business segments “Infrastructure & Buildings” (includes the “Building Solutions”, “Engineering” and “Infra Services” business areas), “Energy Solutions” (includes the “Energy Markets” and “Energy Production” business areas) and “Power Grid”.

While BKW competes keenly with other market participants in the two first business segments, in the Power Grid segment, where it operates the distribution grid and supplies customers with their basic needs, BKW has an effective monopoly. These include, on the one hand, the grid area (including the obligation to connect consumers, storage facilities and producers) and, on the other hand, the energy supply to the basic supply customers within the grid area: consumers with an annual consumption of less than 100 MWh are tied to their grid operator for their energy supply and are not free to choose their electricity provider. Thus BKW holds a statutory monopoly position in these areas of activity.

The following pages explain how BKW implements the so-called “unbundling requirements”, to ensure that the competing areas of BKW do not gain any advantages from their monopoly tasks.

Statutory “unbundling” requirements

From a competitive perspective, monopoly positions can have negative implications: there is a risk that they will be exploited to gain advantage over competitors in competitive areas. This can occur, for example, 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 government was aware of this problem when it enacted the Federal Electricity Supply Act (“StromVG”) and therefore provided rules on the unbundling of monopoly and competitive activities in Art. 10:

1. The electricity supply companies must ensure the independence of the grid operation. Cross-subsidization between the grid operation and the other areas of activity is prohibited.
2. Commercially sensitive information gained from the operation of the power grids must be treated confidentially by the electricity supply companies, subject to the statutory disclosure obligations, and may not be used for other areas of activity.
3. The electricity supply companies must separate the distribution grid areas from the other areas of activity, at least for accounting purposes.

BKW has implemented these stipulations through its internal organizational and system structures, as well as through its internal guidelines (directives, regulations, etc.) on which the employees are trained.

Statutory unbundling of the service areas

The “Building Solutions”, “Engineering” and “Infrastructure” business areas form their own independent groups of companies within the BKW AG that are separate from the Grid business. With the statutory unbundling of the “Infrastructure & Buildings” business segment from the regulated activities, BKW goes beyond the requirements of the StromVG by providing these services through its own companies. These companies are independent in terms of personnel, independently organized 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 in accounting terms, and transfer pricing of services between different companies in the Group are in accordance with tax law requirements, in particular the “arm’s length” principle.

Organizational unbundling of the Grid area from the energy area

For historic reasons, the “Energy Solutions” (which includes the business areas “Energy Markets” and “Energy Production”) and “Power Grid” business segments are combined in BKW Energie AG. From an organizational perspective, however, these business segments are independent of each other: with its own management responsible for the operational management of the business activities assigned to the business area. The business areas have their own employees and their own organization, which – subject to the use of shared services provided by Group functions – operate independently of each other.

Shared Services

In order to achieve economies of scale, various Group 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 Corporate Human Resources, Legal and Compliance, IT services and Communications. These services are charged to the individual business areas within the Group on the basis of standardized criteria and, in particular, taking regulatory requirements into account.

Accounting unbundling and cost allocation

Chargeable costs of the distribution grid

By implementing Art. 10, Sec. 3 of the StromVG, the Distribution Grid business area is unbundled from the financial accounting of the other areas of activity of BKW Energie AG by its own company code. All costs allocated to the Distribution Grid area, have separate posting processes and are recorded in specific account assignment elements. This means that the costs charged to grid users via the grid usage and basic supply tariffs are clearly defined and comprehensible.

The allowable costs of the distribution grid operation are defined in the StromVG and the Electricity Supply Ordinance and are determined by the industry documents and the requirements of the regulatory authority (Federal Electricity Commission ECom) for annual cost reporting.

Costs that may be charged to the end user via the grid tariffs include the operating and capital costs of a safe, powerful and efficient grid:

- The chargeable operating costs include costs for the operation and maintenance of the distribution grid, the grid connection, measurement, data provision and invoicing of grid usage, as well as the upstream grid costs, grid losses, levies and direct taxes.
- The chargeable capital costs are made up of depreciation and imputed interest. The latter result from the assets required for operations (residual value of fixed assets incl. assets under construction and 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 chargeable costs are allocated to the individual grid levels and charged to the respective consumption groups via the grid usage tariffs.

Chargeable costs of basic supply

The basic energy supply comprises the supply of electricity within the BKW grid area to fixed end consumers and to end consumers who waive grid access. As the basic supply is also a legal and de facto monopoly, the permitted revenues are also regulated here: the tariff is based on the production costs of efficient production and on long-term supply contracts of the distribution grid operator (Art. 4 StromVV). The distribution grid operator must maintain separate cost accounting (Art. 6 Sec. 4 StromVG).

BKW's energy tariffs for basic supply are based on the production costs of the Swiss power plants and BKW's long-term supply contracts, the costs arising from the obligation to purchase and remunerate decentralized electricity production in the distribution grid area and on costs of additional energy purchases from third parties, insofar as these are necessary to ensure an uninterrupted supply. BKW calculates these cost elements based on legal requirements and the industry recommendations of the Association of Swiss Electricity Companies (VSE).

The chargeable production costs of one's own production include operating and capital costs as well as the charges and services to local authorities incurred related to 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 maintenance of the production facilities.
- Chargeable capital costs include imputed depreciation and imputed interest on the assets required for production. This is based primarily on the original acquisition and production costs. The WACC of the production area is decisive for the interest calculated on the residual values of the assets. It takes appropriate account of the risks associated with electricity production.

In addition to the production costs, the chargeable 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 03/2022. 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 as well as the calculated interest on net current assets are also taken into account.

Supervision by ECom

The chargeable costs for the distribution grids and the basic supply are estimated by BKW in advance for the coming tariff year and reported to ECom in accordance with regulatory requirements. 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 differing 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 basic supply is permissible for the entire BKW Group.

Use of profits from regulated business

BKW's revenues from its regulated activities are derived from the chargeable 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 BKW Group's IFRS consolidated financial statement, the profit from regulated activities is included in the results of various business areas: the profit from the basic supply is part of the profit of the Energy business segment because this is revenue from electricity supplies. By contrast, the regulated profit from the distribution grids is reported in the Power Grid business segment. The costs and revenues eligible for regulatory purposes are reported within the Power Grid business area in a separate company code corresponding to the published "Regulatory financial statements for the BKW Energie AG distribution grid"⁷⁷. This differs from the annual financial statement prepared in accordance with IFRS as presented in the annual report, in particular due to EBIT-neutral differences in the disclosure 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 result 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 faultless operation of the distribution grid (see [reference in Annual Report]).

Informational unbundling

Informational unbundling stipulates that BKW must not gain a competitive advantage over its competitors from the data and customer relationships resulting from operation of the grid. 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, in the free energy market for customer acquisition and tender preparation.

BKW has taken comprehensive measures in its 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 Services also conducts regular training sessions on this topic for employees who work in areas that may be affected by the unbundling requirements. The designated employees from Group Legal Services are also available to answer specific questions on data use or requests for information. Possible violations of the unbundling requirements can be reported using the Group-wide compliance system. No cases were reported in the reporting year.

77 See: <https://www.bkw.ch/de/energie/gesetzliche-publikationen/jahresrechnung-verteilnetze-energie-ag>.

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 area: 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 the latter requires for the management of 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 the grid area of BKW.

Sales approach and customer service

Informational unbundling also means that customer contacts from the regulated area cannot be used at the same time to approach customers for competing services. In this regard, BKW regularly reviews its published content in the area of regulated business (e.g., 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 (e.g., the customer magazine flash!).

At BKW, customer inquiries are handled by a customer service center which is organized for

regulated customers and customers on the free market in accordance with the unbundling requirements:

- Customers who purchase their electricity from the BKW grid and at the same time are subject to BKW's supply monopoly are managed in a separate customer service center in the Power Grid business area. A service number is available for these customers.
- Customers who purchase their electricity from the BKW grid but have chosen their supplier freely are managed by the customer service of the Energy Markets business area if the supplier is BKW. If the supplier is not BKW, the customers are supported by the Grid customer support.

This ensures that customers who purchase their energy via BKW's distribution grid monopoly and exercise free market access, are supported 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 in the applicable unbundling rules.

Where grid customers contact the Power Grid customer service center with other concerns, employees are trained not to give information on, or recommendations for BKW services. For example, if a customer asks about service providers for PV systems, there is a rule that they are referred to the usual Internet search engines or the Swissolar website, where there is a list of solar installers and fitters. This ensures that customer contacts in the regulated area are not used to obtain services from the competitive areas.

Waste Balance

Amount of waste for recovery by recovery methods⁷⁸

Amount in metric tons (t)	2023	2024
Hazardous waste avoided		
Preparation for re-use	0	0.9
Recycling	42.3	114.4
Other recovery processes	0	1.9
Total hazardous waste avoided	42.3	117.2
Non-hazardous waste avoided		
Preparation for re-use	0	62.5
Recycling	2,863.7	3,908.9
Other recovery processes	3.3	529.9
Total non-hazardous waste avoided	2,867.1	4,501.3
Total waste avoided	2,909.4	4,618.5

Amount of waste for disposal by type of treatment⁷⁹

Amount in metric tons (t)	2023	2024
Hazardous waste		
Incineration (with energy recovery)	395.7	468.2
Landfill	0	0
Other disposal methods	0.4	12.8
Total hazardous waste	396.1	483.1
Non-hazardous waste		
Incineration (without energy recovery)	0	0
Incineration (with energy recovery)	1,783.2	1,876.4
of which flotsam ⁷⁹	1,482.0	1,590.5
Landfill	115.6	83.6
Other disposal methods	0.9	8.16
Total non-hazardous waste	1,899.8	1,968.1
Municipal waste	n. a.	2,795.6
Total waste	2,295.9	5,246.8

BKW generates both ordinary municipal waste and industrial waste. The uniform collection and consolidation of waste volumes across the Group continues to pose a major challenge as waste disposal in some business areas, in particular outside of Switzerland, is regulated and managed decentrally. In Switzerland, the collection of operational waste data is mainly carried out in cooperation with the waste disposal companies commissioned by BKW. The granularity of the data varies depending on the business area and is still incomplete in some cases.

The increase in waste volumes compared to the previous year is mainly due to the closing of data gaps. What is new is that BKW now also shows an estimate of the municipal waste from office locations⁸⁰. They are not disposed of directly by a waste disposal company, but via the municipal waste collection service and usually burned in waste incineration plants. BKW is continuously increasing the amount of waste recovery and is aiming to achieve a neutral waste balance in the coming years.

78 Waste for Energy Production, Energy Markets, Power Grid, Infra Services, parts of the Engineering und Building Solutions business areas; Switzerland only; excludes radioactive waste

79 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.

80 Average value of 270 kg municipal waste per FTE and year | Swissrecycle.ch

European Sustainability Reporting Standards (ESRS) Index

The following tables list all ESRS disclosure requirements of ESRS 2 and the ten topic-related ESRS standards show where the relevant information can be found in the Annual Report. The topical standards E2, S2 and S3 are not material for BKW (see page 17) 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. Due to the current state of development of the ESRS implementation, certain further details have not been reported ("not reported").

General information

Disclosure requirement	Pages Annual Report 2024	
ESRS 2 General disclosures		
BP-1	General basis for preparation and presentation of the sustainability statement	150
BP-2	Disclosures in relation to specific circumstances	150
GOV-1	The role of the administrative, management and supervisory bodies	151 271–296
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	152
GOV-3	Integration of sustainability-related performance in incentive schemes	152–153 310–311
GOV-4	Statement on due diligence	153
GOV-5	Risk management and internal controls over sustainability reporting	114–115 153
SBM-1	Strategy, business model and value chain	16–21 154–157
SBM-2	Interests and views of stakeholders	157–158
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	119–120 159–165
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	166–167
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	250–253

Environmental information

Disclosure requirement	Pages Annual Report 2024	
ESRS E1 Climate change		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	152–153
E1-1	Transition plan for climate change mitigation	173
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	160 174–176
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	177–178
E1-2	Policies related to climate change mitigation and adaptation	179
E1-3	Actions and resources in relation to climate change policies	180–181
E1-4	Targets related to climate change mitigation and adaptation	182–183
E1-5	Energy consumption and mix	184–186
E1-6	GHG gross emissions in Scope 1, 2 and 3 categories and total GHG emissions	187–189
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not reported
E1-8	Internal carbon pricing	Not reported
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not reported

Disclosure requirement	Pages Annual Report 2024
ESRS E2 Pollution	
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	166–167
E2-1 Policies related to pollution	Not material
E2-2 Actions and resources related to pollution	Not material
E2-3 Targets related to pollution	Not material
E2-4 Pollution of air, water and soil	Not material
E2-5 Substances of concern and substances very high concern	Not material
E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	Not material
ESRS E3 Water and marine resources	
ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	191
E3-1 Policies related to water and marine resources	192
E3-2 Actions and resources related to water and marine resources	Not reported
E3-3 Targets related to water and marine resources	193
E3-4 Water consumption	Not reported
E3-5 Anticipated financial effects from water and marine resources-related risks and opportunities	Not reported
ESRS E4 Biodiversity and ecosystems	
E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Not reported
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	161 195
ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	196
E4-2 Policies related to biodiversity and ecosystems	197
E4-3 Actions and resources related to biodiversity and ecosystems	198
E4-4 Targets related to biodiversity and ecosystems	199
E4-5 Impact metrics related to biodiversity and ecosystems change	Not reported
E4-6 Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Not reported
ESRS E5 Resource use and circular economy	
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	201
E5-1 Policies related to resource use and circular economy	201
E5-2 Actions and resources related to resource use and circular economy	202
E5-3 Targets related to resource use and circular economy	203
E5-4 Resource inflows	204
E5-5 Resource outflows	Not material Waste balance: 249 "
E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not reported

Social information

Disclosure requirement		Pages Annual Report 2024
ESRS S1 Own workforce		
ESRS 2 SBM-2	Interests and views of stakeholders	157–158
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	162–163 207
S1-1	Policies related to own workforce	208–210
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	210
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	211 223
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	211–212
S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	213
S1-6	Characteristics of the undertaking's employees	214
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Not reported
S1-8	Collective bargaining coverage and social dialog	Not reported
S1-9	Diversity metrics	215
S1-10	Adequate wages	Not reported
S1-11	Social protection	Not material
S1-12	Persons with disabilities	Not reported
S1-13	Training and skills development metrics	Not reported
S1-14	Health and safety metrics	215
S1-15	Work-life balance metrics	Not reported
S1-16	Remuneration metrics (pay gap and total remuneration)	Not reported
S1-17	Incidents, complaints and severe human rights impacts	230
ESRS S2 Workers in the value chain		
ESRS 2 SBM-2	Interests and views of stakeholders	Not material
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Not material
S2-1	Policies related to value chain workers	Not material
S2-2	Processes for engaging with value chain workers about impacts	Not material
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	223
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Not material
S2-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Not material

Disclosure requirement		Pages Annual Report 2024
ESRS S3 Affected communities		
ESRS 2 SBM-2	Interests and views of stakeholders	Not material
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Not material
S3-1	Policies related to affected communities	Not material
S3-2	Processes for engaging with affected communities about impacts	Not material
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	223
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Not material
S3-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Not material
ESRS S4 Consumers and end-users		
ESRS 2 SBM-2	Interests and views of stakeholders	157–158
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	163 217
S4-1	Policies related to consumers and end-users	217–218
S4-2	Processes for engaging with consumers and end-users about impacts	218–219
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	218–219
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	219
S4-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	220

Governance information

Disclosure requirement		Pages Annual Report 2024
ESRS G1 Business conduct		
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	151 271–296
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	166–167
G1-1	Corporate culture and business conduct policies	223–224
G1-2	Management of relationships with suppliers	225–228
G1-3	Prevention and detection of corruption and bribery	229
G1-4	Incidents of corruption or bribery	230
G1-5	Political influence and lobbying activities	Not material
G1-6	Payment practices	230

TCFD Index








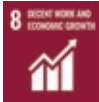
Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) on the disclosure of climate-related information

	Pages Annual Report 2024
Governance	
a. Describe the board's oversight of climate-related risks and opportunities	151 280
b. Describe management's role in assessing and managing climate-related risks and opportunities	151 166–167 280
Strategy	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	160 175–176
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	174
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	174–175
Risk management	
a. Describe the organization's processes for identifying and assessing climate-related risks	177–178
b. Describe the organization's processes for managing climate-related risks	114–115
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	114–115 177–178
Metrics and targets	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	119–120
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	189
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	182–183

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" strategy and the actions and sustainability-related goals set out therein, it makes a key contribution to four development goals (non-exhaustive list):

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 and energy transition, pages 30–47</p>
<p>Energy</p> 	<p>Ensure access to affordable, reliable, sustainable and modern energy for all 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix 7.3: By 2030, double the global rate of improvement in energy efficiency</p>	 <p>Section Climate change and energy transition, pages 30–47</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 52–57</p>
<p>People</p> 	<p>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 labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	 <p>Section Employees, pages 64–73</p>

Imprint

The expectations and forecasts expressed in this report are based on assumptions and are subject to risks and uncertainties. Actual future results may differ from those expressed or implied by the expectations and statements in this report. This report is published in German, French and English. The German text is the authoritative version.

Imprint

Editorial team

Group Finance,
Sustainability Management,
Group Communications, Bern

Concept, design and production

NeidhartSchön AG, Zurich
www.neidhartschoen.ch

Translation

Tradeo, Court
www.tradeo.ch

Photography

Beat Schweizer (p. 5, 27, 63, 79)
Johannes Mink (p. 7, 89)
Remo Buess (p. 101)

