

E.ON CR Reporting 2008

May 2009



Preliminary note

In May 2009, E.ON AG published its fifth Corporate Responsibility (CR) Report. The aim of the publication is to once again provide a wide range of information and at the same time meet the various requirements of our stakeholders.

Having closely integrated print and online CR reporting in the previous years, this time we have gone one step further. For the first time the Internet will form the basis for groupwide reporting, maintaining its usual level of detail as well as including new elements.

The main feature of our online reporting are different page formats which complement each other. One of them is the "CR Performance 2008" pages where we provide topic related summaries of the results of our CR activities in the 2008 reporting year.

Together with the channel "Management", these web pages make up E.ON AG's CR Report 2008. The CR Report 2008 has been independently verified by the auditing firm PricewaterhouseCoopers (PwC).

To provide a better overview of our 2008 CR activities we have compiled these pages of our CR Report 2008, as well as the "Reporting" channel, in this PDF. Creation date was the 16 th of June 2009.

As an introduction to CR we are publishing our CR magazine "Responsibility – Insights into our actions" in printed form. With this different presentation we hope to provide an increased user-friendliness as well as easier access to the desired information.

Further information on the CR Reporting can be found at www.eon.com/responsibility.

Information folder

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A New Path in CR Reporting

In May 2009, E.ON AG published its fifth Corporate Responsibility (CR) Report. The aim of the publication is to once again provide a wide range of information and at the same time meet the various requirements of our stakeholders. Reporting is one of the central pillars of E.ON's CR activities.

After we closely integrated print and online CR reporting in the previous years, this time we have gone one step further. Initially, the internet will form the basis for groupwide reporting, maintaining its usual level of detail as well as including new elements. A printed CR magazine is now also being published with the aim of providing an introduction to the subject. We hope that the new presentation both enhances user-friendliness and provides easier access to the desired information.

Global Reporting Initiative (GRI)

E.ON bases its reporting on the guidelines laid down by the Global Reporting Initiative (GRI). We are also including the sector supplement for companies in the electricity industry from September 2007. At the same time, our CR reporting is also our progress report as part of the United Nations Global Compact and covers the information requirements of the Institutional Investors Group on Climate Change.

Ratings, Rankings and Awards

Our continuous involvement in corporate responsibility is paying off. This is underlined by the range of awards we received in 2008 for various initiatives and projects in this area. These included Great Place to Work Institute Europe naming E.ON among Europe's top employers - in a comparative study, we placed 14th. We were also included in the Dow Jones Sustainability Index for the second year in succession. The Index focuses on industry-leading listed companies when it comes to sustainability.



CR Online Reporting 2008

Foreword by Dr. Wulf H. Bernotat and Christoph Dänzer-Vanotti

The global financial crisis presents industry and society with unexpected challenges. It has caused substantial economic damage and severely shaken the public's trust in the economy and financial markets. But it also makes clear that having a corporate strategy based on a robust business model, sustainability, and social responsibility is now more valuable than ever.

For the energy industry and E.ON, the public discussions about the future energy mix and a sustainable energy supply were again top agenda items in 2008. The renewed flare-up of the natural gas crisis between Russia and Ukraine at the end of 2008 clearly demonstrated both the vulnerability of Europe's energy supply and the importance of having strong, capable companies with a broad European presence. It was, after all, the swift action taken by large European gas suppliers like E.ON that kept the gas flowing despite the interruption of imports. Tellingly, the crisis immediately made supply security a more important issue, exemplifying how one-sided the public debate about energy often is. Sometimes prices are the top priority, sometimes climate protection, and sometimes supply security.

That's why E.ON is working to bring about a new energy-policy debate in which climate protection, cost-effectiveness, and supply security receive equal consideration. This is the only way we'll be able to design an energy supply that's viable for the future and that enjoys broad public support. And it's the only way that the energy industry can successfully undergo the transformation necessitated by the global rise in energy demand, climate change, and finite fossil resources.

E.ON aims to be an industry pacesetter and to play an active role in shaping the transition to a more decentralized energy system, to smart grids and other smart devices, to new environmentally friendly technologies, and to new approaches and behaviors on the consumption side. There's no question that renewables will play an increasingly important role in the future. But the transition to a greener tomorrow can only succeed if we make intelligent use of all available energy sources today. This way, we can ensure that in the decades ahead we'll continue to have a secure, affordable, and climate-friendly supply of energy.

Our theme last year was "Part of the Problem or Part of the Solution?" Using this as a starting point, this year's CR reporting describes specific examples of how E.ON is helping transform our energy world and working actively to find solutions for the challenges facing our industry. A new section called "Dialog" highlights the importance of open and honest discussions with our stakeholders as a way to promote mutual understanding and to enable us to incorporate their expectations into our CR effort.

The format is also new. Our online and print CR reporting have always been closely

integrated. This year we go a step further. For the first time, our groupwide CR reporting is entirely online. Our CR reporting is supplemented by a print magazine which is both more condensed and aimed at a broader readership than our previous print reports. The magazine highlights selected examples of our CR.

Our CR reporting provides an update on our CR objectives, our CR achievements in 2008, and what our focus areas will be in 2009-2010. The focus areas establish a framework for us to operate our business responsibly and provide guidance when we make important decisions. They include our unequivocal endorsement of the principles of the United Nations' Global Compact and our commitment to human rights, working standards, environmental protection, and fighting corruption.

We invite you to decide for yourself what progress E.ON made last year and where we stand today. We look forward to your feedback and continuing the dialog with you.

Dr. Wulf H. Bernotat

Chairman of the Board of Management

Christoph Dänzer-Vanotti

Member of the Board of Management



Aligned to the Needs of our Stakeholders

E.ON is continually developing its annual reporting in corporate responsibility (CR). We are dedicated to evaluating feedback from various groups of users, as we did after 2007's integrated print and online reporting. Reaction to the report published in May 2008 showed that we are on the right track.

Using the Internet in a better way

This year, we are making more systematic use of the possibilities offered by the internet and focusing on extending the CR section of the E.ON Group website. The aim is to fulfill the needs of users and meet the requirements of the highly varied stakeholder groups. This year we are publishing a CR magazine in printed form. The magazine is aimed at offering an introduction as well as references to our comprehensive web-based reporting.

Main Formats of the Reporting

Our online reporting efforts are characterized by the three different page formats: Debate/Background pages highlight the relevance of a topic, communicate E.ON's position on the matter and invite debate on possible solutions. Case studies clarify the topics with concrete examples and best practice solutions as well as the viewpoints of individuals.

While on the "CR Performance 2008" pages we provide a transparent summary of the results of our CR activities in the 2008 reporting year. These web pages make up E.ON AG's CR Report 2008 and they were verified by the auditing firm PricewaterhouseCoopers (PwC). They therefore meet in particular the requirements of rating agencies and investors, while the remaining pages as well as the CR magazine are aimed at a wider audience.

In terms of topics, we have introduced Reporting and Dialog to our established sections of Management, Marketplace, Environment, Community and Workplace this year. "Reporting" encompasses all the relevant information surrounding CR reporting. This section includes the assurance report issued by PWC, the indices of the Global Reporting Initiative (GRI), Global Compact and IIGCC, as well as a variety of other relevant facts and information. The new "Dialog" section presents our wide-ranging activities when it comes to communicating with our stakeholders. Here we are expanding on the "CR in Dialog" section which already appeared in the previous CR Report.

More Interactivity

New interactive elements are also aimed at enhancing the user-friendliness of our online reporting. This includes a PDF generator which allows users to produce a CR report as a

PDF document with customized and individually selected content. On all pages users can also take advantage of a so-called Tag Cloud to gain quick access to specific content. This allows visitors a good overview of the most important topics within a short space of time.

Taking its cues from the online report, the CR magazine provides readers with an introduction to CR reporting at E.ON. It is also divided into the four fields of action Marketplace, Environment, Community and Workplace, offering a summary of interesting facts and milestones from 2008. Case studies are also included as are references to related content on the E.ON website.

About this Report

This report, which is available in German and English, covers the 2008 financial year. The copy deadline for the report relevant CR Performance and Management pages was the 28th of February 2009. In contrast will our online reporting be updated during the year if required. The next CR report will be published in the second quarter of 2010. Primary target groups for our CR reporting are our investors, rating and ranking agencies, opinion leaders in CR such as decision makers in the fields of politics, civil society and science, as well as our employees.

The CR report also acts as a progress report in line with the United Nations Global Compact. This report is a group report and therefore includes E.ON AG including its direct shareholdings, the market units Central Europe, Nordic, Pan-European Gas, UK, U.S. Midwest, Energy Trading and New Markets, as well as their respective business units. Figures that deviate from these are marked accordingly.

The information in the report relates to all subsidiaries and power plants, in which E.ON has a majority holding and are fully consolidated in the consolidated financial statements.



Responsible Corporate Governance

Energy is an indispensable part of our daily lives. It's the basis for the prosperity of society as a whole and access to energy is an essential requirement for growth and development around the world. E.ON, as a company in the energy industry, has a special responsibility to secure the delivery of energy at an affordable price and with minimum environmental impact.

Responsible corporate governance is part of our objective to become the world's leading power and gas company. We have long considered Corporate Responsibility (CR) to be a key factor in securing our long-term success. Our commitment is an integral part of our corporate culture and embedded in our management structures. Indeed, successful CR management is a central element of our business and as a responsible company. At a time when public trust in the energy industry is low, trust in business is an essential prerequisite for our prosperity. This is why we consider dialog with our stakeholders an important way of earning and strengthening trust in the long-term.

The way in which we manage CR at E.ON comprises the following elements:

Commitments

Our Board Commitment, our Commitment to the United Nations' Global Compact and our Code of Conduct represent standards we set ourselves so we can achieve our goal of becoming the world's leading power and gas company- as well as play a leading role in fulfilling our societal responsibilities.

CR Strategy

Our CR Strategy represents the central approach we take in deciding what's important, what's being done about CR and how it's managed within our Group.

Managing Our Responsibility

Managing CR at E.ON forms the basis for coordinating responsible corporate action groupwide, integrating it into all business units and then ensuring its implementation.

CR Program 2008-2010

Fulfilling our corporate responsibility is an ongoing process, involving open communication of the challenges that we face and have overcome. Our CR Program shows an overview of the targets and measures we've defined and implemented.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Overview of Our Commitments

We're committed to being a responsible company in the global energy market driven by our values and the high expectations of our behavior and performance.

Setting Ourselves High Standards

We aim to achieve this objective by implementing our own high standards. Our Board Commitment sets out our undertaking to behave responsibly towards our colleagues, customers, suppliers, the environment and the communities where we live and work. We seek to improve lives everywhere we operate, aiming for a healthy, safe and sustainable environment. Our decisions and actions are also guided by the principles of the United Nations' Global Compact, to which we have been committed since 2005. Our Code of Conduct is an integral part of our set of guidelines and defines clear rules for the conduct of our employees E.ON groupwide.

Proactively Working on Solutions

Our CR Strategy forms the basis for coordinating our CR actions groupwide and integrating CR into our business. This is why we updated our CR Strategy in 2008, on the basis of a comprehensive 2006-2007 review. In order to derive strategic solutions from the review, we compiled the results in a Materiality Matrix which allowed us classify results as 'important' or 'very important' to our stakeholders and to E.ON itself. This is a very effective tool as it allows us to better understand stakeholders' expectations as well as to monitor and address stakeholders' issues and emerging topics. This proactive approach will help us become part of the solution, rather than being seen as part of the problem.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Board Commitment

We behave responsibly towards our colleagues, customers, suppliers, the environment and the communities where we live and work. We seek to improve lives everywhere we operate, aiming for a healthy, safe and sustainable environment. We consider the needs of the present generation and also anticipate the needs of future generations. Corporate responsibility (CR) is a fundamental part of the way we do business. It has five key components: responsible corporate governance, the marketplace, the environment, communities, and the workplace. In each of these areas, we aim to become a global leader in our industry.

More specifically, at E.ON we:

- Are responsible for providing our markets with a secure, economic and climate-friendly supply of energy.
- Uphold the ten principles of the UN Global Compact on human rights, labor standards, environmental protection and fighting corruption.
- Are committed to successful long-term development of the communities where we live and work.

Report our achievements openly, reliably and self-critically. This includes making an appropriate and balanced presentation of our economic, environmental and social activities and achievements in line with the Global Reporting Initiative's current recommendations for sustainability reporting.

- Seek to engage in objective dialog about our activities and about the challenges our industry will face in the future.

Board of Management of E.ON AG, Düsseldorf, June 2006

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Full Support for the UN Global Compact

E.ON committed to the ten principles of the United Nations' Global Compact in 2005. This means we fully uphold the observance of human rights, labor and environmental protection standards and are solidly engaged in the fight against corruption. As UN Secretary-General Ban Ki-moon stressed in his speech in Davos in January 2009, the world faces a new set of crises, which can only be solved through far-reaching international and cross-sectoral cooperation. This is why E.ON is active in national and international Global Compact networks, for instance in Germany and Sweden.

Platform for Dialog and Exchanging Ideas

The Global Compact was launched in 2000 by then UN Secretary-General Kofi Annan to promote corporate social involvement and to help ensure that business makes a contribution to solving the growing challenges of globalization, in particular by meeting the UN Millennium Development Goals. It is the largest corporate citizenship and sustainability initiative worldwide: so far, 5,100 corporate participants and stakeholders from 130 countries have committed to this agreement. The Global Compact is also a global network that functions as a platform for international dialog and the exchange of ideas.

The Basis for Group Policies and Standards

We have continued to integrate responsible corporate action as a permanent part of our daily routine. This process was continued through 2008, as we began to establish and update a series of policies and standards, basing these on the principles of the Global Compact. They include policies for environmental and climate protection, responsible procurement, occupational safety and community involvement. In addition, our Human Rights Policy Statement sets out our commitment to human rights and includes our commitment to the principles of the Global Compact, the Universal Declaration of Human Rights and the Fundamental Conventions of the ILO (International Labor Organization).

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Revising Our Code of Conduct

In the course of their activities, all employees at every level within the E.ON Group must comply with the clear rules laid down in our Code of Conduct. Our Corporate Center and each respective market unit are responsible for ensuring that all employees comply fully and constantly with our Code of Conduct and wider Compliance requirements.

We revised our groupwide Code of Conduct at the start of 2007. Guidelines on the ethical conduct of our employees- especially when it comes to dealing with public officials and business partners- have been clarified and for the first time, the Code has been reinforced with specific examples of what is permissible with gifts, benefits, services and invitations. The implementation of and adherence to the Code is one of the major responsibilities of the Group's Compliance organization. For further information on our new compliance organization please visit our [Monitoring and Compliance](#) page.

Important Part of Training

Since 2007 our Code of Conduct has been included in orientation events for new employees and in management training modules conducted by the E.ON Academy. During 2008 we developed a special e-learning tool to help raise awareness even further among our employees. The participation of the E.ON employees also showed us that our employees generally have a high awareness of our Code of Conduct, which is a very positive sign. E.ON decided to prolong the eLearning training in 2009 to enable all colleagues of the new Market Units a training to get a deep understanding of the E.ON Code of Conduct. Next to the e-learning tool we also provided printed brochures to enable our employees without internet access to conduct the training.

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Information on this page has received a limited assurance engagement.



Overview of E.ON's CR Strategy

Corporate Responsibility is a fundamental part of the way we do business, and is defined by our Board Commitment, which clearly illustrates our firm undertaking to behave responsibly towards everyone involved in and affected by our business- including future generations.

Our CR Strategy represents the central approach E.ON takes in deciding what's important, what's being done about CR and how it's managed within our Group. And we want to integrate CR closely into our core business: that's why in 2008 we updated our CR Strategy on the basis of a comprehensive 2006-2007 review and discussion within the Group. In further developing our CR approach, the results of stakeholder dialogs, expert opinions and CR trends were given just as much consideration as industry benchmarks, or our rating and ranking results.

Materiality Matrix

Following our 2006-2007 review of CR topics, for 2008 we compiled the results in our Materiality Matrix, which allows us to formulate strategic solutions.

Group-wide Alignment

Aligning our CR Strategy involves facilitating, supporting and monitoring the implementation of our CR Strategy right across the Group, especially in companies and regional markets new to E.ON.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Developing Our CR Strategy further

2008 was a key year for Corporate Responsibility (CR) at E.ON: our CR Strategy was developed further, signed off by our Board of Management and groupwide rollout was set in motion. Our firm objective is to play a leading role in CR within- and beyond- the energy sector. CR is an important part of the way we do business. At E.ON, CR comprises of five strategic work areas: responsible corporate governance, the marketplace, the environment, communities, and the workplace. By addressing CR this way, we're able to produce strategies that make a substantial contribution to meeting the challenges that each of these strategic work areas present.

Strategic Work Areas in E.ON's Corporate Responsibility Development

Our CR Strategy is based on the objectives we formulated in 2006; it was expanded and strengthened at the end of 2007 following a review of CR-relevant issues from our business environment and completion of a detailed materiality (content-focus) analysis. This resulted in our three strategic work areas, Organize, Manage and Focus, which are detailed later on this page.

The E.ON Board of Management fully endorsed our CR Strategy in April 2008 and we are currently examining initiatives and measures to implement our CR Strategy in 2009 and beyond, in line with our CR Program 2008-2010.

Three Core CR Principles

These principles underpin our CR Strategy and activities; they are designed to help E.ON maximize its long-term business success by balancing our economic interests with societal expectations, environmental constraints and our relationships with the communities of which we are a part.

- **Stakeholder orientation:** the basis for truly effective implementation of our CR Strategy and thus for long-term business prosperity. An open approach towards stakeholder expectations and concerns, twinned with transparency on our corporate performance are essential ingredients of successful stakeholder relations.
- **Integration:** embedding responsible behavior in all E.ON's activities is a pre-condition for our sustainable business success. The CR Organization facilitates and supports this integration; however, this work is dependent on the engagement of experts at each business function as well as the commitment of all employees groupwide at E.ON.
- **Leadership:** our customers and all our stakeholders rightly expect this from E.ON. It is our ambition to provide leadership in doing business responsibly within the power and gas industry. We will focus especially hard on industry-leading CR activities that provide additional benefits for our stakeholders and communities as well as new business opportunities for our company.

Our Strategic Work Areas

We have identified three strategic work areas in order to strengthen our strategy:

- **Organize: building the framework for an effective CR approach**

We aim to provide the most conducive environment for our CR Strategy's success by enabling our employees groupwide to take personal responsibility for its implementation. Here, our CR experts find practical solutions and our employees help implement our CR Strategy. In turn, our CR organization aims to support our employees at every level in doing this.

- **Manage: managing opportunities, risks and meeting expectations**

The objective of this work area is to identify CR-relevant risks at an early stage and to introduce measures to prevent or mitigate them. To do this we are developing solutions to issues that have a tangible effect on our core business. Our commitment to environmental protection is just as much an element of this as our employees' rights, occupational safety and the struggle against corruption. We continue to place particular value on our employees' awareness and observance of our Code of Conduct.

- **Focus: defining E.ON's CR profile more clearly**

In our key CR-related areas we aim to set industry-leading standards. This requires a focus on a selected number of topics where we feel we need to and can achieve benefits for all parties concerned. Three topics form part of our CR Profile:

- Climate Change- working to counteract climate change by reducing CO₂ emissions
- Access to Energy- rising to the societal challenge we face as an energy provider to ensure a secure supply of energy to everyone
- Next Generation- proving we are responsible through our actions to strengthen awareness across all age groups in protecting the environment whilst ensuring sustainable living conditions. Our actions demonstrate we are committed to taking action now for the benefit of future generations.

These topics originate from the very nature of our business sector and at the same time represent some of the greatest societal challenges today. We also see these topics as key drivers for innovating our core business.

Reviewed 2008 ✓

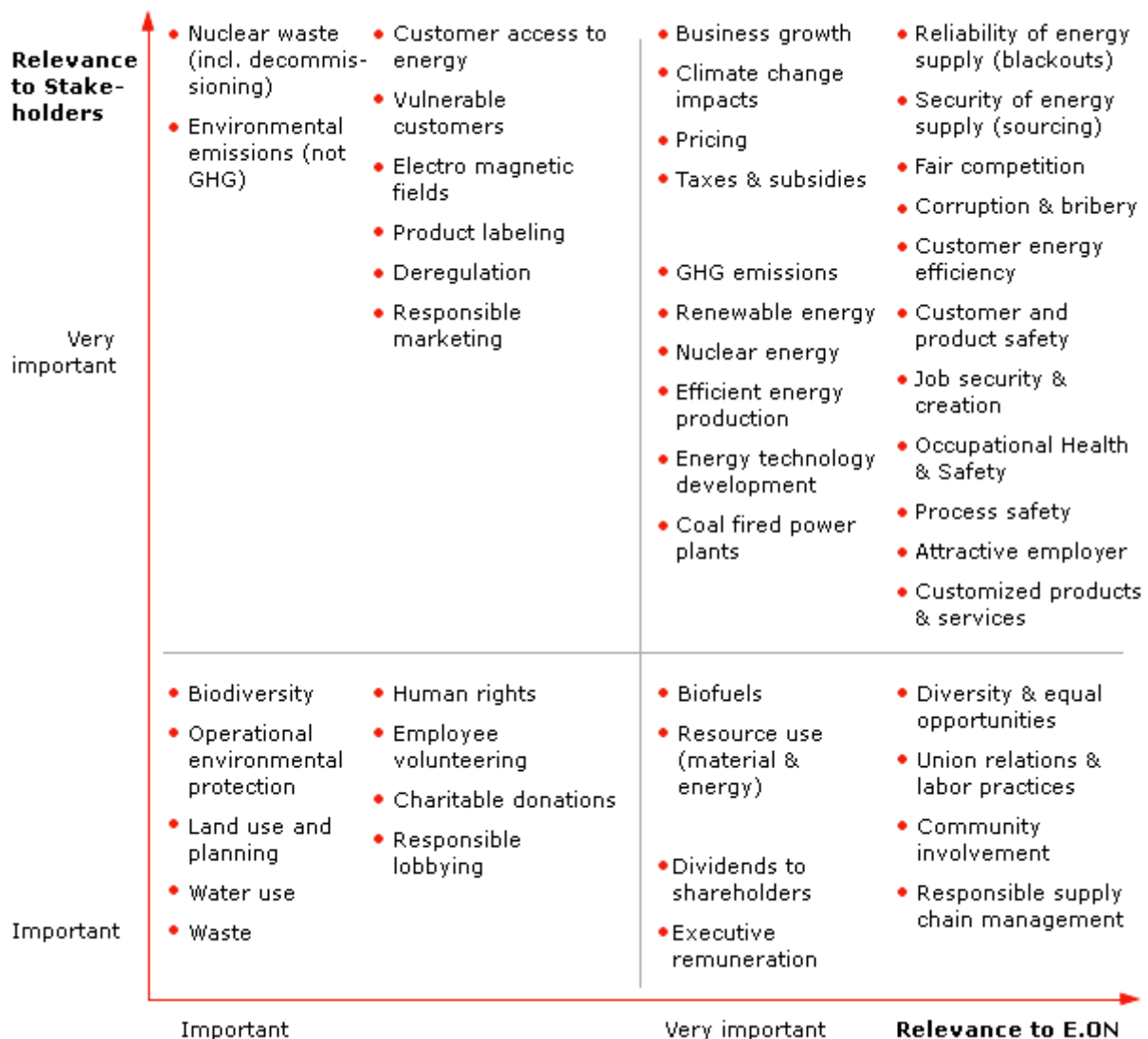
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A Review of CR-relevant Issues

Our CR strategy forms the basis for coordinating responsible corporate action groupwide and for its integration into all business units. Our aim here is to play a leading role in the energy sector in the area of CR. To achieve this we continued to carry out a comprehensive review of CR-relevant issues from the business environment in 2008. In order for us to be able to formulate strategic solutions from this review, we have continued to evaluate the issues by applying the criteria "Relevance to E.ON's stakeholders" and "Relevance to E.ON" (materiality analysis).

E.ON materiality matrix



Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Finding a Way Forward together

To provide an effective CR Strategy for a company of our size in our sector, we need to ensure it is comprehensively and uniformly implemented. To drive this we are strengthening and streamlining our CR organization across the Group worldwide, measuring its performance as well as aligning our market and business units with our groupwide CR Strategy. Within this alignment process we are working especially hard to make sure all Group companies, both long-standing and new, are fully engaged with our groupwide CR Strategy and pushing forward in unison with the implementation in their specific markets. In brief, the goals of our CR alignment process are:

- Demonstrating the importance of responsible business behavior for E.ON's long-term business success
- Highlighting to our employees groupwide the importance of E.ON's CR Strategy and their stake in it. It is therefore crucial that the Strategy and its relevance is understood by decision-makers at management level and by the departments entrusted with implementing it
- Identifying mutual gains from CR initiatives across markets and between business units
- Stimulating all employees' personal initiative to implement the Strategy, live by its principles and communicate these both inside and outside the workplace
- Providing a framework for measurable progress in CR Strategy implementation and performance monitoring
- Challenge employees in all business units to compare the framework set by the CR Strategy against their prevalent regional or local conditions and to derive customized implementation projects.

One Group - on the Same Page

In the CR Strategy alignment process, a key focus is on facilitating, supporting and monitoring the implementation of our CR Strategy within units new to the E.ON Group. In 2007 and 2008 we welcomed several new companies in Russia and different parts of southern and eastern Europe to our Group- and rolled out our updated and expanded CR Strategy in parallel. Many of these new acquisitions operate in markets and regions where public awareness of work and consumer safety and environmental issues, for reasons of historical economic development, is still at a comparatively early stage. Aligning our new Group companies with our CR Strategy and its implementation processes is therefore a priority.

Alignment Step by Step

E.ON is focusing on three major action steps to make the alignment and implementation of the CR Strategy across different market and business units as effective as possible.

- **Facilitating:** in the first step, the CR team at our Corporate Center in Düsseldorf, Germany helps facilitate the transfer of knowledge and understanding of the importance of CR for E.ON's business, the overall CR Strategy, its core principles and its strategic "organize- manage- focus" work areas to the respective market and business units; this is done in close coordination with local CR Managers.
- **Supporting:** once the key know-how and understanding within the market and business units is present, the CR team supports them as much as possible in translating the groupwide strategy into practical implementation in national and regional CR initiatives.
- **Monitoring:** the final implementation step is to monitor the implementation of the CR Strategy in the market and business unit and to discuss periodic adjustments with local CR and business management.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Our Starting Point

At E.ON, managing Corporate Responsibility topics and issues goes hand in hand with our CR Strategy- and there are many aspects to the way we manage this.

Our CR Strategy forms the basis for coordinating responsible corporate action groupwide, integrating it into all business units and then implementing it. The tool that facilitates the ongoing process of managing these different aspects at E.ON is our CR Work Process, which breaks down this process into five key stages:



- **Assess & Analyze:** among other things, we spot trends, carry out benchmarks and assess risks and opportunities.
- **Plan & Prioritize:** here we define objectives, targets and Key Performance Indicators (KPIs), and develop our strategy and implementation plans.
- **Develop & Implement:** during this stage E.ON harmonizes existing or creates new policies and standards and work closely with market units to organize the rollout of these policies and standards.
- **Monitor & Control:** here we check the implementation status and performance against KPIs, which allows us to see how well these policies and standards are being implemented. We also perform regular audits and collect relevant CR information.
- **Review & Report:** everyone, both internally and externally, is updated on our CR activities through our CR reporting and inclusion in CR indices. We also highlight best practices and review our progress.

E.ON is Well Equipped

Our CR Organization webpage focuses on our organizational structure and explains how we set up specific organization units in the area of Corporate Responsibility. Our Policies and Standards webpage introduces some of the policies with which we implemented throughout the Group. We have further strengthened our compliance organization within the E.ON Group during 2008 to help us manage compliance related topics more effectively.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Building a Sound Structure

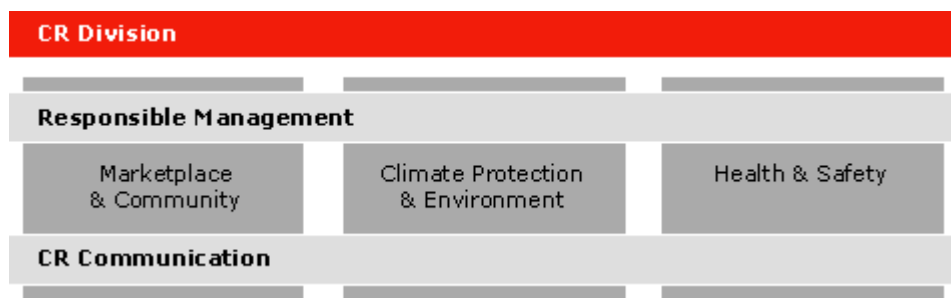
In order to fully meet the complex social challenges that a global corporation such as E.ON faces, we have established clear responsibilities and structures. The aim of our CR organization is to include decision-makers from all levels to promote responsible business practice.

CR Council

The CR Council is at the top of the CR organizational structure. Since 2005 the Council has provided centralized management of corporate responsibility. It meets at least three times a year, makes recommendations to the Board of Management and then monitors the implementation of approved CR goals. The CR Council consists of representatives of specialist departments at the Corporate Center, of the Works Council and Board of Management members from E.ON's market units. The CR Council has been jointly chaired since 2006 by Christoph Dänzer-Vanotti, Member of the E.ON AG Board of Management, and Paul Golby, Chairman of the Board of Management and CEO of E.ON UK. In 2008 Klaus Töpfer, Dame Ellen MacArthur and Charlotte Petri Gornitzka joined the CR Council as external members to broaden our discussions with their independent perspectives and to provide an increased level of accountability and transparency.

CR Organization Division at the Corporate Center

We established the position of Chief Responsibility Officer at our Corporate Center in 2007. The Responsible Management, Marketplace & Community, Climate Protection & Environment as well as the Health & Safety Departments all report to the Chief Responsibility Officer at Group level. Our CR Communication function, which reports to Corporate Communication, is responsible for the internal and external communication of CR activities. The CR Organization pools expertise and, in partnership with CR managers at market and business units worldwide, provides a driving force for implementing CR measures on all levels within the company.



CR Managers in Market Units

In order to implement our CR strategy in the communities where we are based, we have further extended the capacities of the five market units established by E.ON AG in 2008. Each of the 10 market units employed at least one CR manager by the end of 2008. These CR managers work on a regional and community level with stakeholders on

location and help adapt our projects to the particular communities for which they are responsible.

CR Teams and CR Coordinators in Business Units

Under the supervision of CR managers, CR teams are formed in market units. They consist of employees from various divisions working together on issues relevant to CR. Besides this, CR coordinators have been nominated at individual business units- most especially at our biggest market unit, E.ON Central Europe. Numerous teams of experts are already working successfully with the involvement of market and business units on integrating CR further into the Group.

Including the Board of Management and Supervisory Board

The Board of Management and the Supervisory Board are informed of CR activity at regular intervals. The Chief Responsibility Officer and the Board member responsible for CR activity exchange ideas with weekly reports or meetings. The Board of Management regularly passes this information on to the Supervisory Board in the Board of Management report and as part of the Supervisory Board agenda.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Our Core Policies

To meet both society's requirements as well as our own, we have recognized our social responsibility as one of the basic values of E.ON's corporate culture. To make responsible action a permanent part of our daily routine, we have established a number of groupwide policies. These include our commitment to human rights, are integrated into our overall CR Strategy and enable us to enhance our business by defining the binding operational framework that supports us in achieving our objectives. The policy statements themselves can be downloaded from this page.

Environmental Management Policy

E.ON's objective is to be the world's leading power and gas company: to fulfill this objective we set ourselves ambitious climate change and environmental protection targets, often beyond legally required standards. We recognize that the energy we produce and supply has significant impacts on the environment. In fact, these impacts stem from a full range of issues associated with the construction, operation, decommissioning and disposal of the operational units in our energy portfolio. For these reasons we are committed to significantly reducing and mitigating the impacts of our own operations-and to providing our customers with energy-efficiency advice as part of this.

E.ON's Environmental Management Policy describes how our environmental and climate protection activities are organized, sets out minimum standards and describes the framework for environmental management at E.ON. At the same time, it addresses specific responsibilities and establishes a process for measuring environmental performance at all levels. That Group Policy applies groupwide-to individual companies where we are majority shareholders and in some cases even to companies where we are minority shareholders. Contractors are requested to meet our minimum standards when working on behalf of E.ON.

Human Rights Policy Statement

In 2008 we also made a commitment to supporting human rights in our new Human Rights Policy statement. This statement provides further details on our commitment to the areas of:

- Diversity and equality
- The provision of a good and safe working environment
- Freedom of association and collective bargaining
- No acceptance of child and forced labor and
- protection of local communities and indigenous people

We believe that it is our responsibility to raise awareness about human rights-related issues among our employees and to encourage them to safeguard their protection. That

is why we work continuously with our employees and managers to ensure that they are all well informed and trained with regard to the impacts our business can have, in order to increase their ability to protect human rights and related issues.

Responsible Procurement Policy

Our Responsible Procurement Policy is aligned with our General Purchasing Terms. Price and performance are important factors when it comes to making procurement decisions, but E.ON also takes its suppliers' environmental and social standards into consideration. Indeed, we expect our suppliers to protect human rights, implement fair working conditions, uphold environmental standards and maintain transparent business relationships. We've been developing tools and procedures on the basis of our Group Policy since 2007 to help us align our procurement strategies, supplier selection processes and supplier management systems with CR considerations. Along with starting to carry out audits at our suppliers' facilities, which are aimed at helping us recognize shortcomings in our suppliers' CR performance, the scope of this Group Policy includes creating risk profiles of our main suppliers, and regularly evaluating the services they provide.

Our Group Policy is gradually substantiated, as we adapt it to meet the ever-changing nature of the energy business. One recent example includes our Biomass Procurement Addendum, which is currently under development. This Addendum aims at preventing the possible negative effects of biomass production on the environment.

Health and Safety Policy

Our goal is to make E.ON the world's safest company in the energy sector. The health and safety of our employees is of paramount importance to E.ON. This Group Policy addresses the levels of responsibilities and establishes a process for monitoring safety performance at all levels. It also describes the organization of occupational health and safety and sets out the minimum standards that are required groupwide.

Our Health and Safety Policy also improves upon earlier policies- and is being constantly improved upon itself. Recent examples of such improvements include:

- The requirement that all market and business units establish certified Safety Management Systems which meet international standards such as OHSAS 18001,
- The establishment of a Safety Governance Council (SGC) by all market units which will be advised by our managers as well as health and safety experts,
- The establishment of the E.ON "Safety & Occupational Health" Center of Excellence, which will address groupwide safety issues on behalf of the Board of Management.

This Group Policy applies to E.ON AG, including its subsidiaries and other majority shareholdings; it also encompasses contractors and suppliers where safety and occupational health is concerned. Here, it affords a level of flexibility, as national regulations sometimes differ. This allows different approaches to be taken, although they are not allowed to deviate from the minimum standards set out in the Policy. As we see this Group Policy as an ongoing development, additional guidelines, policies and supplementary documents will be developed and issued to amend and support the present Policy.

Community Strategy

2007 marked the launch of our groupwide Community Strategy which was expanded in 2008. It is a strategy central to E.ON's CR approach and encompasses our social involvement in the communities where we are based. Here, our Community Working

Group, consisting of colleagues from across our business, is tasked with bringing our Community Involvement strategy to life in all our existing and new market units.

Our community involvement is guided by our CR Strategy and is based on three pillars:

- **Organize:** confirming roles and responsibilities, policies and processes for Community Involvement, while ensuring core principles such as financial support - Corporate Giving- are implemented groupwide.
- **Manage:** ensuring our Community Involvement programs are attuned to the varied and specific social challenges which E.ON faces as a power and gas company.
- **Focus:** further enhancing our CR profile by developing leading international projects and initiatives such as Energy for Children and Employee Involvement.

Along with the further development of our Community Involvement Strategy, our organizational structure was also expanded in 2008. To ensure our approach is consistent across the Group- and to further enhance professionalism in the decision-making processes- our employees can now also use our newly developed Handbook on Community Involvement.

To summarize, our core policies play a crucial role in helping E.ON to become a more responsible company, and are key to managing Corporate Responsibility at E.ON- both within the Group and for everyone connected with our business. Faced with ever-changing challenges, we're continually evolving our policies to meet these consistently across the Group.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.



Further Developing Responsible Business Practice

All E.ON's business activities are founded on our solid commitment to business ethics and Corporate Responsibility (CR), an integral part of our corporate culture. Our Monitoring and Compliance systems are founded on clearly defined national and international legal frameworks requirements; complementing these we have also established our own commitments such as upholding the aims of the United Nations' Global Compact, which we signed in 2005. We see these requirements and efforts as part of the journey on which we have embarked towards further developing responsible business practices. Our Monitoring and Compliance systems are essential guides on this journey.

General Governance Approach

E.ON sees Corporate Governance as the basis for responsible and value-oriented company management. From our business principles, through our organizational, management and supervision practices to our internal and external control mechanisms, we know that excellent corporate governance is essential to the sustainability of our operations and our continued business success.

Risk Management Monitoring

Forward thinking and effective risk management are prerequisites for the success of a company. Therefore, the aim of our risk management system is to identify potential risks early on and to systematically guide our decision-making. We have incorporated appropriate measures into E.ON's overall organizational structure, including groupwide guidelines, a standardized strategy, planning and controlling processes, producing separate risk reports and establishing a Risk Committee. The effectiveness of our Early Risk Warning system is reviewed regularly by our Internal Audit Department- and, as required by law, also by our statutory auditors.

New Compliance Organization

We further developed our Compliance organization at E.ON in December 2008, as a result of our Group Compliance Policy. Every market unit has a Compliance Officer, who reports to the Corporate Center's Chief Compliance Officer (CCO). The business unit in which a Code of Conduct or Compliance rule is breached is immediately responsible for investigation, cessation and sanction of the breach. Compliance Officers at market units then immediately process reports about alleged breaches, inform the CCO and together agree on the results of the investigation, its results and which follow-up measures need to be taken. Corporate Audit has an obligatory involvement in all of these investigations.

Main Compliance Focus Areas

The CCO reports to the E.ON Board of Management and the Audit Committee of the Supervisory Board on the compliance-related issues of anti-trust law, capital market law/insider rules, fraud, corruption and the Code of Conduct. The CCO also has the responsibility to update the Code of Conduct and the compliance-related issues on a

regular basis. These updates include the results of our half-yearly reviews where we examine our focus and progress on compliance issues and implementation. The results of these reviews are examined by the CCO in consultation with the Compliance Committee, then presented to the Board of Management for definitive approval and inclusion in our Code of Conduct and compliance framework.

The CCO also determines the structure of the compliance organization to be applied in individual market units and defines priority compliance objectives in consultation with these. The ongoing implementation of compliance standards is then monitored by Corporate Audit worldwide.

Competition Compliance

Since the deregulation of energy markets at the end of the last century, E.ON has successfully performed in a competitive market environment. Competition compliance means adhering to national and international competition rules on issues such as collusion with competitors on prices, customers or capacity and the division of regional markets.

Fraud Detection and Corruption Monitoring

We strive to operate our business in a way that avoids all forms of corruption. As part of our new compliance framework, in December 2008 we started to create within Corporate Audit an expert team on Fraud Detection and Investigation. This team is a key element in E.ON's efforts to fight corruption and fraud. As part of our commitment to the UN Global Compact we have pledged to combat all forms of corruption worldwide, and have embedded this in our CR Strategy and our Code of Conduct.

Reviewed 2008 ✓

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Our CR Progress and Work Program

Transparency and traceability - these are two crucial components of responsible action. Our CR Work Program 2008-2010 is intended to give a clear overview of the specific measures we are pursuing in this effort- and what progress we have made in 2008.

The work program builds on the work program published last year. We have made a few changes in terms of wording and the order of items displayed for this years report. One new element was added to the CR Work Program. This is also marked as new.

How to Read the CR Work Program

The CR Work Program 2008-2010 table is structured as follows:

The main category describes the particular area for action. The category "2008-2010 Measures" describes the measures that we have defined for the period of 2008 to 2010. Category three, our "2008 Progress Report", displays a short report on the progress we have made during 2008 on the 2008 targets and measures.

The final category in this table indicates whether we have achieved our 2008 targets during 2008, whether these are ongoing or planned for 2009/2010.

Corporate Responsibility Work Program		
2008 - 2010 Measures	2008 Progress Report	2008 Targets
Overall Corporate Responsibility		
Continue development of CR organization at all levels	<ul style="list-style-type: none"> • CR Managers in Market Units. • Groupwide teams for Marketplace & Community, Climate Protection & Environment, and Health & Safety. • Assessment of internal CR organization ongoing. 	achieved and ongoing
Identify a core set of indicators to track performance and support business decision-making	<ul style="list-style-type: none"> • Development of set of key performance indicators started. 	partly achieved and ongoing
Develop training and other measures to stimulate a "culture of responsibility" across the business	<ul style="list-style-type: none"> • Existing trainings enlarged by CR elements, additional measures developed and implemented (e.g. e-learning on code of conduct, internal CR awareness conferences and communication, part of E.ON Graduate Program, at Corporate Center part of development program for high potentials). • Groupwide E.ON Environmental Champions program for improvement of environmental awareness and resource efficiency started. • E.ON Environment Conference conducted in June 2008. • Safety academy founded and first program already started; target groups are top executives, senior managers, safety professionals. 	achieved and ongoing
Develop strategic CR profile in line with the CR strategy and test with stakeholders	<ul style="list-style-type: none"> • Next Generation & Climate Change: Energy for Children program. • Climate Change: engagement in renewable energy as well as initiatives on the future of energy with different stakeholder groups. • Access to Energy: first assessment of potential projects and business opportunities. 	partly achieved and ongoing
Implement appropriate Environmental and Social Impact Assessments in relevant parts of the business integrate results in business decisions	<ul style="list-style-type: none"> • Environmental impact assessments and social impact assessments defined in project management process for new built power stations. • E.ON group guideline for CR criteria incl. Health, Safety and Environment in Mergers & Acquisition processes developed. 	achieved and ongoing
Develop and implement a general stakeholder management strategy	<ul style="list-style-type: none"> • NGO engagement strategy established, workbook under development. First contacts with Greenpeace Germany and Greenpeace International. NGO cooperation agreement for marine environment with IUCN. • Continuation of E.ON Graduate Program Project "Dialog with the youth" to explore expectations of young people towards energy companies like E.ON. • Coordination between different E.ON stakeholder manager improved. 	achieved and ongoing

	<ul style="list-style-type: none"> • Media-based dialog with NGOs/ general public, politicians and company representatives in German magazine Glocalist. • E.ON AG supported the 3rd International Conference on Corporate Social Responsibility at Humboldt University Berlin. 	
Annual CR performance reporting	<ul style="list-style-type: none"> • CR performance reporting done (CR report 2007, CR on E.ON webpages, CR integrated in other channels). 	achieved and ongoing
Assess business ethics risks and prepare an action plan		planned for 2009/2010
Implement responsible procurement policy by risk assessments and training courses	<ul style="list-style-type: none"> • Policy now also implemented for fuel: coal, uranium and biomass. • Policy amendment on biomass under development. • 5 one day training sessions for purchasers, CR managers, auditors, traders and other interested people with about 100 participants from different parts of E.ON. • 2 pilot audits in our supply chain: 1. a producer of our safety clothing in Bulgaria, 2. a cable producer in Hungary. 	achieved and ongoing
Assess corporate risks related to human rights and labor rights violations	<ul style="list-style-type: none"> • Human Rights Policy Statement of the E.ON group developed. 	planned for 2009/2010
Marketplace & Community		
Develop a responsible products and services strategy	<ul style="list-style-type: none"> • Concepts in development, vary by Retail businesses in different countries. 	partly achieved and ongoing
Support for vulnerable customers in our retail markets	<ul style="list-style-type: none"> • Appropriate initiatives in place & further development for UK, US, Germany. 	partly achieved and ongoing
Embed CR elements in our groupwide sponsorship strategy	<ul style="list-style-type: none"> • CR integrated into E.ON's sponsorship strategy (corporate giving, strategic community involvement, sponsorship). 	achieved and ongoing
Develop and roll out group community involvement strategy	<ul style="list-style-type: none"> • Strategy developed and agreed to professionalize our approach. • Community involvement handbook & executive summary launched. • Best-practice overview of Market Units and Business Units done. 	achieved and ongoing
Develop appropriate community programs to support existing E.ON assets and new-build projects	<ul style="list-style-type: none"> • Community involvement guideline developed, implementation in 2009. 	achieved and ongoing
Develop programs to address community energy safety issues in various E.ON countries	<ul style="list-style-type: none"> • Programs are in place and additional in development. 	planned for 2009/2010
Implement the "Energy for Children" program	<ul style="list-style-type: none"> • Energy for Children program advanced well, plans and initiatives now in 10 countries, German lighthouse project finalized. 	achieved and ongoing
Climate Protection & Environment		
Develop a groupwide climate protection and environment policy	<ul style="list-style-type: none"> • Policy developed, organizational and operational minimum standards 	achieved and ongoing

tion and environment policy, assess current implementation of management systems and determine groupwide	operational minimum standards defined incl. management system targets for 2010.	ongoing
Assess the impact of climate change on E.ON assets	<ul style="list-style-type: none"> • Tool for assessment on climate change impacts to E.ON assets elaborated. • Natural hazard impacts are regarded in the risk assessment of E.ON Risk Consulting. 	partly achieved
Develop a groupwide biodiversity assessment and policy	<ul style="list-style-type: none"> • E.ON position on biodiversity defined. • Biodiversity is part of group policy. 	achieved and ongoing
Identify targets for advanced emission standards at new-build coal-fired power plants	<ul style="list-style-type: none"> • Draft of advanced emission standard outline for new coal-fired power stations elaborated. 	achieved and ongoing
NEW: Develop an E.ON guideline on Life-cycle Analysis (LCA) for products, services and technologies to analyze environmental impacts	NEW	planned for 2009/2010
Workplace, Health & Safety		
Evaluate reports on incidents in hazardous industries (e.g. Baker report) and draw conclusions for E.ON	<ul style="list-style-type: none"> • Relevance of the Baker report for E.ON analyzed, results internally communicated, awareness for process safety raised. 	achieved and ongoing
Conduct safety assessment on all Top Executive Group members (project Safe.TEG) and facilitate action plans for individuals and for market units	<ul style="list-style-type: none"> • Safe.TEG successfully realized, follow-up processes initiated. 	achieved and ongoing
Develop and implement a group safety management system	<ul style="list-style-type: none"> • Group policy and first standards approved, implementation ongoing. 	partly achieved and ongoing
Develop and implement harmonized, groupwide minimum safety standards	<ul style="list-style-type: none"> • Corporate safety plan approved. 	achieved and ongoing
Develop a responsibility policy regarding contractors' and subcontractors' safety performance	<ul style="list-style-type: none"> • Corporate standards developed. 	achieved and ongoing
Develop and implement a central incident reporting system (injuries, near misses and hazardous occurrences)	<ul style="list-style-type: none"> • New situation, system will be an add-on to another new system. 	partly achieved and ongoing
Assess the current situation of health management in the group	<ul style="list-style-type: none"> • Situation of health management assessed. 	achieved and ongoing
Develop a groupwide health strategy and policy	<ul style="list-style-type: none"> • First steps realized in group policy. 	achieved and ongoing
Develop a health management toolkit	<ul style="list-style-type: none"> • Health management toolkit/system developed and used. • Implementation of health prevention activities, e.g. cancer prevention campaign, ongoing. 	achieved and ongoing
Assess the current situation regarding group diversity management	<ul style="list-style-type: none"> • Analysis done, measures identified, e.g. awareness raising. 	achieved and ongoing
Develop an aging workforce action plan	<ul style="list-style-type: none"> • Workforce planning ongoing. • Topic integrated in different elements of the HR strategy, e.g. health management, life balance, employability. 	partly achieved and ongoing
Coordinate employee volunteering activities related to CR profile projects	<ul style="list-style-type: none"> • Employee involvement concept approved. • Employee involvement initiatives implemented in Germany, UK, US 	achieved and ongoing

underway in Germany, UK, US,
Slovakia, Hungary, Romania; new
initiatives underway in different
countries in Europe.

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Fit for the Future

through Open Dialog

The energy market is undergoing significant change. Security of supply, affordable prices and environmental responsibility are challenges that will be associated with energy generation, transportation and trading in the near future. As a leading energy company, these represent a central conflict of aims for E.ON. Dealing with these in a responsible way requires a foresighted business policy and openness on our part towards societal expectations. That's why it's essential we tackle these issues at an early stage: we need to engage in dialog with our stakeholders in order to establish what people's primary needs and worries are - and then work hard to meet and solve these.

Dialog as a Management Tool

Stakeholder dialog is a core element of E.ON's CR Strategy. This means we actively seek to engage in dialog with our stakeholders, and raise our own awareness of their expectations towards us. We discuss their needs and the opportunities that exist to fulfill them; we then incorporate the results of the discussions into our business strategy. In doing so, dialog partners become part of our decision making processes - and this also helps us to make these processes transparent for our stakeholders.

Many Different Forms of Dialog

We've provided some detailed dialogs which you can find on our CR webpages. The focus of these is on the topics of energy generation and corporate social responsibility. These pages give an overview of the dialog highlights of 2008 and with these, we want to show our readers how E.ON is engaged in stakeholder-oriented dialog across many levels.

E.ON Energie E-Teams Engaging in Dialog across Germany

With "E.ON in Dialog", E.ON Energie established a platform in 2006 to get focused discussion going with stakeholders, including critics of our energy policy. Since then, 150 E.ON employees from all areas of the company have been involved in stakeholder dialog through E-Teams. In 2008 E-Teams visited numerous events and engaged event visitors and conference participants in many debates. For example, our "UniTour 2008" roadshow stopped at a total of 20 different universities in Germany, as well as visiting the Future House Congress 2008 ("Zukunftshaus Kongress 2008") in Berlin, the Carbon Expo 2008 in Cologne and the Konrad-Adenauer-Haus in Berlin, where E-Team experts had the opportunity to welcome the German Federal Chancellor Angela Merkel to their discussion point.

Investor Roadshows with a Focus on Corporate Responsibility

Together with our Investor Relations Department we organized a roadshow in Paris. The main target groups here were Socially Responsible Investments (SRI) analysts and institutional investors such as pension fund companies. Further roadshows with a focus on CR are planned for 2009. These meetings will explain E.ON's opportunities, risks and targets, and will also address investments in Renewables, Corporate Governance, CO₂ target-setting, Carbon Capture and Storage (CSS), our generation strategy, human rights, community involvement, supply chain risk management and our transparency on reporting. In addition, we see a stronger need to address issues related to corporate governance, since the credibility and trust of the business community are now at stake in society and we want to emphasize and demonstrate that we manage our business responsibly.

Partnership-based Dialog with the "Glocalist" Magazine

Together with the German-based "Glocalist" Magazine, E.ON engaged in a special form of dialog in the fall and winter of 2008 to obtain feedback from decision makers of key stakeholder groups with a core focus on the corporate responsibility of the energy industry. The "Glocalist" Magazine received around 50 replies to our request through the "Glocalist" for the personal opinions of decision-makers and experts from the major social-stakeholder segments of business, NGO / civil society and politics. Christoph Dänzer-Vanotti, Member of the E.ON Board of Management with responsibility for Corporate Responsibility and Human Resources/Organization was interviewed by the "Glocalist" in February 2009 highlighting the results and what this means for E.ON.

Extensive Activities Surrounding our Dialog Engagement in Russia

E.ON Russia's OGK-4 power station held four stakeholder dialogs in spring and summer 2008 with local Russian authorities, experts and NGOs in Moscow, Shatura, Surgut and Yaiva to discuss E.ON Russia's external community investments. All stakeholders agreed that OGK-4 did not have a structured or transparent approach in this area; in the following discussions, representatives of the Charity Aid Foundation proposed that the company should make the structure of its community investments clearer so that the public had a better understanding of the issue. Based on stakeholders' recommendations the policy was structured more clearly and at the same time, the dialog process helped to establish closer relations between the company and its major stakeholder groups. As result, E.ON Russia has improved its approach to external community investments by involving stakeholders at an early planning stage. The company's restructured approach to this issue is soon due for final revision and approval within the market unit.

Power Station Forums build Good Community Relations

E.ON Kraftwerke established independently moderated forums amongst others at the sites of new-build coal-fired power stations at Staudinger and Datteln in Germany as well as at Gönyü in Hungary. These forums are intended to provide a platform for dialog with local authority and industry representatives, citizens' initiative groups, religious groups, works councils and social organizations. The shared goal is to promote both open exchange and the search for joint solutions. Everyone involved, including E.ON, has equal participation and contribution rights.

E.ON UK's Energy Manifesto

E.ON UK published its "Energy Manifesto: Carbon, Cost and Consequences" in June 2008. This document sets out the company's position on the issues facing the UK energy industry, and invites all key stakeholder groups to engage in open and objective debate on the UK's future energy requirements. The Manifesto focuses on the conflict between the goals of security of supply, affordable prices and the considerable reduction in CO₂ that is needed to protect our climate. It lists the advantages and disadvantages of the different methods of generating energy and proposes that the UK's energy supply should be further diversified. The British media and other key stakeholders, including political audiences, responded well to this open approach to raising the issues, as the Manifesto did not claim to have all the answers - in fact it opened up a great many issues that are now being addressed.

Engaging with Young People in Dialog

Our groupwide stakeholder dialog project "Dialog with the Youth" was planned as a global initiative right from the outset. It was launched in 2007 by a network of trainees on E.ON's Graduate Program in several countries, with about 80 trainees playing an active role in the course of the year 2008. In phase one, by spring 2008 the project was able to report on the results of ten international round-table events. Here, young external

stakeholders' concerns about the future supply of energy emerged as a key focus topic. In phase two, new graduate trainees helped to expand the project to include a more diverse external participant group, which was also enlarged to around 100. The dialogs identified further key energy-sector topics for young stakeholders and cross-generational environmental issues as priorities. The results of phase two are to be formally presented to E.ON Corporate Responsibility managers in 2009.

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What Were Doing to

Secure Electricity Supplies

A key objective of our corporate strategy is to ensure that the energy supply remains secure, climate-friendly and affordable. The generation of electricity, along with its transmission and distribution, is of central strategic importance for the energy supply system. Electricity can be generated using a wide variety of technologies and energy sources, each of which comes with its own set of economic, environmental, and societal opportunities and risks.

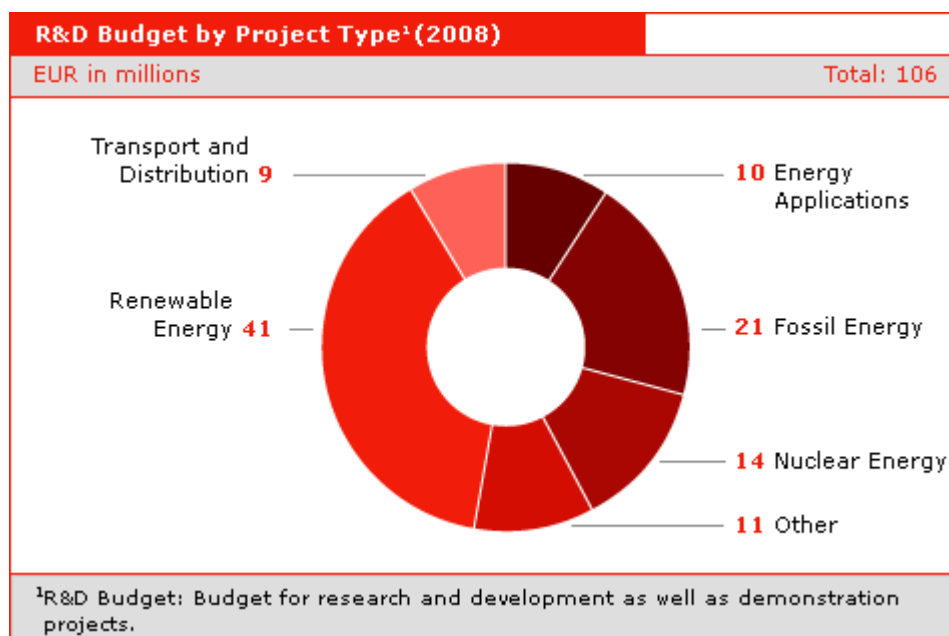
Weighing up Advantages and Disadvantages

Every generating technology has advantages and disadvantages. It would be irresponsible to take any one technology out of the energy mix - at least until it is clear how it can be replaced within a reliable, economic and climate-friendly supply. This applies, for instance, to nuclear power. Whatever reservations people may have, it's important to remember that the operation of nuclear power stations results in no carbon emissions. Nuclear power also has the highest availability factor of any technology in our generation portfolio - to illustrate this, the availability factor of the nuclear power stations from E.ON Kernkraft is very high, at over 90 percent. Every year, these results mean that E.ON's nuclear power stations are ranked near the top in international electricity generation availability tables.

While there are abundant reserves of coal, this fuel also contributes significantly to the greenhouse effect - at least until carbon capture and storage (CCS) technology is deployed on an industrially feasible scale. Wind power, on the other hand, does not cause carbon emissions but is too intermittent to serve as a source of baseload electricity.

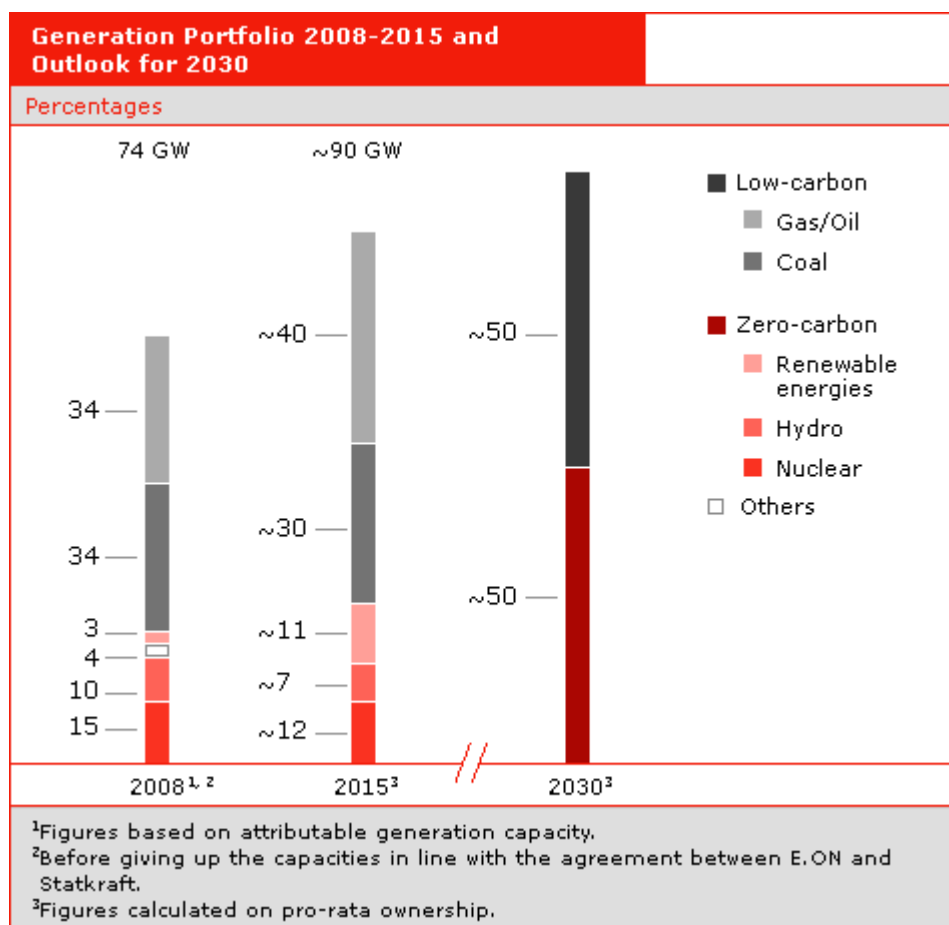
Importance of R&D

Our objective is to develop and refine the right technologies in order to be able to seize upcoming opportunities. For this reason, E.ON supports a broad range of R&D and is involved in numerous demonstration projects, including seven joint projects for CCS technology in 2008 alone. Other key research areas include developing more efficient coal firing technology, studying the technological consequences of offshore wind power and research and development in the area of natural gas. In total the expenses for research and development (R&D) including demonstration projects accounted for EUR106 million in 2008.



Scenarios Confirm Broad Energy Mix and Emission Reductions Target

We continually analyze various future energy-market scenarios so that we can take responsible decisions today about tomorrow's energy mix. These confirm our decision to further develop our balanced generation portfolio consisting of cleaner coal, gas, nuclear and renewables, and at the same time to halve E.ON's CO₂ emissions by 2030 compared with 1990 levels. To achieve this target, our energy portfolio will then be made up of one half low-carbon gas and coal-fired power stations, and one half zero-emission energy generation, such as nuclear power and renewable energy sources.



Large Potential for Further Reductions in CO₂ Emissions

In 2008 we made significant progress towards our goal of halving our specific CO₂ emissions, lowering these from 0.5 metric tonnes per megawatt hour in the previous year to 0.48 t/MWh, whereas the absolute amount rose by roughly 30%. In 2008, E.ON emitted 147.5 million tonnes of CO₂, 26.5 million tonnes more than in the previous year. This increase is mainly due to the integration of generating capacity from our Russian market unit. Without this, our absolute CO₂ emissions would have been seven million tonnes lower than in 2007. CO₂ emissions at our Central Europe market unit fell in 2008, both thanks to general improvements in generating capacities and due to a decrease in the proportion of electricity generated from coal. Our UK market unit made particularly good progress by producing a higher proportion of electricity from gas instead of coal.

Continually Refining our Energy Mix

Our broad and balanced energy mix enables us to meet all load demands, from safeguarding the long-term baseload to covering peakloads in the short term, while at the same time providing electricity at competitive prices and meeting our own emission-reduction target. Our 2008 mix shows a shift towards renewables (without hydroelectric) and natural gas. The figures in the energy mix table include only the natural gas we use to generate electricity, not the gas we produce, import, transport, and supply as part of our European gas business.

Energy mix of Electricity Generated			
Percentages	2008	2007 ^{1,3}	2006 ^{2,3}
Coal	39	43	46
Nuclear	24	30	34
Oil/Gas	27	16	10
Hydro	7	8	8
Wind	1	-	-
Waste	1	1	-
Others	1	2	3
Total	100	100	100
¹ Including the consolidated holdings of the market unit Russia from Q4 onwards. ² Waste reported under "Others". ³ Wind be reported under "Others".			

Significant Need for new Capacity

If the nuclear power stations' operating lives are not extended, E.ON forecasts electricity shortages in Germany as early as 2012, even assuming that the planned new gas and coal-fired power stations are built. The European electricity industry also needs to add significant capacity. The "Smart Grids" European Technology Platform (ETP) estimates that investments of EUR390 billion are required in Europe by 2030. The German Energy Agency (dena) forecasts that Germany will have a twelve gigawatt (GW) capacity gap by 2020. The first shortage is already to be expected from 2012.

Extensive Investment Program

In order to ensure that we can continue to provide a secure and reliable supply of electricity, we are investing extensively in generating and network capacity. Compared to the previous year, we have more than doubled our investments including acquisitions in 2008 to EUR26.2 billion. Meanwhile we are pursuing the construction of power stations across Europe. In this way, we will achieve more efficient and climate-friendly generation capacity and further organic growth. From 2009 to 2011, we will invest a total of up to EUR30 billion. New-build, high-efficiency coal and gas-fired power stations in Germany

and the UK are the main focus, replacing older generating facilities. Additionally, we are modernizing the electricity distribution networks, particularly in the UK, Sweden and Germany. Two-thirds of the planned investments are earmarked for growth, and around 80 per cent of that for organic growth. The emphasis is on the expansion of our conventional power station capacity in the Netherlands, Belgium, Slovakia and Russia.

Expanding our Renewables Capacity

At year-end 2008, renewable energy (without hydroelectric power) already accounted for three percent of E.ON's total generating capacity with about two gigawatts of installed capacity in total. A further ten percent came from the existing hydroelectric stations. We'll continue to expand our renewables capacity rapidly in future and expect renewable energies (including hydro) to account for 18 percent of our capacity by 2015. The focus of our expansion is on the construction of wind and biomass power facilities. Since early 2008, all of E.ON's activities worldwide around renewable energy and climate protection have been managed by E.ON Climate & Renewables (EC&R).

Building new, cleaner, coal-fired Power Stations

Despite pushing our expansion of renewables capacity, fossil fuels will continue to be a mainstay of our generation portfolio. We plan to build new coal-fired power stations in Germany, the Netherlands, Belgium and the United Kingdom by 2015. All of the new facilities will be technologically advanced and achieve thermal efficiencies of more than 45 percent. In Wilhelmshaven, Germany, we hope to achieve more than 50 percent by implementing innovative technologies and new materials tested extensively on a small scale at our Scholven power station. All will be designed and built for subsequent retrofitting with CCS technology. And wherever there is a market for the resulting residual heat, these stations will cogenerate heat for district heating or industrial applications.

Special Roles for Gas-fired Generation

Gas-fired power stations emit little CO₂ compared with coal-fired plants. They also provide electricity to stabilize the network load when production from wind farms drops due to slackening winds. Our new combined-cycle gas turbine (CCGT) in Livorno Ferraris in Northern Italy entered service in 2008 as one of the most modern power stations in the world. It has a capacity of 800 megawatts and electrical efficiency of 57 percent. CCGTs with even higher thermal efficiencies are under construction at our power station in Irsching, Germany. Irsching 5 is an 800 MW unit with 58 percent electrical efficiency, is scheduled to become operational in 2009 and is designed to achieve 60 percent efficiency as a combined gas and steam turbine power station. Another CCGT entered service in early 2009 at Öresundverket outside Malmö, Sweden, with a capacity of 400 MW electricity and 250 MW heat.

Nuclear Needs to Be In the Mix

The world's 439 nuclear power stations prevent the emission of large amounts of CO₂. In 2007 they helped to avoid the emission of 2.4 billion metric tonnes of CO₂. This equals eight percent of worldwide CO₂ emissions. With the UK's decision to move forward with next-generation nuclear power stations, in January 2008 we entered into a joint venture with RWE to begin the approval process for several stations with an aggregate capacity of at least six GW. We're also partners in a project to build a nuclear power station in Finland with a capacity of 1.5 to 2.5 GW and have submitted an application to the Finnish Parliament for it to issue an initial decision on the project. Our agreements with Areva and Siemens to develop next-generation reactors also underscore our steadfast commitment to nuclear energy as a technology of the future.

Outages Due to Extreme Weather

Extreme weather has repeatedly impacted the supply of electricity to our customers. E.ON has efficient outage management, which isolates faults quickly and restores the power supply, thanks to modern network technology and rapid response teams. Unfortunately, however, power outages can't always be avoided. Hurricane Emma caused network outages on 1st of March 2008 for up to 150,000 customers in Southern Germany. On 13th of September 2008 the US State of Kentucky was devastated by Hurricane Ike, with our utilities Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU) reporting outages for 375,000 customers. Due to the effects of another storm, around 60,000 customers in Sweden were left without power for some hours in February 2008. To be able to restore the power supply even faster in future, E.ON Nordic started a joint project with the Swedish Farmers' Association on the mobile emergency power supply of telecommunications. During 2008, we signed up almost 85,000 farmers to help with E.ON's "Krafttag" project, which will weatherproof 17,000 kilometers (over 10,500 miles) of overhead power lines in Sweden by the end of 2010. Half of this work- 8,500 kilometers or over 5,000 miles -had already been completed by the end of 2008. Figures on the reliability of our regional distribution are published on the [Reporting](#) pages.

Additional information about this topic on other E.ON websites:



E.ON Wasserkraft (Hydroelectric)

E.ON Wasserkraft GmbH, based in Landshut, is Germany's largest supplier of renewable energy and runs more than 130 of its own and others' hydroelectric power plants.

→ **E.ON Wasserkraft - How Hydroelectric Power Stations Work**

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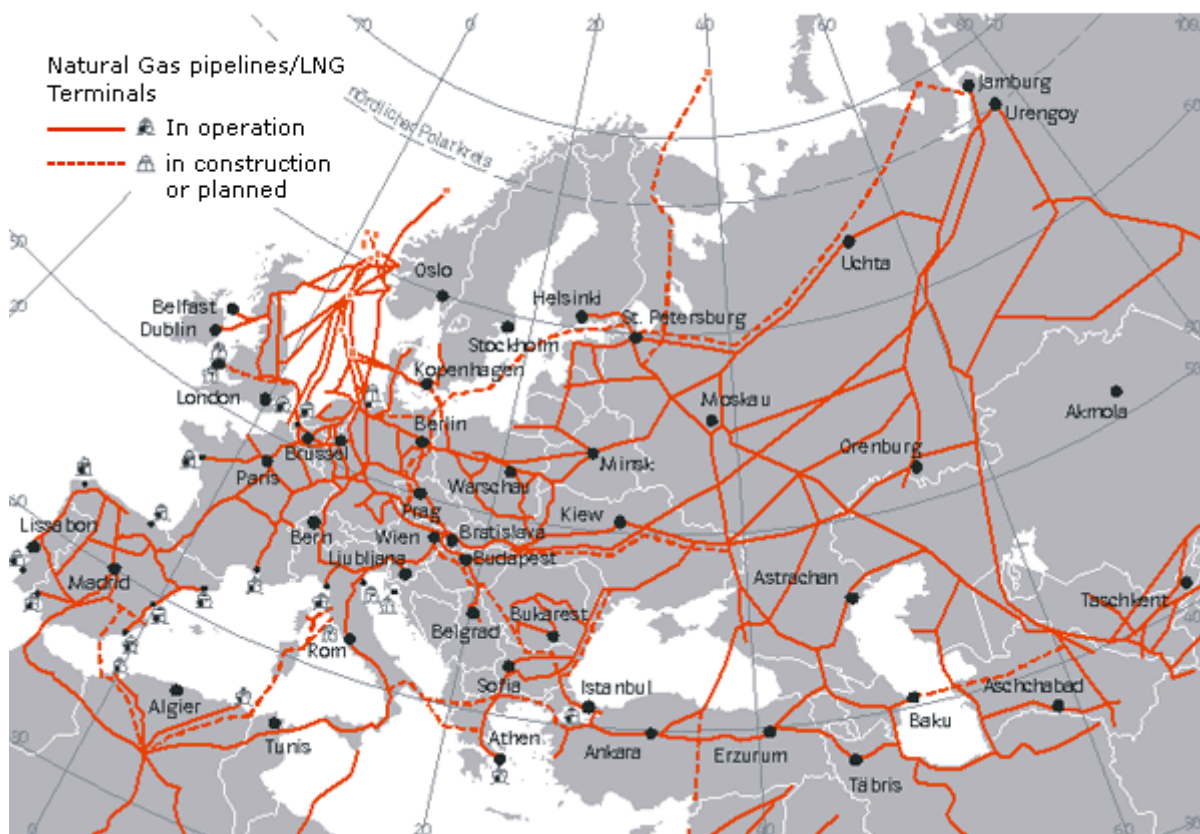
Promoting Secure Gas Supplies

Our long-standing partnerships with natural gas exporters in Russia, Norway and the Netherlands have enabled us to provide our customers with a secure supply of natural gas at reasonable prices. Gas deliveries from the UK, Denmark and Germany also contribute to this.

Gas Dispute Serves as Test Case

The gas conflict between Russia and Ukraine in the very cold month of January 2009 was a major challenge to the European gas economy. Although there was no gas in some regions (mainly in Balkan countries), E.ON used its broadly diversified supply portfolio to maintain full supply to all our customers. We were even able to supply Central and Eastern European countries with up to 13 million cubic meters of gas each day during the crisis - that's equal to the average national daily consumption on a winter's day in Ireland or Portugal. During this period, we delivered gas to Hungary, Slovakia, Serbia, Croatia, Slovenia and Bosnia-Herzegovina, which includes countries where we have no gas operations. Our deliveries were also facilitated by the prompt and unbureaucratic cooperation of several major gas import and transport companies.

Natural Gas distribution system in Europe including the CIS states



Diversifying our Supply Portfolio

The global natural gas market is changing rapidly: supplier countries now look to global markets and no longer confine themselves to the closest geographic sales region. This is a development that natural gas importers also have to face. For many years our strategy has been to further diversify our supply portfolio, in order to reduce our dependence on individual suppliers. We procured gas primarily from six countries in 2008: Norway and Russia were our biggest suppliers, each accounting for 26 percent of our total procurement. Our next four main suppliers were Germany (18 percent), the Netherlands (17 percent), the United Kingdom (six percent), and Denmark (four percent).

Gas Purchases by Region¹ (2008)		
Billion kWh	2008	%
Russia	177.3	26.1
Norway	176.9	26.0
Germany	121.4	17.9
Netherlands	114.8	16.9
United Kingdom	41.7	6.2
Denmark	25.4	3.7
Other	22.0	3.2
¹ Gas purchases of E.ON Ruhrgas AG; total 679.5 billion kWh.		

Preparing to Import Liquefied Natural Gas (LNG)

Over the medium term, the dwindling output from Dutch, British and German natural gas fields will be replaced with LNG imports from Africa, amongst others. In February 2008, E.ON Ruhrgas became a partner in "LNG Train II" in Equatorial Guinea: the aim of this project is to develop a comprehensive technical and business plan for exporting LNG from this West African country. As we proceed, we're taking a very close look at human rights issues in Equatorial Guinea. We're familiar with reports of human rights violations and take them very seriously. To keep abreast of the political situation in Equatorial Guinea we stay in close contact with the German Foreign Office and the closest German embassy. We're using this opportunity to take appropriate steps in communicating perceived lapses in the protection of human rights. If we become active in Equatorial Guinea, we will comply fully with applicable national laws and also take action to demonstrate our commitment to corporate responsibility.

Further north, E.ON Ruhrgas established an office in Algeria in June 2008 to support its LNG export efforts. As part of the German-Nigerian cooperation under the patronage of the German Federal Government, in November 2008 we concluded a framework agreement for a long-term partnership in Nigeria. Over the medium term, we aim to ship a total of 10 billion cubic meters (bcm) of West and North African LNG to Europe each year - equal to around one tenth of Germany's annual gas consumption.

LNG Terminal under Construction

In August 2008, E.ON Ruhrgas became a partner in Gas Access to Europe (GATE), a major LNG terminal in Rotterdam, the Netherlands. The participation of E.ON Ruhrgas increases total capacity by 3 bcm to 12 bcm - more than 130 LNG shiploads - per year. E.ON Ruhrgas is running further projects on the Isle of Grain (UK) and Livorno (Italy). In September 2008, the Croatian government approved the plan to build an LNG terminal on the island of Krk. Of the eight partners in the project, E.ON Ruhrgas has the largest stake, at 31.2 percent. The Krk terminal is expected to enter service in 2014 and to have an annual throughput capacity of 10 bcm per year.

Baltic Sea Pipeline on Schedule

E.ON continues to work actively to build new pipelines for the European gas supply. Over the next three years we intend to invest EUR1.5 billion in Nord Stream, a project to build a submarine gas pipeline linking Russia and Germany across the Baltic Sea, with total project investment estimated at EUR7.4 billion. According to the time schedule that was passed in June 2008 will the first pipeline supply Europe with natural gas from Russia from 2011 onwards. In fact the involvement of a multitude of interest groups in the approval process demanded minor adjustments of the schedule; which had no influence on the progress of the project as a whole. The documentation for the environmental

impact reviews is largely completed and construction applications are submitted to individual countries. The Espoo Report, which covers the potential environmental impact across all affected countries, was officially submitted in early 2009 and responds to environmental concerns particularly in Sweden, Lithuania and Poland. A further EUR2.5 billion is already earmarked for investment in new storage facilities and new pipelines.

New Gas Storage Company Created

E.ON Gas Storage (EGS), a new E.ON business unit, began operations in mid-August 2008. EGS is responsible for our entire European gas storage business, offers storage services on an open-access basis and oversees the rapid expansion of our gas storage capacity in Western Europe. A major project is underway at storage facilities in Etzel, Germany, where the working gas capacity will be increased by 2.5 bcm and the additional capacity will gradually become operational from 2012. E.ON Földgáz Storage, EGS's subsidiary in Hungary, began work in August 2008 to expand the working gas capacity of its storage facility from 1.5 bcm to 2.1 bcm. In November 2008, E.ON Gas Storage UK, EGS's subsidiary in the United Kingdom, began the process of pumping water into underground salt deposits to create caverns for gas storage at the Holford site in Cheshire, UK.

Expanding our Production Portfolio

To enhance gas supply security, we're also expanding our gas exploration and production (E&P) activities. Our medium to long-term objective is to source some 10-15 bcm of natural gas from our own production assets each year. The fields that have begun production and the current developments in the UK and Norway already form a solid basis for achieving these goals. We also started several new production projects.

Additional information about this topic on other E.ON websites:



LNG - a rational alternative to pipeline gas

The reasons are clear: while the demand for natural gas is continuing to rise in both Germany and the EU, European gas production is declining.

→ **E.ON Ruhrgas - Liquid Natural Gas for a Safer Supply**

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E.ON Ruhrgas UK North Sea Ltd.

We are an upstream company focusing on gas exploration and production in the UK sector of the North Sea.

→ **E.ON Ruhrgas - Offshore Oil and Gas Production**



E.ON Ruhrgas Norge AS

E.ON Ruhrgas Norge AS is an upstream company established in Stavanger, Norway in 2003.

→ **E.ON Ruhrgas - natural gas production off the Norwegian coast**

Shaping Customer-Friendly Energy

Never before has the energy sales market been so strongly characterized by performance and price comparison. Customers increasingly change tariffs and suppliers, with around eight percent of Germans changing suppliers every year, while in the UK this figure is in double digits. Customers are better informed than ever about their rights - and expect more than just energy products.

More confident Customers

In 2008, E.ON intensified its groupwide activities to become a more customer-focused organization. We have started to set up an integrated customer loyalty management system to steer the business towards better meeting our customers' needs.

Within this system, a metric-based approach called "Net Promoter Score (NPS)" will be utilized in the future. NPS will help us manage and track our journey to becoming more customer-focused in our activities and our operational processes. It is based on just one basic question and delivers a key figure for our customers' willingness to recommend E.ON as an energy supplier.

The NPS program is dedicated to maximizing customer loyalty, resulting in increased customer retention. The NPS approach is special: besides providing a survey to understand our position versus our competitors through the eyes of our customers, it will also help us to identify on which part of our operations we should most closely focus. For example, should we invest more in call centers or in billing processes? Within our organization, NPS will become an operational efficiency tool. Through this program E.ON is implementing a wide variety of customer-focused activities that are organized around a framework of listening, learning and ongoing improvement.

Different Assessments of Customer Satisfaction

A 2008 survey carried out in the UK by uSwitch.com showed customer satisfaction values that were eight percent lower than in 2007. In view of the price developments this is not surprising and it reflects average values across the industry. We were rated second-best supplier among the six largest energy utilities in the UK for offering the most competitive tariffs, as well as for our customer service, our online offering and our bonus scheme. On the other hand, customers felt our billing and meter-reading services could still be improved, which moved us down to fourth overall in the table from second place last year. We understand this as an important signal and have started measures to better fulfill our customers' wishes in future. In June 2008, the Hungarian Energy Office (the country's regulatory body) published a customer satisfaction study showing very good results, in which more than 80 percent of our customers were satisfied with the service they received from E.ON.

New Distribution Companies for better Customer Care

The increased willingness among energy customers to switch providers poses some challenges. The number of our competitors and trading partners is also increasing: this demands appropriate responses from us and we are driving changes forward with a new distribution structure and new products. On 1st of September 2008, seven distribution companies took on operational responsibility for our private and business customers in Germany. This allows them to respond more flexibly to regional requirements and customer needs. In the same month, E.ON Italia started family-focused offers for the end-consumer market.

International Sales and Distribution Solutions

With our broad international company structure we are able to provide one-stop solutions for internationally operating partners. Since November 2008, for example, we have supplied the leading consumer goods company Procter & Gamble via our international distribution cooperation network; E.ON UK, E.ON Energy Sales, E.ON Ruhrgas and E.ON Italy are all involved in this solution.

Intelligent Metering of Consumption

E.ON has made great progress in the installation of the new electronic "Smart Meters". These enable our customers to check consumption values in real time, identify electricity-hungry devices and replace them with those that save it. The total number of smart meters currently installed is 1.2 million. From July to December 2008 alone, 10,000 households in Bavaria were equipped with smart meters as part of the pilot project there.

Specific Energy-Saving Tools

We provide targeted thermographic surveys for our business and public sector customers to ensure the best-possible heat insulation and to deliver calculations of energy requirements. With this support, customers can calculate the energy consumption of their buildings precisely, as well as the effects of any modernization measures. There are potentially great savings in the area of heating technology- and to help our customers get the most value from this, we specifically promote conversion from old oil, natural gas and solid matter heating to natural gas heating combined with solar thermal energy. We grant subsidies for this at a level of EUR16.8 million in the German market alone. Distribution partners and appliance manufacturers contribute additional EUR8.4 million. Thus we are enabling savings of 320,000 tons in CO₂ emissions every year. For the fitting industry this provides total order volumes of EUR400 million.

We draw people's attention to ways of saving energy on a day-to-day basis through information events aimed at customers of all age groups. The numerous web portals of our distribution companies provide information on energy-saving heating equipment and household appliances, and also offer advice on supportive measures. In 2008 we promoted improvement in energy efficiency in the heating market through our Erdgas.ON initiative. Apart from the development of new and innovative technologies, such as gas-fired heat pumps, micro-cogeneration plants (CHP) and fuel cells, we support the conversion to environmentally friendly heating systems through a joint program with our distribution partners. Additionally, we're working with the Confederation of Skilled Crafts to promote training courses for energy consultants.

Affordable Products for Disadvantaged Customers

There are more and more customers whose incomes from benefits or pensions are not enough to cover their rising energy bills. In the UK, calls by the government and charitable organizations on energy companies to act on this have become loud and clear. Consequently, and on the basis of the government White Paper, E.ON has promised support to a level of EUR71 million for the period between May 2008 and April 2011. These funds will mainly be deployed across a range of social products, including those 40,000 customers currently receiving discounted prices across our tariffs, including WarmAssist.

E.ON offers socially affordable products to financially disadvantaged customers in Germany, amongst others. Anyone who is exempt from payment of their broadcasting license fee can apply to our regional utility companies for exemption from payment of their basic charge. 21,000 customers took advantage of this offer in 2008.

Greater Energy Efficiency for Vulnerable Customers

This also includes heat insulation and repair or exchange of heating equipment. The capital required is administered by the E.ON UK Caring Energy Fund, which is a fund of EUR2.1 million over 3 years and which closes in March 2011. Any E.ON customer in financial difficulty can apply to this fund for support, with applications assessed on a case-by-case basis. In 2008 the fund gave EUR643,000 in support to customers.

Social Support Programs

A new element to the E.ON UK socially affordable product system is "WarmAssist". Customers aged 60 or above, who are drawing their pensions and who have been with E.ON for at least twelve months receive a 15 percent discount on the standard E.ON price. Customers are encouraged to reduce their consumption safely through an energy efficiency audit and also qualify for free installation of both cavity wall and loft insulation. In addition, customers are offered a Benefits Entitlement Check in order to maximize the benefits they receive from the government.

Working together with Age Concern, the largest charity in the UK for the aged, E.ON UK has been financing a further socially affordable product for nine years by providing a competitively priced energy product aimed at elderly customers - and over 200,000 customers currently benefit from this. A central part of the Age Concern product is the Cold Weather Payment, a single payment made annually to customers to assist them with their winter energy bill and which depends on the number of cold days during the winter months. Since the price increase of 21st of August 2008 we have also made customers on the Age Concern tariff exempt from further price rises for twelve months.

Recognition for Customer Service

The German regional companies E.ON edis, E.ON Avacon, E.ON Bayern, E.ON Thüringer Energie, E.ON Westfalen Weser and E.ON Mitte each received in turn the "Kundenzufriedenheit gut" (Customer Satisfaction: Good) quality seal from the independent quality auditor TÜV Rheinland.

Additional information about this topic on other E.ON websites:



Our Virtual Energy-Saving House

E.ON provides comprehensive and clear information about specific energy-saving options with household appliances. We also offer related support measures.

→ **E.ON Energie - Domestic Energy Saving**

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Helping vulnerable Customers

E.ON UK specifically supports financially disadvantaged customers through the CaringEnergy Program launched in 2006.

→ **E.ON UK - CaringEnergy**



Support

for Responsible Suppliers

Procurement processes imply special challenges for us in fulfilling our societal responsibility. To meet our responsibility here we have formulated and embedded a comprehensive range of procurement-specific tasks and topic areas in our Responsible Procurement Policy at E.ON and in our CR Strategy, in line with the principles of the UN Global Compact. Our Responsible Procurement Policy applies groupwide, and is integrated in our General Terms and Conditions.

Responsible Procurement Principles for Biomass

The constantly changing energy business environment means we frequently need to revisit our guidelines and rethink our handling of the supply chain. One example is the procurement challenge posed by biomass for energy generation. In November 2008 we discussed the first draft of a Biomass Procurement Addendum to our Procurement Policy: the aim of this is to help us prevent any possible negative effects of biomass production on the environment, biodiversity and the global market for food. Responsible biomass production should help our suppliers to optimize soil quality and groundwater levels at their sites, as well as to make a significant contribution to societal and economic progress in this area.

Corporate Responsibility Audits

To ensure our suppliers fulfill our procurement requirements, E.ON staff who order goods and services evaluate certain aspects of suppliers' CR performance. Furthermore, evaluations include on-site audits at the suppliers' production facilities, amongst other aspects. In December 2008 we started to audit suppliers on CR performance issues, beyond the standard requirements of quality audits. This meant we needed to train and qualify our colleagues in these new requirements. With the support of an international auditing company we started at the end of 2008 to organize groupwide training courses to help our audit teams to assess the sites they visit as effectively as possible.

Supplier Events in the UK

To raise our suppliers' awareness of responsible business practices we also rely on the personal commitment of our employees - and their ability to present the case for this approach as clearly and persuasively as possible. Our Procurement specialists participate in voluntary training courses on responsible procurement issues and E.ON UK has led the way here by including "Responsible Procurement" in its trainee program for job starters and by inviting suppliers to several "Meet the Buyer" information events in 2008. A "Meet the Buyer" day took place in Birmingham in November 2008, facilitated by Action Sustainability, and another in the Scottish Highlands under the leadership of E.ON Climate & Renewables.

Regional Business Comes First

In supplier selection we pay attention to maintaining a sensible ratio within our market units' supplier base. We often procure services close to our sites and facilities, thereby meeting our responsibility to support the regions in which we are active. That is one of the reasons why the majority of our suppliers are located in their respective market unit's region.

Responsible Raw Materials Procurement

E.ON sources large quantities of coal, natural gas and uranium for energy generation. Our sourcing countries for coal and uranium are spread over several continents: we draw our gas mainly from Norway and Russia (26 percent each), the Netherlands (17 percent) and Germany (18 percent). The UK and Denmark also contributed to our gas supply with six and four percent respectively. Figures on E.ON's Coal Procurement by Sourcing Country are published on the [Reporting](#) pages.

In 2008, E.ON sourced its requirements for uranium mainly through natural uranium from Canada and Russia, which was enriched in Europe and Russia, as well as through Enriched Uranium Product (ERP) from Kazakhstan. We also have access to a stock of natural uranium originating from Canada, Namibia, Nigeria, the Ukraine and the USA.

The bulk of our fuel supply is procured by our E.ON Energy Trading (EET) market unit. E.ON's Responsible Procurement Policy is the basis of EET's buying and trading activities. An appendix regulating the buying of biomass will be integrated into the policy in 2009. CR audits and site visits at selected uranium and coal suppliers are also planned for 2009.

Additional information about this topic on other E.ON websites:



Promoting Diversity

E.ON U.S. aims to take the lead here, in ensuring the diversity of its supplier base.

→ **E.ON U.S. - Supplier Diversity**

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What we Do

These pages are intended for our existing and potential suppliers.

→ **E.ON UK - One of our Most-Visited Web Pages**



General Terms and Conditions

Here you can read E.ON's General Conditions as well as Supplementary Conditions applied by individual market and business units.

→ **E.ON Group Procurement - What our Contractors Should Know**

Taking Action to Reduce Carbon Emissions

We go to great lengths in many areas to reduce our operational carbon emissions. Our task is to use the means at our disposal to maximize our impact. This applies to our facilities and processes (whose efficiency we continually improve) and to our customers' energy consumption. Here, our main task is to provide our customers with energy-saving products and services that help them proactively manage their energy costs and also reduce the environmental impact of their energy consumption.

Systematically Reducing our Carbon Intensity

We plan to invest EUR6 billion for the period 2007-2010 to expand our renewables capacity and thus reduce our overall carbon intensity. We also work to continually improve the thermal efficiency of our conventional generation fleet. A significant portion of our investment program is earmarked for this effort, which includes our new combined-cycle gas turbines in Irsching and Malmö and the 50plus carbon coal fired power plant project in Wilhelmshaven. By 2030, we intend to halve our carbon intensity from 1990 levels to 360 grams per kilowatt-hour of electricity. Our carbon intensity fell compared to 2007 by 0.02 to 0.48 tonnes CO₂/megawatt-hours (MWh) even though we acquired, several new market units with a higher generating capacity giving us a higher carbon intensity. In absolute terms, our 2008 carbon emissions increased by about 26,2 million metric tons to 147,5 million metric tons. This was due to our acquisition of power plants in Russia. These were included in our emissions data for 2008 for the first time. Without those acquisitions our carbon emissions were reduced by seven million metric tons.

Carbon Intensity ¹ E.ON Group ²							
in t/MWh	1990	2003	2004	2005	2006	2007	2008
Central Europe	0.45	0.41	0.41	0.41	0.41	0.42	0.39
U.K. ³	0.94	0.72	0.79	0.75	0.71	0.73	0.58
Nordic	0.02	0.14	0.01	0.01	0.02	0.01	0.01
U.S. Midwest	0.99	1.00	0.93	0.92	0.93	0.94	0.92
Russia	-	-	-	-	-	-	0.59
E.ON Group	0.72	0.55	0.49	0.49	0.49	0.50	0.48
¹ Specific CO ₂ emissions: emitted metric tons of CO ₂ per MWh electricity generated. ² Excluding Energy Trading, Italy and Spain. For carbon intensity values listed above, EC&R generation volumes are allocated to geographical Market Units. ³ For the purposes of calculating carbon intensity, generation volume including CHP plants in E.ON UK of 43.6 TWh will be used.							

Information on the carbon intensity of further E.ON Market Units is provided within the Facts & Figures section of the report.

Rapidly Expanding Renewables Capacity

Through year-end 2008, we've already made significant investments as part of our renewables growth program. Not counting hydroelectricity, our renewables capacity increased from 1 gigawatt (GW) at year-end 2007 to about 2 GW by year-end 2008. We plan to have 11 GW by 2015. At year-end 2008, renewables accounted for 3 percent of our installed generating capacity (hydroelectricity accounted for another 10 percent or 7 GW). In November 2008, E.ON secured Masdar, a renewables initiative by Abu Dhabi, as

a key strategic partner for the global development of renewables projects. The first joint project is the 1 GW London Array, which, when completed, will be the world's largest offshore wind farm. Effective November 2008, Masdar has a 40-percent stake in London Array, with E.ON and DONG Energy each holding 30 percent. In addition to a number of other offshore projects, the expansion of our onshore wind capacity is a top priority. We're also investing in a variety of other renewables technologies like biomass, biomethane, solar, and marine energy.

Progress on Nuclear Energy Plans

E.ON is actively involved in site searches and project development for new nuclear power stations. Four sites in Finland are being considered for new nuclear capacity of between 1.5 and 2.5 GW. Fennovoima, a Finnish project company in which E.ON holds the largest stake (34 percent), is conducting environmental impact assessments. Project development in the UK is making progress, as well. In 2008, E.ON AG and E.ON UK formed a project company called E.ON Nuclear UK whose projects include a joint venture with RWE to develop nuclear power station in the UK.

Clean Coal with CCS

Carbon capture and storage (CCS) is a technology of the future for which applications on a commercial scale are expected to be ready by 2020. E.ON took decisive action in 2008, forging three new partnerships to develop CCS technology which supplement our existing partnerships with Alstom, Hitachi Power Europe, Siemens, and TNO. In July 2008, we reached an agreement with Cansolv Technologies Inc. of Canada to build a pilot unit at our power station in Heyden and with Fluor Corporation of the United States to build a pilot unit at our power station in Wilhelmshaven. We're planning a third pilot unit with Japan's Mitsubishi Heavy Industries; the unit will be installed at another of our power stations in Germany.

Improving the Efficiency of Coal-Fired Generation

All new E.ON coal-fired generating units - including those in the Netherlands (Maasvlakte), the UK (Kingsnorth), Belgium (Antwerp), and Germany (Staudinger, Wilhelmshaven, and Datteln) - are being designed and built for retrofitting with CCS technology. We're partnered with TÜV Nord to develop certification criteria for carbon-capture readiness. The Antwerp and Wilhelmshaven projects were certified capture-ready in 2008. Our Kingsnorth project has been short-listed for a competition launched by the U.K. government to fund a large-scale carbon-capture demonstration plant.

Global Recognition for our Climate Protection: Carbon Disclosure Leadership

2008 marked the first year E.ON was included in the Carbon Disclosure Leadership Index published by the London-based Carbon Disclosure Project (CDP). The CDP is a joint effort of 475 institutional investors whose aggregate portfolio is worth EUR39.9 trillion. Only 67 of the 500 companies surveyed were chosen for inclusion in the index in 2008.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.

Trading Volumes Growing Worldwide

In the period 2008 to 2020, the CO₂ market is expected to encompass a total volume of EUR250 billion worldwide every year. Aside from the trading of EU emission rights as regulated by the EU, trading with carbon credits from certified climate protection projects also has enormous potential. E.ON Climate & Renewables has been operating in this market segment for us globally since the start of 2008. E.ON Energy Trading, also founded in 2008, is responsible for our activities in EU emissions trading as well as trading in electricity, natural gas, oil, coal, freight and biomass.

Allocation plus Auctioning

Scheme (ETS) got underway in 2008. In line with the national allocation plans, we were given a lower amount than was actually produced by the E.ON power plants included in the emissions trading scheme - more particulars on the [Facts & Figures](#) pages.

The Düsseldorf-based market unit E.ON Energy Trading is responsible for trading European emission allowances (EUAs) as part of the ETS. Since January 2008, E.ON Energy Trading has been managing all of E.ON Group's European energy trading activities, is active in more than 40 countries and on numerous European energy exchanges.

Climate Protection as a Tradable Commodity

There is a growing market parallel to the EUs emission rights trading for so-called carbon credits. This is based on different mechanisms in line with the Kyoto Protocol including JI (Joint Implementation) and CDM (Clean Development Mechanism). This is based on certified projects that can be proven to reduce emissions or capture atmospheric CO₂. By purchasing emission reduction certificates, the buyer supports one or several of these projects and in doing so can offset or balance out the corresponding amount of CO₂ emitted. That's why Certified Emissions Reductions (CERs) have become the international currency in the global emissions market. These are tradable credits that are issued as part of CDM projects. In 2007, 350 million tons of CO₂ were traded on the secondary market for CERs. Renewable energies as well as improving energy efficiency in energy generation and consumption have key roles to play in the CDM.

Carbon Credits at E.ON

We began establishing the basis for our carbon CDM and JI projects by founding E.ON Climate & Renewables in January 2008. For those projects, E.ON Climate & Renewables focuses on the areas of its core expertise: Wind, biomass / biogas, hydropower, "Waste to Energy" and the fuel switch from coal to gas. Improving energy efficiency and avoiding methane are also important issues for the company. During 2008, E.ON Climate & Renewables developed several projects in the fields of biomass, "Waste to Energy" and industrial-scale cogeneration. These projects are located in China, Thailand and South Africa among others.

Focus of E.ON Carbon sourcing activities differs by regions and technologies

Region/technology combinations



Carbon Neutral with E.ON

E.ON both actively sells and procures CO₂ reduction certificates: E WIE EINFACH's "Mein Klima Tarif" is the first tariff to offer all consumers in Germany climate neutral electricity and gas. The CDM projects were selected by First Climate, while internationally recognized validators provide the certification. E.ON's internal processes were verified by the certification company SGS.

Additional information about this topic on other E.ON websites:



A European Trading Business with an International Vision

E.ON Energy Trading is one of Europe's leading energy trading businesses and the commercial heart of E.ON.

→ **E.ON Energy Trading - A Market Leader**

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Responsible for the Environment and Natural Resources

As a company that generates and provides energy, E.ON carries the responsibility for a range of environmental impacts caused by our business processes. Aside from reducing CO₂ emissions that have a global impact, we also focus on keeping other environmental impacts to a minimum. These include reducing air pollution, waste and water consumption as well as keeping the impacts of land use at our sites and in our supply areas to a minimum. Environmental factors have an influence on the planning and construction of new plants and are considered in daily operations above and beyond the extent required by law.

Central Responsibility and Groupwide Commitment

At E.ON, responsibility for environmental protection is embedded at Board of Management level. Our staff also practices this responsibility in day-to-day business. We use certified systems for managing these issues in operations. We will increasingly focus on certified health & safety environment management systems in our operations, setting the conditions for all our employees. Our group guidelines and regulations effective as of October 1, 2008, stipulate minimum standards which are applicable groupwide.

Low Number of Environmental Incidents

There is a 24-hour internal reporting requirement for environmental incidents within the group. In 2008 there were no material environmental incidents relevant to our reporting obligations. At our nuclear power plants, there was one category 1 incident according to the seven-level International Nuclear Event Scale (INES, category 1 - 7).

Operational Environmental Protection at a High Level: Cleaner air

In recent years we have implemented a number of successful anti-air pollution measures dedicated to reducing emissions of Sulfur Dioxide, Nitrogen Oxide and dust. Desulfurization and denitration equipment is operating at high efficiency levels, while the transition to low-sulfur fuels has also contributed to cutting emissions. Further improvements were reflected in the key figures between 2006 and 2008. This development is thanks to improvement measures like those at Rotterdam's Maasvlakte power plant for instance, where E.ON invested EUR65 million in installing a new denitration plant.

Operational Environmental Protection at a High Level: Waste Management

At E.ON, waste prevention has priority over recycling and waste disposal. The total volume of waste significantly declined in relation to the previous year. The strong fluctuations in the amount of waste in the past few years are attributable to temporary storage periods. The disposal is not always carried out in the same year but is instead dependent on recycling possibilities and the efficient use of logistics. Most of the ash and gypsum produced as byproducts of coal combustion and flue-gas scrubbing can be used as building materials. This reuse of materials is done with the highest care when it comes from E.ON Energie and E.ON Nordic's nuclear power plants. In 2008, 2,041 tons of low and intermediate level radioactive waste was produced, as well as an additional 257 tons of high-level radioactive waste.

Operational Environmental Protection at a High Level: Water Management

The vast majority of E.ON's water consumption is for cooling, process water requirements, including steam production. When taking in and returning cooling water,

we ensure to comply with the respective regulatory requirements and ecological considerations. We know that the amount of cooling water extracted is not the most relevant environmental criterion, since the temperature difference of intake and return, and the location of the returning water have a greater impact on the environment. Aside from cooling water, we also use water to produce steam. 95 to 99 percent of the water used in this process condenses and is used again. In addition, we also use it in so-called process water (e.g. for desulphurization plants). The process water used, in other words the water employed in production excluding cooling water, reflects the different production volumes and ratio of coal-fired generation at the market units.

Regional Environmental Involvement

On market unit level there are numerous examples of targeted environmental initiatives. E.ON U.S. supports the voluntary environmental protection program "Kentucky Excellence in Environmental Leadership". The aim is to have participating companies operating at an exceptionally high, "master" environmental level. E.ON U.S. also rolled out an energy-saving company car program for its team with small cars and carpooling. New grates at E.ON Nordic's hydro electric power plants are ensuring the survival of migrating fish, while in Sweden, Germany and the USA, effective solutions for protecting birds against the transmission system are being put into practice.

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Variety is the Spice of Life

Getting involved in climate protection is part of our social responsibility. But it is also important we consider the impacts of these measures e.g. on biodiversity. That's why we launched an initiative in 2008 dedicated to researching the impacts offshore wind energy has on biodiversity. There can be no doubt that building power plants and infrastructure has an influence on the natural habitat of many species at our sites. We are of course committed to attempting to keep the consequences of our activities as minimal as possible. Where this is not possible, we are sure to implement the required offsetting measures.

Coordinating Processes Centrally

In 2008, biodiversity - next to protecting the soil, air and water - became the fourth pillar of the group's environmental management system. Based on experiences gathered at market units, E.ON began developing groupwide standards in 2008. These included a procurement guideline for biomass and a groupwide guideline for biodiversity. This is to form the foundation for establishing guiding principles and descriptions of standard operating processes which take the importance of biodiversity into account and contain processes which in some areas exceed the regulatory requirements. This will also apply at market unit level. It also includes continuing to systemize our involvement in protecting ecosystems and biodiversity at many locations.

Biodiversity Action Plans at E.ON UK

As part of biodiversity action plans, environmental teams from E.ON UK regularly check important parameters like the water levels of waterways, stocks of indicator species and other environmental indicators. Based on the data gathered, the teams can improve the living conditions of native species at our sites with targeted measures such as nesting aids. Other market units are in the process of adopting the action plan concept developed in 2006. This is due to be rolled out in each of E.ONs market units by the end of 2009.

Protection of Species at E.ON US

Thanks to its membership of the Environmental Leadership Initiative "Kentucky Excellence", E.ON U.S. is also involved in biodiversity issues. The market unit sets standards in operational environmental protection, works in close cooperation with public authorities and environmental associations on protecting biodiversity, and offers environmentally friendly solutions to private and business customers alike.

Field Research

We aim to build up an understanding of the effects our operations have on our environment's plant and animal life. That's why E.ON teams in Sweden cooperated with managers from the wood and pulp industry as well as representatives of government agencies to establish methods of better reconciling commercial forestry and the needs of plant and animal life.

First Systematic Development of Complementary Standards Worldwide

The chances and risks renewable energies pose for biodiversity are as yet unknown. There are no reliable statistics on the matter. E.ON Climate & Renewables has agreed a research cooperation with the International Union for Conservation of Nature and Natural Resources (IUCN), one of the world's largest networks for conservation, to cooperate on

the research into offshore habitats where wind, wave and tidal energy systems are being installed. The cooperation will deliver the first reliable findings that can be used in practice.

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Energy and Environmental Education Programs for Children

Encouraging the next generation to use energy and our natural resources in a responsible manner- that's the aim of "Energy for Children" (EFC). E.ON's groupwide energy and environmental education program. This program uses educational materials to raise awareness among children and young people between the ages of three and 18.

Setting Examples with Energy and Environmental Education

Supporting educational projects is part of our broad-based understanding of responsibility at E.ON. Alongside the issues of climate protection in our own power generation, access to energy, and security of supply, at E.ON we see our responsibility particularly in supporting customers and society to manage energy efficiently. Consequently our flagship "Energy for Children" program works as part of our Community Involvement (CI) to establish a lighthouse project in each country where E.ON operates and to set a leading example nationwide for energy and environmental education.

Since the start of November 2007, "Energy for Children" projects have been launched at more than ten countries where E.ON is based, mostly in cooperation with national education experts. In addition to this we've also been able to establish and further extend local partnerships with schools and other education establishments. Where possible, all projects are supported by the voluntary involvement of E.ON employees.

"Leuchtpol" in Germany

With our "Leuchtpol" project in Germany, together with the ANU, the National Working Group for Nature and Environmental Education (Arbeitsgemeinschaft Natur- und Umweltbildung Bundesverband e.V.) we developed an Education for Sustainable Development (ESD) in Kindergartens project ("Bildung für nachhaltige Entwicklung im Kindergarten") project. The "Leuchtpol" project was officially presented and launched as part of our first further education event in March 2009. Over the next few years, we aim to prepare and qualify teachers from a total of 4,000 kindergartens throughout Germany in the provision of children's ESD), focusing on the example of energy and the environment. Under this plan, by 2012 ESD should be an integral part of pre-school education in ten percent of all German kindergartens. Here, E.ON will be providing the necessary financial support- without influencing the pedagogical content of these programs in any way.

The British "Energy Experience" Role Model

E.ON UK's "Energy Experience" initiative serves as one of the role models for our "Energy for Children" program. This initiative has been very well received since its launch: 13,000 schools in England, Scotland and Wales- that's more than a third of all elementary schools and two thirds of secondary (grade) schools- have requested a total of 30,000 lesson packs and over 300,000 pupils have taken part since the initiative was launched in 2006. The response from the teachers involved is also positive, with 83 percent of the 440 teachers rating the program as "good". In 2008, the organization "Business in the Community" presented the E.ON UK team with its prestigious "Community Award" in the category of "Education" for the team's efforts as part of the "Energy Experience" initiative.

The Nordic "Curious about Energy" Role Model

With "[Curious about Energy](#)", E.ON Nordic offers a range of teaching aids on the subject of energy that are popular among teachers and pupils alike. Since launching the initiative, E.ON Nordic has successfully established four school partnerships across the country. In addition, a cooperation agreement was established with the "Save the Children" non-governmental organization in 2008, which is now providing professional support to the partner schools. An increasing number of E.ON employees are also involved on a voluntary basis in the partner schools in Sweden. We are also proud of the partnership between E.ON Nordic and the "Kreativum" science center: a special "Energy for Children" room was set up here in November 2008 and equipped with LEGO educational materials.

We're planning to expand the project in different ways in 2009. This includes introducing a "Carbon Footprint Calculator" entitled "Linas Klimatspaning" (Lina's Climate Research). In addition, we're planning to cooperate with a further two schools and press ahead with plans to train up and involve more of our employees who volunteer their time at schools.

"Energy for Children" Launched in Hungary too

E.ON Hungária launched its own national "Energy for Children" project in 2008 with "[Energiakaland](#)" (Energy Experience). In July 2008, the project website was presented at a Hungarian Eco-Schools event to 300 teachers, who greeted the idea very positively. During the course of the year, teaching modules designed around the curriculum were developed for four different age groups. These modules are intended to be distributed to over 3,000 elementary schools and many hundreds of secondary (grade) schools in Hungary. Just as in other countries, the initiative will also be accompanied by the voluntary involvement of our employees in Hungary. The project partner here is the Hungarian Ministry for Education, which recommends the inclusion of the content in the official curriculum. Significantly more program content is planned for 2009.

Local Partnerships in many Regions

In 2008, E.ON Česká Republika launched its Czech "Energy for Children" program together with a non-governmental organization. For this purpose, an educational portal was developed based on the system used by E.ON UK, and our [E.ON Energy Truck](#) set out on its first tour of the country.

E.ON (ZSE) will be launching a Slovakian "Energy for Children" web portal in 2009, and it also plans to convert an [historic power station](#) into an Energy Experience Center for children.

E.ON Romania has been contributing to Romanian school curricula with teaching materials on safety and energy since 2008, making it the first company to do so in this country. 210 schools and 3,671 teachers took part in the initiative in the Romanian region of Lasi, thus reaching more than 60,000 pupils. The cooperation with the different stakeholders, such as the Inspectorate of Schools and the Bethany Social Services Foundation, was described by these partners as "very fruitful."

Expansion in further Market Units

In Bulgaria as well as in our new market units in Italy, Spain and Russia, our colleagues have started making plans within our "Energy for Children" program. "Energy for Children" is to be rolled out across all market units by the end of 2009.

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Information on this page has received a limited assurance engagement.

Volunteering Benefits Everyone

Our employees' personal voluntary societal engagement (Employee Involvement) is an essential part of how E.ON's societal responsibility comes to life on a daily basis. Employee involvement is a key element of our Community Involvement (CI) strategy, which we pursue in all our new and existing market units. It's aimed at helping us embed E.ON more firmly as a responsible company in the communities and regions we serve by building and strengthening a trusting relationship with our stakeholders there. This not only boosts our employees' team spirit but also gives each and every employee the opportunity to gain new personal experience, show what they are capable of in unfamiliar situations, to discover new talents and to learn continuously.

Different Programs - same Structure

Our Employee Involvement programs are based on two pillars: on one hand there are initiatives established by E.ON to promote and support the voluntary engagement of our employees, known as Corporate Volunteering and on the other, there's our support known as Personal Volunteering for initiatives and projects that our employees have initiated themselves.

Groupwide Employee Involvement in 2008

Beside these figures, E.ON also supported its employees with EUR724,000 through Employee Involvement activities (Corporate and Personal Volunteering), involving nearly 7,000 employees groupwide. They dedicated a total of more than 73,500 hours of their private and work-time to supporting a range of NGOs in the communities where they live and work.

Implementing our strategic Approach

In 2008, E.ON developed a groupwide guideline on Employee Involvement. It was approved by the Group's CR Council and by the Group Works Council. The Employee Involvement program is to a large extent decentrally managed by our market units to ensure that initiatives are sensitive to local considerations in individual countries. Our Corporate Center advises them throughout the process to intensify the groupwide exchange of experience between all market units.

Corporate Volunteering - Status 2008

In 2008, our Corporate Volunteering programs were warmly welcomed by employees in the many regions where we operate. Our engagement is particularly well established and liked at E.ON UK where the company supported 1,984 employees in 2008 in volunteering within their local community during working hours. A survey of E.ON UK employees also confirms this: without exception, all employees were confident they had done something worthwhile and felt proud to be employed by E.ON UK thanks to our company's proactive societal engagement. 97 percent were of the opinion that E.ON UK's engagement here sets the company apart from others, while 70 percent said that they had acquired new skills for their professional lives as a result of their voluntary activities. In 2009, E.ON UK will launch a software suite to further improve the organization of employees' voluntary engagement, to make the program more easily accessible to them and so to increase its coverage across the company.

Our employees are also actively involved in programs at E.ON U.S.: in 2008, a third of all employees took part in "E.ON's Day of Caring". Around 10 percent of our employees in Slovakia took part in Personal Volunteering programs- a particularly welcome success, as the concept of employee involvement isn't yet as widespread in Eastern European

countries as it is in countries such as the USA or Great Britain.

Plans and initial steps to expand our Employee Involvement programs have now also been in place since 2008 in Hungary. Our market unit Pan- European Gas also set up an Employee Involvement program in 2008: on International Volunteers' Day those employees already engaged in voluntary projects were able to publicize their not-for-profit projects and to explain to other colleagues the wide range of possibilities within voluntary engagement. Employees at E.ON Romania were also actively involved in renovating several children's playgrounds as well as in a reforestation project held during National Volunteering Week. 2008 also marked the first year they had participated in our "Energy for Children" (EfC) program.

Two Pillars of Personal Volunteering

E.ON takes two approaches to Personal Volunteering, which are applied as appropriate by our market units. On the one hand, Matched Funding adds a specific amount to the sum of donations collected by our employees in the course of their voluntary engagement; on the other, Matched Time means we support the voluntary organizational activities of our employees financially.

Matched Funding within Personal Volunteering - Status 2008

Fundraising for good causes has a long tradition at E.ON Energie, E.ON Ruhrgas as well as at our Corporate Center. Through the initiative, which is now called Donate your Pennies ("Rest Cent"), employees donate the net cent amounts from their monthly salaries to support institutions that help sick and disabled children. In 2008, E.ON Energie, E.ON Ruhrgas and our Corporate Center in Germany collected a total of EUR113,538.

As part of our Matched Funding program, a total of 1,126 colleagues from the UK collected EUR874,900 for charitable purposes in 2008- to which E.ON then added EUR347,700. Our employees from the USA collected around USD one million (around EUR680,000) as part of their "Power of One" campaign, which was then boosted through donations and funding by the E.ON U.S. Foundation to just under EUR1.16 million. Employees at our Eastern European sites are also playing an increasingly active role in Matched Funding as well as in Matched Time programs.

Matched Time within Personal Volunteering - Status 2008

In 2008, almost 300 employees from E.ON UK gave up over 40,000 hours of their own time for not-for-profit organizations. E.ON UK supported this commitment by giving EUR87,100 to these organizations through our Matched Time initiative. E.ON Ruhrgas has also offered its employees this program since 2008; since the program's launch, employees there have dedicated some 4,370 hours of their own free time and their chosen projects have received a EUR five-figure sum from E.ON as a result.

Outlook

In 2009 E.ON intends to expand its Employee Involvement program systematically across the whole Group, including the Corporate Center. The aim here is for all market units to establish programs in 2009 to promote employee involvement.

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"Powering Up" our Communities

Societal engagement is one of the core values of our corporate culture and contributes towards ensuring that we are seen and accepted by our communities as a responsible company. It also improves our reputation among our stakeholders and our employees' commitment to E.ON. To ensure our efforts here, our engagement must be credible and consistent. It must be embedded in our strategic CR orientation, must address our core competencies and therefore link in with our corporate strategy.

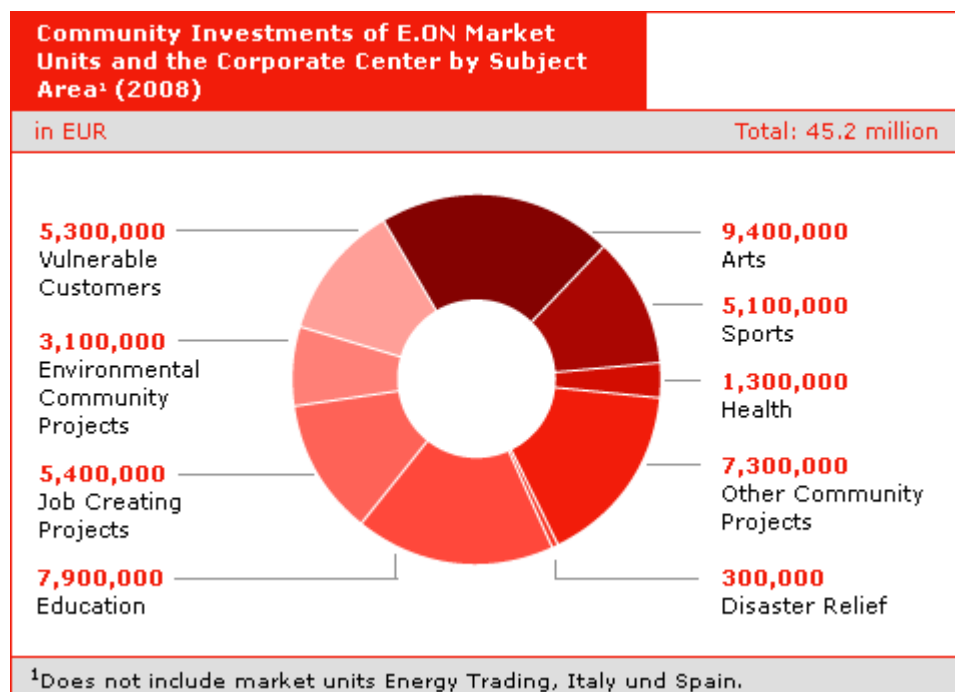
An option for promoting projects here is financial or material support ("Corporate Giving") - yet we see this as only a first step. As a matter of principle, we seek long-term cooperation in mutual projects or initiatives that have a connection to our business activities in each country and address the interests and requirements of our stakeholders. That's why our societal involvement is based specifically on three key CR subjects: access to energy, climate change and energy education of the upcoming generation.

Targeted Allocation of Funding

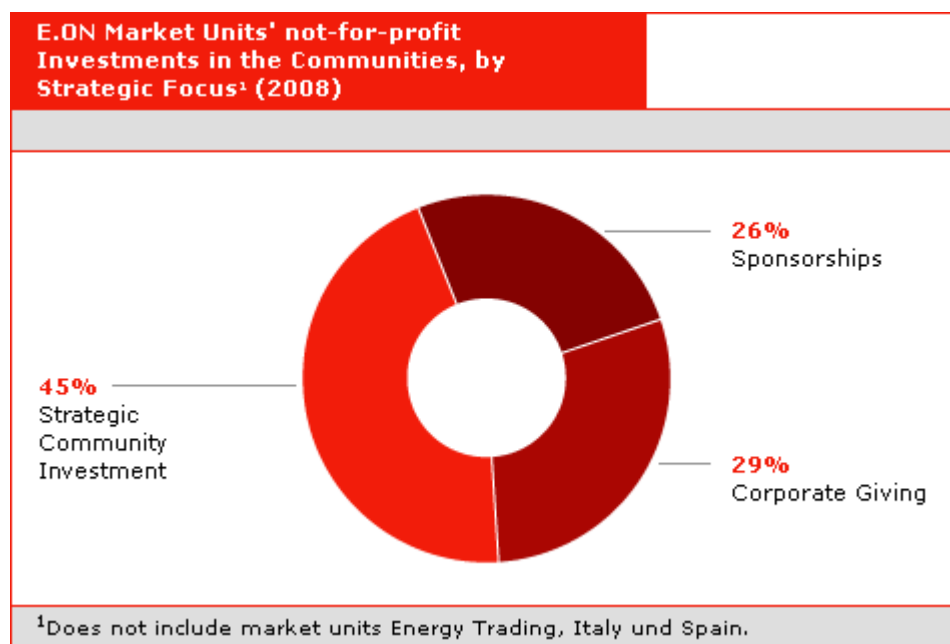
In 2008 we spent EUR45.2 million groupwide in total across a range of different subject areas. This is a considerably higher figure than in 2007 and reflects our increased engagement in society, the continual growth of our business and greater sophistication in our community investment reporting.

Our community investment can be broken down into three strategic focus areas: Strategic Community Investments, Community Sponsorships and purely financial Corporate Giving. In 2008, 45 percent of all community expenditure was strategic. This shows we are making good progress towards our objective of moving from Corporate Giving to more strategic community initiatives.

The largest area of community expenditure was on education and training initiatives, such as our groupwide "Energy for Children" program. A good 20 percent was spent on arts and cultural projects, while around 11 percent was spent on sports initiatives with a direct community benefit. This figure excludes E.ON's major sports sponsorships expenditure.



This figure does not include those activities that have a community benefit that E.ON is legally obliged to provide in some markets, for example as part of our Regulatory Licence. It also excludes E.ONs substantial group-wide R&D program. Adding this spending would multiply the figure reported here many times.



Disaster Relief quickly Mobilized

Some communities where E.ON operates were hit by severe weather in 2008, which gave us an urgent focus for our societal involvement. In particular, E.ON Gaz Romania Group and E.ON Energie Romania Group (both parts of E.ON Romania), E.ON Česká Republika and E.ON U.S provided rapid financial and personal ad-hoc assistance.

In July 2008, E.ON Gaz Romania Group, E.ON Energie Romania Group and their employees gave a total of EUR550,000 in immediate assistance for the reconstruction of schools, kindergartens, crèches and hospitals that were damaged in the aftermath of flooding in Eastern and North-Eastern Romania. E.ON U.S. also responded immediately after Hurricane Gustav's landfall in February 2008 by releasing over 250 employees as part of our Mutual Assistance program, to assist with the reconstruction of other power utilities' damaged plants in neighboring regions.

Numerous independent Market Unit Initiatives

We supported a broad variety of not-for-profit projects and medical or social institutions during 2008 in many other communities where E.ON is based. For instance, our Slovakian national company donated EUR200,000 for the promotion of healthcare and other social projects, E.ON Hungária gave financial support to the "Daily Hope Care Center", a charity for disabled people, while our colleagues at E.ON Bulgaria EAD supported an international charity tour of the international motorcycle club, Eurobikers. This saw the club tour seven European countries including visits to eight Bulgarian cities, organized by our Bulgarian colleagues. As a result we were able to donate eight medical trucks to four hospitals and one welfare organization.

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No Compromises on Health and Occupational Safety

As a responsible company, occupational safety is E.ON's highest priority. We will tolerate no compromises in ensuring the health and safety of every single person associated with our business. This also includes the task of giving our employees a helping hand when it comes to their own efforts to protect their health. Our goal is for our Group and all its member companies to become energy-industry leaders in occupational safety and health protection. We've already achieved several notable successes- but we know there's still some way to go here. Along the value-adding chain, from energy production to transport, working with energy is often fraught with safety risks for our employees as well as our partners.

Our "safe.TEG" Project: Status Quo Recognized

Within our "safe.TEG" project- TEG stands for "Top Executive Group"- in summer 2008 we surveyed 250 top-level managers on their personal understanding of occupational safety. The project results made it clear that we need a uniform safety framework, the Corporate Safety Plan, for all market and business units, which is explained below. Unfortunately we also suffered twelve fatal accidents groupwide in 2008. This emphasizes the urgent need for intensified efforts right across our Group and reinforces our resolve to further embed the culture of safety within all Group companies and contractors.

Raising the Group's Safety Level through a strong Safety Culture - our Corporate Safety Plan

To help us meet our responsibilities in the area of occupational safety, in 2008 we defined and approved a groupwide Corporate Safety Plan. We intend to establish this in all market units by 2011. Besides defining rigorous guidelines, the principle aim of our Corporate Safety Plan is to establish a living safety culture in our company: employees are to absorb E.ON's approach to the issue of occupational safety - and contribute towards bringing this culture to life through their own conduct and by developing a sound ability to judge safety. We're aware that this will take time and requires good practices to lead the way. For this reason, all managers in our company need to fulfill their responsibilities as role models and repeatedly communicate the importance of occupational safety and safe behavior to their employees by means of a top-down approach.

Safety is Part of Training

As a learning organization, three aspects play an essential role when it comes to establishing our Corporate Safety Plan across the company: communication, education and training. As part of our efforts here, in 2008 we established our E.ON Health & Safety Academy as part of our internal E.ON Academy.

Health Drives Safety Performance

Healthy employees are a key prerequisite to us being successful as a company! Those who are physically fit perform better, are more focused at work - and pay greater attention to their own safety. Our aim here is to support our employees and encourage them to pay more attention to their personal health. To achieve this aim, we developed a comprehensive Health Management Toolkit in 2008 which includes more than 50 health-promoting measures, such as cancer prevention advice and anti-stress training. As the health system frameworks at our worldwide locations vary, we will therefore adapt these measures with the support of our market units to suit local conditions and requirements.

Our engagement in the area of promoting health was recognized in 2008 when we were presented with an award by the Great Place to Work® Institute Germany: the special "Health Management" prize in the "Best Employer in Germany" competition. We're proud of this and it shows that our program to promote health has already achieved a high standard. However, we don't intend to rest on our laurels and will be expanding this program even further.

New Group Policy - Minimum Standards for Health and Safety Management

In September 2008, the E.ON Board of Management approved Group Policy 24 (KR24) entitled "E.ON Safety and Occupational Health Management- Minimum Standards" as an element of our Corporate Safety Plan. KR24 came into effect on 1st of October 2008 and defines the Group's organizational framework for occupational safety, health protection and product safety, including both on-site and systems technical safety. Furthermore, it lays down uniform minimum occupational safety standards for the entire E.ON Group and its shareholdings, as well as for a groupwide safety culture. This policy also provides an instrument to help us integrate and bind our new acquisitions in our occupational safety and health management systems.

KR24 - Expanding Management Systems and the Organizational Structure

Among other things, KR24 commits all market and business units to establishing certified Occupational Health and Safety as well as Facility Safety management systems that meet international standards such as OHSAS 18001. The policy defines two management bodies that are to advise the Board of Management on occupational safety and health issues: the Safety Governance Council at our Corporate Center, and the Center of Excellence Safety and Occupational Health. Further Safety Governance Councils will also be established in other market units.

KR24 - Minimum Standards Constantly Expanded

New Corporate Safety Standards also comprise guidelines on incident reporting and accident investigation for serious but not fatal accidents. It also defines new occupational safety standards for E.ON contractors as well as for the operation of our vehicle fleet. In addition to this, uniform standards for protective work wear have been developed and published as safety information sheets, as part of personal protective equipment (PPE). Further standards are set to follow in 2009 on the topics of risk management and hazardous materials.

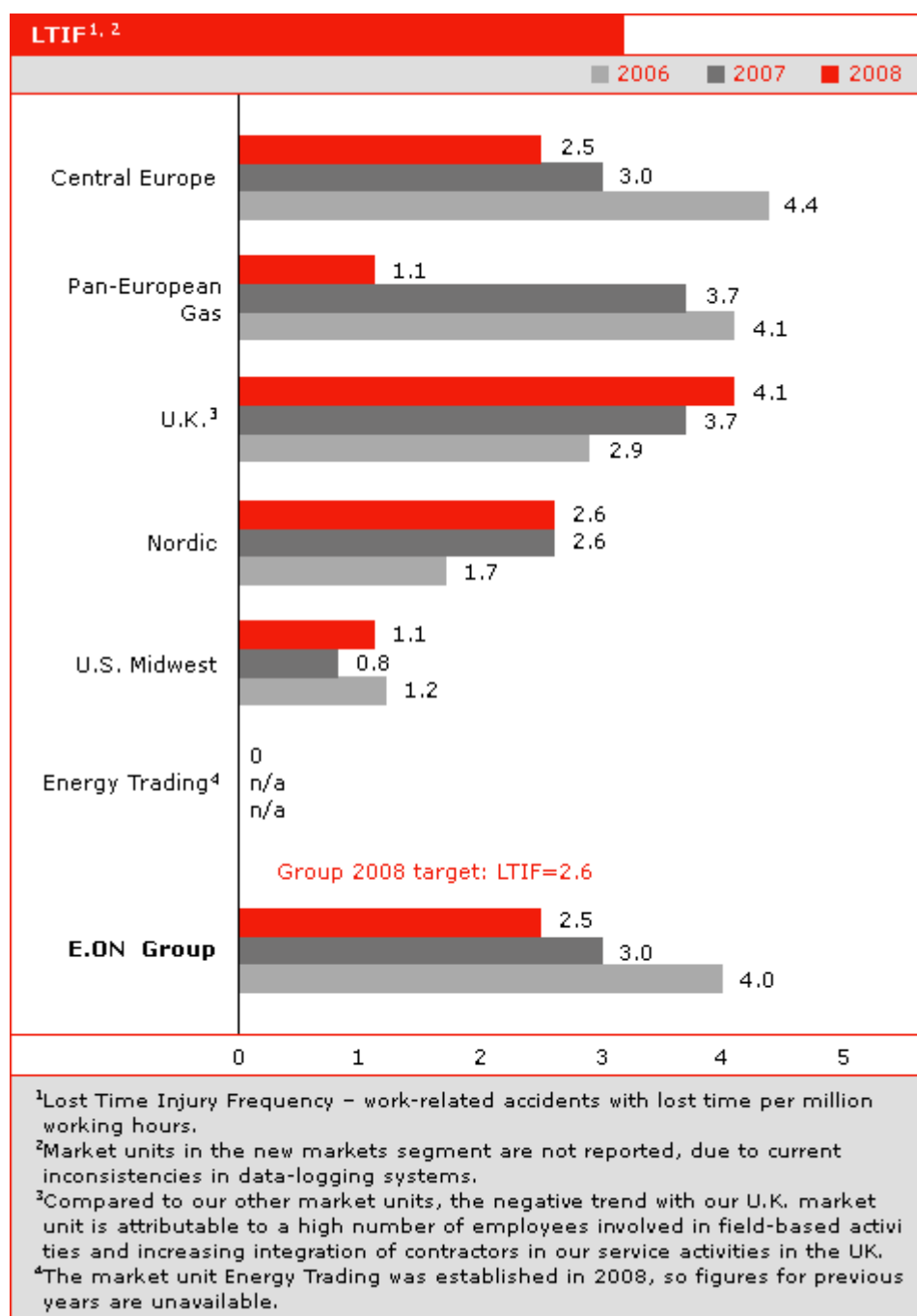
Lost Time Injury Frequency Index (LTIF) Trending Downwards

There were 15 percent less occupational safety incidents and accidents at E.ON in 2008 than in 2007 (basis of calculation: LTIF). The incident rate has now fallen five years in a row and when compared to our regional energy-sector competitors, this rate is clearly lower among the majority of our market units. The positive track that we have taken in this area is reflected in the Lost Time Injury Frequency Index (LTIF), which shows the frequency of work-related accidents per million working hours. In 2008, we reduced our average index value from 3.0 to 2.5: this means that throughout the entire E.ON Group there were on average 2.5 accidents per million working hours. This means we surpassed our target for 2008 slightly (LTIF: 2.6)- certainly encouraging, but we need to do even better: by 2010 we intend to achieve a groupwide LTIF value of 2.0.

Improvement Potential and Best Practice in the Market Units

Among other things, we intend to further improve safety standards at E.ON Energie's Eastern European sites. As part of our "Improving Safety Culture" project launched in 2008, we're not just targeting our own employees but also our contractors' employees

and the public. At E.ON UK the issue of occupational safety is solidly embedded in the company culture - yet the LTIF value is still above the Group average, mainly due to the incidents reported by one of the Group companies. Our objective for 2009 is to raise occupational safety through targeted employee programs. In this respect we can learn from other market units: E.ON U.S.¹ LTIF figure of 1.1 is a great example to us all in the Group- and is way better than the US energy utility sector average (2008: 5.2). In addition, E.ON U.S. Chief Executive Officer Vic Staffieri was recognized by the National Safety Council (NSC) members' magazine "Safety+Health" in 2008 for his outstanding commitment to safety in the workplace. He was added to the list of "CEOs Who Get It"- those who have made safety in the workplace a core corporate value.



New Indicator Gives more precise Analysis Results in 2008: Total Recordable Injury Frequency Index (TRIF)

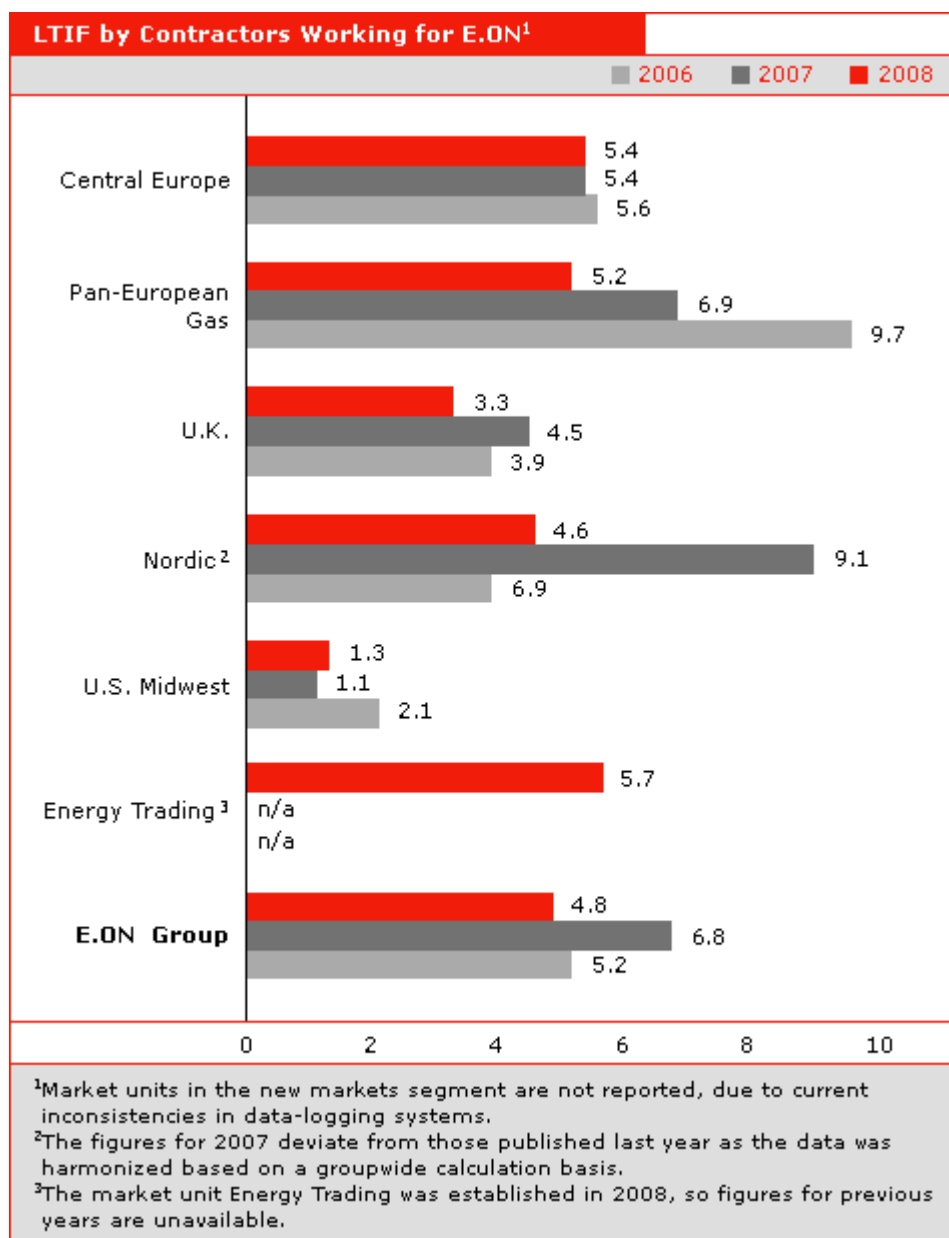
Effective accident prevention requires us to learn from mistakes and reliably eliminate safety shortfalls. The LTIF does not reflect the overall safety situation in a company, however- it merely reports the frequency of injuries resulting in lost time. To better understand potential safety risks, we compiled our Total Recordable Injury Frequency

Index (TRIF- total number of all reported accidents) for the first time in 2008. In contrast to the LTIF, which only gives the frequency of time lost due to injury, TRIF also records accidents that result in a limited ability to work, or where employees have needed medical attention, but where no time is lost. In 2008 we launched a pilot phase: at that point our TRIF index stood at 4.9, a comparatively low figure and a good starting point to gauge the success of future measures to improve safety standards. The index is included in the assessment of managers' variable performance-related compensation and will be calculated annually by all market units from 2009.

TRIF ^{1, 2}	
	2008
Central Europe	5.6
Pan-European Gas	2.9
U.K.	5.3
Nordic	3.9
U.S. Midwest	5.7
Energy Trading	3.9
E.ON Group	4.9
¹ Total Recordable Injury Frequency – number of work-related accidents per million hours worked that result in a limited ability to work, or where employees have received medical attention, but where no time is lost. ² Market units in the new markets segment are not reported, due to current inconsistencies in data-logging systems.	

Same Safety Standards for our Contractors

As the figures illustrate, many employee accidents are associated with our contractors, as the LTIF of our contractors is around twice that of our Group average. However, we don't distinguish between whether the accident was caused by E.ON employees or one of our contractual partners' employees, as we consider our contractors to be partners of E.ON-partners that are responsible for around 50 percent of our business activities. Our "no compromises" philosophy applies here too and this is why we also intend to make the safety standards we've established at E.ON mandatory for our contractors.



Safety Standards are the Basis of the Contract

Our objective is for all market units to know and audit the safety standards of contractors before signing any contracts with them whatsoever. Based on a pre-qualification questionnaire, topics such as general safety standards, personal protective work wear and training programs for employees are to be examined. Furthermore, the certification scheme for contractors ("Safety Certificate Contractors") is already applied as a qualification requirement at several business units and is to serve in future as a groupwide basic requirement for contractors, in order for them to be able to submit an offer.

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Excellent Conditions

Favor high Work Performance

Our success as a company is built squarely on the daily performance of our employees and is driven by their motivation, talent and expertise. Demographic change means that the availability of well-qualified employees is declining, however. This why it is becoming increasingly important for us to remain attractive as an employer. To enthruse talented and performance-oriented people to accept a position with E.ON and to bind our employees to us over the long term, we do all we can to offer a highly motivating and inspiring work environment.

Performance-related Compensation

To motivate our employees to outperform we aim to provide fair compensation as well as attractive additional benefits. What's more, we feel that employees who outperform should be correspondingly rewarded for this. The compensation of the majority of our employees is linked to collective wage agreements; however, the compensation of many of our employees also includes a performance-related component, thus helping them share in our company's success.

Percentage of Employees with Contracts Based on Collective Wage Agreements with Trade Unions			
in %	2008	2007	2006
Central Europe	88.6	89.0	90.2
Pan-European Gas	83.9	86.3	88.0
U.K.	93.9	89.7	94.4
Nordic	99.3	99.2	99.2
U.S. Midwest	26.7	27.1	27.1
Energy Trading	48.6	n/a	n/a
New markets ¹	85.5	90.4	n/a
¹ Reduction due to the growth of E.ON Climate & Renewables which employs a smaller percentage of employees with wage agreement-based contracts.			

Rewarding Responsibility

Those employees who bear particularly high responsibility should naturally receive commensurate compensation. This also applies to our management's engagement for CR: for instance, specific environmental protection targets and occupational safety standards have been agreed with our managers and explicitly integrated in their performance-related compensation package.

Employees as Shareholders

Within the E.ON Investment Plan, employees additionally have the opportunity to participate in our company's financial success by acquiring employee stock under especially favorable conditions. While all our market units offer their employees such a program, these vary greatly. In 2008 22,392 employees in Germany acquired 1,138,050 E.ON shares, with 58 percent of employees participating.

Excellent Pension Plans

A company pension plan oriented towards applicable national framework conditions is part of the overall compensation that E.ON pays its employees. We offer our people a comprehensive range of measures to help ensure their own financial security in later life, above and beyond the requirements of relevant local statutes.

Innovative, high-quality Training and Further Education Offers

Constant change in today's world applies to the workplace too and demands job-specific expertise and a lifelong learning approach. That's why in 2008 we invested some EUR88 million across the Group in our training and further education offer. This provides our employees with a wide range of opportunities to develop their skills and knowledge, also beyond the boundaries of their own specialist working area. And our people are eager to accept these opportunities! In 2008 E.ON employees completed around 321,000 training days. The majority of these were in E.ON Academy training and further education programs for our management group. Our employees are making increasing use of the schedule-independent eLearning modules offered on our Academy Online platform. And they're proving to be very popular- in 2008 we logged a total of 212,000 visits to individual eLearning modules.

Reviewed 2008 ✓

Diese Angaben wurden einer betriebswirtschaftlichen Prüfung unterzogen.

Creating a Balance between Life and Work

We see it as our duty- both towards our corporation and society as a whole- to help our people balance work and family life in a positive way. Decreasing birth rates, the rising proportion of older people and the need to integrate women more effectively into working life are challenges that companies in many industrial countries need to face in order to secure a long-term future. In the end, companies also benefit from this, as a healthy life balance between work and leisure time is beneficial to employees' motivation, corporate culture and also the business success of the company. After all, motivated and satisfied employees work far more productively!

Sustainable Personnel Strategy

For E.ON, the issue of life balance is an important component of a sustainably aligned HR policy and it is therefore one of the eleven strategic fields of action within our "OneHR" people strategy. We encourage our employees to find their own individual balance between their life and work through our Life Balance program. We are convinced that this strategy contributes to furthering the satisfaction of our employees. In this way we can increase our attractiveness as an employer to potential new recruits and also strengthen our employees' identification with the company. We will be checking the success of these measures regularly with the help of specific key indicators.

"Work and Family" Audit

The German "berufundfamilie" (workandfamily) audit managed by the Hertie Foundation confirms that E.ON has a family-friendly HR policy. The "berufundfamilie" certificate was awarded to our Corporate Center, E.ON IS, E.ON Hanse, E.ON Westfalen Weser, E.ON Bayern, E.ON Avacon and Thüga in 2008. After a successful re-audit, that is, a re-examination of the status quo, E.ON Energie and E.ON Ruhrgas have already received confirmation that they have been re-awarded the berufundfamilie® quality seal. Established in 1999, the audit is under the patronage of the German Federal Minister for Families and the German Federal Economics Minister and promotes the integration of work and family within companies. It is approved by the leading German trade associations (Confederation of German Employers (BDA), Federation of German Industry (BDI), German Association of Chambers of Commerce and Industry (DIHK) and German Confederation of Skilled Crafts (ZDH)) and has become a benchmark for awareness of family issues in the German economy.

Flexibility for individual Life and Career Management

E.ON offers its employees tailored work-time models and attractive career opportunities that fit in well with individual lifestyles or family priorities. We promote part-time work wherever possible. In Germany, in accordance with German Federal law on part-time and temporary work, every employee who has been working for the company for more than six months has a right to work part-time. At the end of 2008, 7,209 employees were working part-time, with a 60/40 split between women and men.

Proportion of E.ON Market Unit Employees with full-time or permanent Employment Contracts						
in %	2008		2007		2006	
	Full-time	Permanent	Full-time	Permanent	Full-time	Permanent
Central Europe	90	94	92	95	93	96
Pan-European Gas	96	99	97	99	97	99
U.K.	88	97	89	98	87	98
Nordic	98	98	96	98	96	97
U.S. Midwest	99	99	99	99	99	99
Energy Trading	97	94	n/a	n/a	n/a	n/a
New markets	99	97	100	98	n/a	n/a
Corporate Center ¹	91	95	89	95	91	94
E.ON Group²	93	96	93	96	93	97
¹ 2008 figures include E.ON I.S. ² 60% of women groupwide take up the option of part-time employment.						

Through numerous initiatives and projects we provide different working models and offers, such as telecommuting or long-term leave (sabbaticals) so that we can do justice to the unique situation of each individual. We're also committed to raising the attractiveness of E.ON as an employer among women. However, finding the right life balance means much more than suitable work-time models and career opportunities: we are also able to take some of the pressure off our employees by giving them advice on care for their children or for older family members. With these programs it's important to E.ON to have regular communication with experts and to benefit from Best Practice models across our Group companies.

Example: Up to Five Years Parental Leave with Re-Employment Guarantee

Under national statutory parental leave provisions, for example, E.ON employees in Germany can be released for three years to bring up their children - and we guarantee their subsequent return to a comparable job. In fact, E.ON Ruhrgas considerably exceeds these legal requirements and offers its employees five years' parental leave with a re-employment guarantee. As in Germany, employees in Sweden benefit from statutory parental pay, which grants them 80 percent of their previous salary while they bring up their children. E.ON Nordic even adds 10 percent on top. Furthermore all E.ON Nordic employees have a time account of 89 hours' paid leave a year that they can use flexibly. These time accounts also promote the principle of diversity within the organization by making it possible for employees with different cultural backgrounds to take time off to celebrate their respective religious holidays. What's more, employees with children may use their time account to allow them to respond flexibly when their private life demands it, thereby enabling them to achieve their own best-possible life balance.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.

Success through Change

E.ON is a company on the move. Since its creation eight years ago our Group has grown continuously and has developed from a German conglomerate into an internationally active, privately owned power and gas company. This naturally also affects our employee structure: currently, we employ around 93,500 people of more than 80 nationalities in more than 30 countries around the world. In 2008 alone, our Group grew by around 5,700 employees.

Group Employees ¹			
	December 31		+/- %
	2008	2007	
Central Europe	44,142	44,051	0.2
Pan-European Gas	9,827	12,214	-19.5
U.K.	17,480	16,786	4.0
Nordic	5,826	5,804	0.4
U.S. Midwest	3,110	2,977	4.5
Energy Trading	885	-	-
New markets	9,214	5,424	69.9
Corporate Center ²	3,054	559	446.3
Total	93,538	87,815	6.5
Discontinued activities ³	474	474	-
¹ Excluding Board Members / Managing Directors (330) and apprentices (2,705). ² 2008 figures include E.ON I.S. ³ Includes Western Kentucky Energy Corp.			

Structural Changes through Acquisitions and new Focus Areas

Along with the regrouping of E.ON Energy Trading into its own market unit, we created four completely new market units in 2008: Climate & Renewables, Italy, Russia and Spain. These measures resulted in 13,000 employees joining our Group across Europe and us taking up new market positions or strengthening existing ones. In doing so we needed to integrate our extensive acquisitions into the Group. At the same time, we needed to create and position units groupwide capable of expanding our business activities in renewables, CO₂ and energy trading. These developments entailed several structural changes; moreover, further structural adjustments became necessary due to regional market developments. The reasons for these strategic adjustments vary: in Germany, the application of restrictive legal requirements regarding the ownership of power networks and generating capacity played an important role. Beyond that, we needed to pursue our strategy of concentrating on profitable business areas.

To meet all the challenges associated with these changes, we introduced our "Organizational Change" initiative as part of our "OneHR" people strategy in 2007. Its aim is to enable managers and employees to deal with changes in a proactive and positive way.

Protecting Employees' Interests

E.ON's success is mainly thanks to our motivated and talented employees! Not least for this reason we recognize our responsibility to take our employees' interests into account wherever structural changes are unavoidable. Our societal responsibility towards our employees is part of E.ON's business ethos, and we intend to live up to our

responsibilities in all upcoming decisions.

E.ON's strong employee orientation was recognized publicly in 2008: the Corporate Center, E.ON Energie and E.ON Ruhrgas came fourteenth in this year's competition "Best Workplaces in Europe". As part of the national competition "Best Workplaces in Germany", organized by the Great Place to Work® Institute Germany and Capital business magazine, E.ON also received a special prize in the "Health Promotion" category.

Investment Billions Create Stimulus for Jobs

In May 2007, E.ON agreed an investment program of EUR60 billion for the period 2007 to 2010. Germany's Bremen Energie Institut calculated that- on the basis of the framework economic conditions that existed in 2008- this would create around 15,000 new jobs in Germany over the next 35 years. What's more, within E.ON's European markets our planned construction activities and projects could even create around 30,000 additional jobs. Despite the present financial and economic crisis, current indicators show that by 2010 we will have invested the planned EUR60 billion we announced in 2007.

Global Financial and Economic Crisis forces E.ON to Adjust

The current global financial and economic crisis has also affected E.ON and its employees, independently of our planned investment program. By 2011, E.ON plans to introduce efficiency and productivity improvements as well as targeted cost reductions across all our value-adding processes and operative business areas worldwide, as announced in our "Perform to Win" program in September 2008. This package of measures targets cost savings of EUR1.5 billion and is aimed at allowing our company to continue with our planned innovations and positive development so far, despite the current financial and economic crisis. Some essential restructuring measures were already introduced in 2008. If we see that implementing the organizational changes planned under "Perform to Win" will further impact our employee structure, we will work closely with the respective employee representatives and act responsibly to find the best-possible solutions for all affected employees.

New regional Structure at E.ON Energie

The new regional structure is the result of Project "regi.on", which E.ON Energie and participating regional utilities in Germany successfully concluded in September 2008. The project's objective was to give our business an even stronger competitive orientation, through making our processes more efficient and through implementing legal requirements governing the unbundling of network and distribution structures. Our new regional structure will allow us to act more efficiently and more offensively on the market without losing sight of our close relationships with our customers and business partners.

Support during Re-Orientation

If employees' new job at E.ON is in another region, we offer them the support of our Relocation Service, amongst other measures, which helps with their move and settling into the new workplace. We also ensure that our colleagues are not materially worse off and do not have to suffer unacceptable burdens due to the move. Our employees stay in the company for 14 years on average and the groupwide employee fluctuation due to voluntary resignation was around five percent in 2008.

Average Length of Service				
In years	2008	+/- %	2007	2006
Central Europe	16.5	2.5	16.1	17.1
Pan-European Gas	13.8	-0.7	13.9	13.8
U.K.	8.0	0	8.0	8.1
Nordic	13.7	-4.6	14.4	13.8
U.S. Midwest	17.0	-1.7	17.3	17.2
Energy Trading	6.7	-	-	-
New markets	14.7	13.1	13.0	-
Corporate Center ¹	7.0	-23.1	9.1	-
E.ON Group	14.4	2.9	14.0	14.6
¹ Average length of service at the Corporate Center has fallen due to new hires in 2008. 2008 figures include E.ON I.S.				

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.

Different People - same Opportunities

E.ON does business worldwide and employs people from over 80 nations in more than 30 countries. People of different sexes and ages, different ethnic backgrounds, religions and ideologies- as well as people with and without disabilities- all do a great job for our company. We acknowledge and promote this diversity, and ensure equal opportunities for everyone.

Differences are Valuable

For E.ON, programs to promote diversity are more than just our duty as an employer: we see the diversity of our employees as a real opportunity. We aim to establish a culture at E.ON which doesn't just tolerate individual differences, but which actively promotes and treats them as being a positive competitive advantage. In our experience, mixed project teams show greater creativity and perform better.

Initiative for Diversity and Equal Opportunities

The more consciously and precisely we use and promote diversity in our Group, the better we can meet the many corporate requirements we face. That's why diversity is one of E.ON's 11 strategic fields of action within our groupwide people strategy "OneHR". The groupwide "Equal Opportunity and Diversity" framework approved by the E.ON Board of Management in 2006 forms the basis of this initiative's work. Its goals are clearly defined:

- The implementation of the standards laid down in the policy on equality and promoting diversity across the entire Group
- A zero-tolerance approach to discrimination, prejudice and harassment
- Active communication, explanation and training in valuing and promoting a diverse corporate culture
- Achieving and maintaining a fully inclusive work environment.

Our Commitment to Diversity

In June 2008 E.ON also signed the Diversity Charter ("Charta der Vielfalt"), a joint initiative between the German Federal Government and business. Under the terms of the Charter E.ON has a duty to recognize the diversity of society and to use its inherent potential. By the end of 2008, 500 German companies and public institutions had already committed to the principles of the Charter.

We Do not Tolerate any Discrimination in the Workplace

Our zero-tolerance approach means that we do not accept any discrimination or harassment in the workplace whatsoever. We explain the applicable standards to our employees and provide various means for reporting inappropriate behavior. Should these standards be violated we respond rapidly and act decisively to rectify the situation.

E.ON Empowers Women

In 2008, women made up around 27 percent of our entire workforce. Yet only around eleven percent of senior management positions are currently occupied by women- and only five percent of Top Executive positions. We want to change this and double the number of women in management positions. By 2010 we have also set ourselves the target of ensuring that 20 percent of all senior positions are filled by women.

Proportion of Women at E.ON Market Units ¹			
in %	2008	2007	2006
Central Europe	24	24	25
Pan-European Gas	25	26	26
U.K.	34	37	38
Nordic	25	25	24
U.S. Midwest	26	26	25
Energy Trading	31	n/a	n/a
New markets ²	29	36	n/a
Corporate Center ³	31	47	49
E.ON Group	27	28	28
¹ Incl. Board Members / Managing Directors and apprentices. ² The figure has declined because of newly integrated market units. ³ The lower rate is attributable to restructuring measures. 2008 figures include E.ON I.S.			

Number of Women among Employees, Senior Management and Top Executives by E.ON Market Units						
in %	Employees		Senior Management		Top Executives	
	2008	2007	2008	2007	2008	2007
Central Europe	24	24	9	8	2	2
Pan-European Gas	25	26	9	8	5	5
U.K.	34	37	14	13	13	8
Nordic	25	25	15	16	15	0
U.S. Midwest	26	26	25	23	17	17
Energy Trading	31	-	12	-	0	-
New markets ¹	29	36	-	n/a	0	n/a
Corporate Center ^{1, 2}	31	47	13	n/a	2	n/a
E.ON Group	27	28	11	10	5	4
¹ Only aggregate data is available for 2007 for Senior Management and Top Executives. That year, 17 percent of senior management positions were held by women at the Corporate Center and in the new markets, with four percent occupying Top Executive positions. ² 2008 figures include E.ON I.S.						

Recognizing and Promoting Female Talent

We want to promote people with high development potential and bind them to us across the entire company and all levels of our hierarchy. That's the objective of our "Talent Management" initiative, one of the eleven strategic fields of action in our "OneHR" people strategy and the reason why E.ON introduced the "Women@Energy" project in 2007. Based on an opinion and ideas survey of senior managers, measures and instruments were defined which will help us improve the personnel development options for our female employees. In 2007 and 2008 the survey was carried out at our market units Central Europe, Pan-European Gas, Nordic and at our Corporate Center. In the next stage the U.K. market unit will also be included in this program in 2009.

To ensure that women have the opportunity for targeted professional development., E.ON has set up an additional mentoring program to enable experience sharing, skill building, personal development and advanced training. The mentees -women senior managers and senior manager potentials - choose a mentor from the Top Executive Group whom they can contact at any time. The mentor/mentee tandems are to meet regularly over a period of eighteen months to two years. The aim of the program is for the mentees to gain better insights into corporate structures, make contacts and develop their own

careers. Conversely, the mentors benefit from the relationship by receiving new ideas about current issues and also being able to reflect on their own work.

Networks for Women in Engineering

E.ON also uses networks to promote exchanges of views and knowledge so we can develop objectives and measures to improve the opportunities and prospects for women in engineering. Over 100 female employees have already become involved in our groupwide "IngE" network since its foundation in 2008.

As part of the "Female Network" program for women executives established in 2008 by E.ON Nordic, female participants receive focused advice and intensive training in leadership skills in the form of a six-stage seminar series carried out over a year. In this way, E.ON Nordic intends to ensure that every fourth management position among the top 100 is occupied by a woman by 2010.

Disability Need not be a Handicap

It is very important for E.ON to be seen as an attractive employer- for all employees. We make a special effort to give every single person a fair chance, and disability should be no limitation here. That is why we actively support the integration of disabled people wherever we can. At E.ON, the interests of disabled employees are represented in our Group companies by the Group's Representative Body for Disabled Persons. This body offers help and advice to our colleagues regarding the special challenges they face in their working lives at E.ON.

A Social Commitment to Integrate Disabled People in the Workplace

In the UK's annual "Changing Lives Awards", individuals with disabilities are honored who have overcome obstacles to employment, as well as employees who promote diversity and integration in the workplace. In 2008 these awards were given by E.ON UK as part of a group of employers. E.ON's "See the Ability Award" is a prize for individuals who have shown a special commitment to disabled people in the workplace. Last year the prize was awarded to the Director of Professional Development at a London legal practice that offers a program of annual grants to people with disabilities who want to begin a legal career. On top of that, the legal practice has made people in this profession better able to understand the issues of disability in the workplace through a series of meetings with their own and other legal practices.

An increasing Number of severely Disabled Employees

2008 more than 1,900 severely disabled people or people with similar limitations were employed in companies within our Group in Germany. The share of disabled employees as a proportion of our total employees in Germany was 5.4 percent. Compared with 2007 we have succeeded in raising this figure by 0.3 percent.

Number of Employees with a Severe Disability of Group Companies located in Germany (2008)						
	Central Europe	Pan-European Gas	Energy Trading	Corporate Center ¹	New markets ¹	E.ON Group
Number of employees with severe disabilities	1,737	98	3	66	1	1,905
Of which the number of apprentices with severe disabilities	45	1	0	4	0	50
Proportion of employees with severe disabilities	6.1	3.1	0.6	2.3	0.8	5.4
¹ Market unit Climate & Renewables.						

The training of severely disabled young people is particularly important to us. At our Corporate Center alone we were able to increase the number of workplaces under our Jobs without Barriers initiative from 42 in 2007 to 50 in 2008.

A Second Chance for Young People

Young people who leave school with low grades and do not manage to get an apprenticeship deserve a second chance. E.ON supports these young people in getting a new start in professional life through targeted training. Our "With Energy on Board" initiative currently gives over 550 young people at 29 locations across Germany another chance to enter the professional world. In the 2008/2009 project cycle, more than 80 percent of the participants were later able to secure a job or apprenticeship for themselves.

Reviewed 2008 ✓

Information on this page has received a limited assurance engagement.

Independent Assurance Report¹

To E.ON AG, Düsseldorf

We have performed a limited assurance engagement on selected areas of the Corporate Responsibility Reporting 2008 of E.ON AG, Düsseldorf. For the first time, the CR Reporting is published only as an online version on www.eon.com/responsibility².

Based on our assignment, our assurance engagement has been applied to the website on Management and the CR Performance 2008 websites to be found under the different reporting channels ("the CR Management and CR Performance websites"). For better traceability these websites are marked with a "reviewed" sign.

Management's Responsibility

E.ON AG's Board of Managing Directors is responsible for the preparation of the CR Reporting in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 3 (pp. 7-17) of the Global Reporting Initiative (GRI)

- Materiality,
- Stakeholder Inclusiveness,
- Sustainability Context,
- Completeness,
- Balance,
- Clarity,
- Accuracy,
- Timeliness,
- Comparability, and
- Reliability.

This responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the CR Reporting and the selection and application of appropriate methods to prepare the CR Reporting.

Practitioner's Responsibility

Our responsibility is to express a conclusion based on the work we performed as to whether any matters have come to our attention that cause us to believe that the CR Management and CR Performance websites of the CR Reporting, including the indicators published on these websites have not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3 of the GRI. We have also been engaged to report on recommendations for the further development of CR Management and CR Reporting on the basis of the results of this engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement such that we are able to express our conclusion with limited assurance.

In a limited assurance engagement the procedures for gathering evidence are less comprehensive than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend upon the practitioner's judgment. Within the scope of our work we performed amongst others the following procedures:

- Site visits at the Corporate Center and the market units Central Europe, U.S. Midwest, Russia, Pan-European Gas and Climate & Renewables to identify systems and processes related to the groupwide CR Management and CR Reporting:
 - Interviews with the CR Managers and the employees responsible for CR Reporting of E.ON AG and the above mentioned market units
 - Inspection of documents describing the CR Strategy and its approval and review of the development process of E.ON AG's CR Work Program.
 - Review of selected Stakeholder Dialogues performed in 2008 and identification of processes to determine relevant topics for the CR Reporting 2008 through interviews with CR Managers and review of documents obtained.
 - Interviews with the Vice Presidents Responsible Management, Health & Safety, Climate Protection & Environment, Marketplace & Community of E.ON AG and other employees of Human Resources, Corporate Procurement and Marketing & Sales Department of E.ON AG and market units referred to above as well as inspection of documents obtained.
 - Examination of the definitions and guidelines on selected CR Indicators and processes and controls for identifying, analysing, and aggregating CR Data at the level of E.ON AG and the above mentioned market units.
 - Inspection of the functionality and characteristics of the IT-System used for collecting selected CR Indicators by using the auditor access rights granted to us.
- Evaluation of the consistency of the statements provided on the CR Management and CR Performance websites with the findings with respect to E.ON AG's CR Performance in the areas of Responsible Management, Health & Safety, Climate Protection & Environment, and Marketplace & Community obtained during our engagement.
- Use of the work of Corporate Audit of E.ON AG who has performed an internal audit of the data aggregation process at the level of E.ON AG and the market units Central Europe, Nordic and Pan-European Gas for selected CR Indicators.
- Coordination with the statutory auditors at E.ON AG with regard to audit procedures performed as part of the 2008 statutory audit of the annual financial statements and the consolidated financial statements on indicators adopted for the CR Reporting and use of this relevant work.
- Verification of documents supporting the indicators published on the CR Management and CR Performance websites on a sample basis.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that CR Management and CR Performance websites of the CR Reporting, including the indicators published on these websites, have not been prepared, in all material respects, in accordance with the above-mentioned criteria of the Sustainability Reporting Guidelines Vol. 3 of the GRI.

Additional Recommendations

Without qualifying our conclusion above, we express the following recommendations for the further development of CR Management and CR Reporting:

- **Integration of new market units:** E.ON AG should continue integrating the new market units into the groupwide CR Management and CR Reporting and rolling-out the corporate CR Strategy to all market units.
- **CR Management:** We recommend to continue harmonising the goals and activities as defined in the CR Work Program with those of the market units. The goals and status of achievements should be defined more clearly.
- **CR Reporting and Indicators:** E.ON AG should define key groupwide indicators for the strategic work areas and should further align groupwide indicator definitions, systems, processes for reporting these data.
- **CR Reporting in business units:** We recommend to improve and formalise the CR Reporting processes at business unit and site level. Monitoring data quality reported via the different reporting channels should be further improved by the responsible departments.
- **Coordination with financial reporting:** Furthermore, we recommend a closer coordination of the preparation of E.ON AG's annual report and CR Reporting.

Frankfurt am Main, 27. April 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Norbert Schwietersppa. Kai Michael Beckmann
 Wirtschaftsprüfer
 (German Public Auditor)

¹Translation of the independent assurance report, authoritative in German language.

²Our engagement applies to the German Version of the CR Reporting on www.eon.com/verantwortung. Data referred to and links on the CR Report web pages were not included in the scope of our assurance engagement.



GRI Content Index

We base our CR reporting on the guidelines (G3) of the Global Reporting Initiative (GRI), including the Electric Utility Sector Supplement Pilot Version 1.0, available in February 2009. According to company self assessment E.ON's CR reporting 2008 fulfills application level "B+" of the GRI guidelines. That means that we are reporting on the indicators required by the GRI in less detail than in previous years. This was a conscious decision:

The GRI guidelines apply to all sectors and types of organization. This means that not all indicators are relevant for E.ON. In previous years, we have been able to build up an increasingly good understanding of which topics are relevant for us, allowing us to focus on developing further in the particularly relevant GRI indicators. At the same time, last year marked the first year we reported according to the specifications of the Institutional Investors Group on Climate Change (IIGCC). E.ON made this move in response to the perceived trend towards more specific information requirements among stakeholders. This particularly relates to providing information on the key issues for E.ON. These developments have meant that a greater focus has been placed on the GRI relevant content we report on.

Changes compared to the previous year

Compared to our CR Report 2007, we have revised our set of indicators and adjusted it in line with the changing information requirements of our stakeholders. Our accounting methods are adjusted with financial consolidation and accounting methods.

GRI Content Index

The GRI Content Index shows our approach to reporting at a glance. It lists:

- which indicators we report on and to what extent,
- whereabouts on our websites they can be found and
- which we are unable to include due to certain circumstances.

Profile

The table below lists the individual reporting elements. The profile is made of the four elements: "Strategy and Analysis", "Organization profile", "Reporting parameters" as well as "Governance, Commitments and Engagement".

Reference:

CoR	<u>Company Report</u> (page)
FR	<u>Financial Report</u> (page)
BO	<u>Business Overview</u>
S & K	<u>Strategy & Key Figures</u>

Status:

●	fully covered
◐	partly covered
○	not covered
◆	not material

Profile		
Inhalt	Verweis	Status
1. Strategy and Analysis		
1.1 Statement from the most senior decision maker	→ Responsibility/Message of the Board	●
1.2 Key impacts, risks and opportunities	→ Responsibility/CR Strategy → Responsibility/Monitoring and Compliance → Responsibility/CR Program 2008-2010	●
2. Organizational Profile		
2.1 Name of the organization	→ Responsibility/Web-based Reporting	●
2.2 Brands, products and/or services	CoR (4-7)	●
2.3 Operational structure	FR (2-7)	●
2.4 Headquarter location	CoR (4-7), FR (3)	●
2.5 Countries in operation	CoR (42ff.), FR (6-7)	●
2.6 Nature of ownership	CoR (4-7), FR (2-7)	●
2.7 Markets served	CoR (42ff.), FR (6-7)	●
2.8 Scale of the organization	CoR (4-7), FR (U2, 2-7)	●
2.9 Significant changes regarding size, structure, or ownership	CoR (69-85), FR (2-7)	●
2.10 Awards received	→ Responsibility/Recognition	●

	<p>→ Responsibility/Safety Culture</p> <p>→ Responsibility/Projects around the Group</p> <p>→ Responsibility/Employees Engaging in our Communities</p> <p>CoR (24)</p>	
EU1 Installed capacity (MW)	<p>→ Responsibility/Facts and Figures/Marketplace</p> <p>CoR (9) S & K</p>	●
EU2 Number of residential, industrial and commercial customer accounts	FR (3-5) S & K	●
EU3 Length of transmission and distribution lines by voltage	FR (3-5) S & K	●
EU4 Allocation of CO ₂ emissions permits, broken down by country or regulatory regime	<p>→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008</p> <p>FR (14)</p> <p>Due to the group structure, CO₂ emissions certificates are only divided up according to market units.</p>	●
3. Report Parameters		
3.1 Reporting period	→ Responsibility/Web-based Reporting 2008	●
3.2 Date of most recent previous report	→ Responsibility/Web-based Reporting 2008	●
3.3 Reporting cycle	→ Responsibility/Web-based Reporting 2008	●
3.4 Contact point for questions	→ Responsibility/CR Team	●
3.5 Process for defining report content	→ Responsibility/Web-based Reporting 2008	●
3.6 Boundary of the report	→ Responsibility/Web-based Reporting 2008	●
3.7 Limitations on the scope or boundary of the report	→ Responsibility/Web-based Reporting 2008	●
3.8 Joint Ventures, subsidiaries, and outsourced operations	FR (61ff.)	●
3.9 Data measurement techniques	<p>→ Responsibility/Reporting</p> <p>The regulations of our financial market oriented reporting were applied. These have not essentially changed since the delisting on the NYSE. Where specific measurement methods were used or special explanations of indicator calculation are required, they are noted in the respective diagrams and graphics.</p>	●
3.10 Effects of re-statement of information provided in earlier reports	→ Responsibility/Web-based Reporting 2008	●
3.11 Significant changes in the scope, boundary, or measurement methods	→ Responsibility/GRI Content Index	●
3.12 GRI Content Index	→ Responsibility/GRI Content Index	●
3.13 External assurance	→ Responsibility/Recognition	●
4. Governance, Commitments, and Engagement		

4.1 Governance structure	CoR (20-22), FR (144ff.)	●
	E.ON's governance is based on a dual system comprising the Supervisory Board and the Board of Management at the executive level. E.ON complies with the German Corporate Governance Code. This safeguards the corporation's and shareholders' interests as well as the independency of the Supervisory Board.	
4.2 Indication whether chairperson is also executive officer	→ Investors/Board of Management CoR, FR	●
4.3 Independent members at the board	According to the G3 definition, this element is only applicable to organizations without a Supervisory Board. As E.ON has a Supervisory Board, this indicator is not applied.	◆
4.4 Mechanisms for shareholders and employees to provide recommendations to the board	FR (144ff.) Shareholders and employees have the following opportunities to make recommendations or provide information to the Supervisory Board and Board of Management: <ul style="list-style-type: none"> • Shareholders: According to the law on limited companies shareholders have the possibility of submitting requests in the annual shareholders meeting as well as making recommendations and asking questions to the Board of Management and the Supervisory Board. • Employees: Fifty percent of E.ON Supervisory Board members are workers' representatives. These representatives can pass on recommendations to the Board. Recommendations to the Board of Management/Supervisory Board can also be made through the Workers' Council. In addition, employee decision documents can be submitted to the Board. 	●
4.5 Linkage between executive compensation and organization's performance	→ Responsibility/Terms of Employment/CR Performance 2008 FR (148ff.) The variable annual salary (short-term incentive) of E.ON managers is dependent on the performance of the individual and the company as a whole. When estimating company performance, the responsible functions within E.ON Group include both the performance of the company in achieving its financial goals and the performance of the management. This includes aspects like environmentally conscious operations, occupational safety and the company's social positioning.	●
4.6 Processes to avoid conflicts of interest at the board	FR (144ff.) The specifications of the German Corporate Governance Code were fulfilled.	●
4.7 Expertise of board members on sustainability topics	→ Responsibility/CR Organization The performance of the highest management committee was evaluated by the Supervisory Board, which included environmental, occupational safety and social aspects in its estimations (see answer to 4.5). The highest management committee is the Board of Management.	●
4.8 Statements of mission, codes of conduct, and principles	→ Responsibility/Policies and Standards → Responsibility/Board Commitment →	●

Corporate/Corporate Culture		
4.9 Procedures for board governance on management of sustainability performance	→ Responsibility/Monitoring and Compliance → Investors/Corporate Governance	●
4.10 Processes for evaluation of the board's sustainability performance	→ Responsibility/Managing Our Responsibility	●
4.11 Precautionary approach	→ Responsibility/CR Strategy → Responsibility/Strategic Approach → Responsibility/Monitoring and Compliance FR (44ff.) E.ON operates with a view to the long term as a basic rule. This applies to all company departments and fields of action. The precautionary approach is embedded in the area of environmental protection and daily business as well as in impact assessments for investment measures. E.ON's risk management already considers ecological and social risks. In the future, these aspects will be integrated at all market units even more systematically.	●
4.12 External charters, principles, or other initiatives	→ Responsibility/Board Commitment → Responsibility/Reporting E.ON is active in the following initiatives, among others: <ul style="list-style-type: none"> • Global Compact • WBCSD • Econsense 	●
4.13 Memberships in associations	E.ON is involved in the following associations and interest representative groups, among others: <ul style="list-style-type: none"> • BDEW • BDI • Eurelectric • Eurogas 	●
4.14 Stakeholder groups	→ Responsibility/Web-based Reporting 2008 → Responsibility/Dialog As an international company, E.ON is in constant dialog with a number of stakeholders.	●
4.15 Stakeholder identification and selection	→ Responsibility/Web-based Reporting 2008 → Responsibility/Dialog As an international company, E.ON is in constant dialog with a number of stakeholders. Who we speak to is dependent on the specific topic.	●
4.16 Approaches to stakeholder engagement	→ Responsibility/Dialog → Responsibility/Management → Responsibility/Materiality Matrix	●
4.17 Questions and concerns from stakeholders	→ Responsibility/Dialog	●

Economic Indicators

Economic indicators are divided into the three categories "Economic performance", "Market presence" and "Indirect economic impacts". The indicators provide information on the economic success of E.ON as well as the impact that this has on various stakeholder groups. Further information can also be found in the financial and company report.

Reference:

CoR	<u>Company Report</u> (page)
FR	<u>Financial Report</u> (page)
BO	<u>Business Overview</u>
S & K	<u>Strategy & Key Figures</u>

Status:

●	fully covered
◐	partly covered
○	not covered
◆	not material

Economic Indicators		
Content	Reference	Status
Disclosure on management approach (including EU5, 6, 7 and 8)	→ Responsibility/Marketplace → Responsibility/Power Generation → Responsibility/Gas Supply → Responsibility/Customer Orientation → Responsibility/Responsible Procurement → Responsibility/Emissions Trading and Offsetting → Corporate/Innovation → Corporate/Corporate Governance FR (42, 44ff., 52ff., 144ff.) BO	●
EC1 Direct economic value generated and distributed	→ Responsibility/Facts and Figures/Marketplace	●
EC2 Financial implications due to climate change	→ Responsibility/Emissions Trading and Offsetting E.ON regularly investigates what impacts climate change - e.g. gradual temperature increase or extreme weather - has on the business. In this way we evaluate potential physical risks for our employees as well as material risks which face our buildings and network systems. In addition we analyze financial risks like accidents. These risks are examined every year for their likelihood and amount of damages. E.ON aims to identify focuses for precautionary measures with these risk analyses.	◐

EC3 Coverage of the organization's defined benefit plan	→ Responsibility/Terms of Employment/CR Performance 2008 FR (42, 90)	●
EC4 Financial government assistance	→ Responsibility/Renewable Energy	●
EC5 Entry level wage compared to local minimum wage (Add)		◆
EC6 Locally-based suppliers	→ Responsibility/Responsible Procurement/CR Performance 2008	●
EC7 Local hiring	We select personnel according to our personnel strategy "OneHR". The qualifications and motivation of the employees are the decisive criteria in this process. Favoring a specific group of people would run contrary to our principle of non-discrimination.	◆
EC8 Infrastructure investment and services for public benefit	→ Responsibility/Support of Local Energy Projects → Responsibility/Gas Supply/CR Performance 2008 → Responsibility/Power Generation/CR Performance 2008	●
EC9 Indirect economic impacts (Add)		○
EU9 Planned capacity (MW) against projected electricity demand over the long term, broken down by energy source and country or regulatory regime	→ Responsibility/Power Generation/CR Performance 2008 → Investors/Investor Presentations	●
EU10 Estimated capacity (MW) saved through demand-side management programs		○
EU11 Estimated energy (MWh) saved through demand-side management programs, broken down by residential, commercial and industrial customers		○
EU12 Average generation efficiency by energy source and by country or regulatory regime	→ Corporate/Generation	●
EU13 Transmission and distribution efficiency		○

Ecological Indicators

The information requirements of ecological indicators range from consumption of materials to greenhouse gas emissions.

Reference:

CoR	<u>Company Report</u> (page)
FR	<u>Financial Report</u> (page)
BO	<u>Business Overview</u>
S & K	<u>Strategy & Key Figures</u>

Status:

●	fully covered
◐	partly covered
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◆	not material

Ecological Indicators		
Content	Reference	Status
Disclosure on management approach	→ Responsibility/CR Strategy → Responsibility/Environment → Responsibility/CO₂ Reduction → Responsibility/Environmental Protection as a Corporate Value → Responsibility/Initiative "Environmental Champions" → Responsibility/Integrating International Acquisitions → Responsibility/Environmental Impacts/CR Performance 2008	●
EN1 Volume of materials used	→ Responsibility/Facts and Figures/Marketplace	◐
EN2 Recycled materials	→ Responsibility/Facts and Figures/Environment	●
EN3 Direct primary energy consumption	→ Responsibility/Facts and Figures/Marketplace → Responsibility/Facts and Figures/Environment FR (11) The majority of direct energy consumption includes the use of primary energy sources for electricity production.	●
EN4 Indirect primary energy consumption	FR (16) It is not possible to break down electricity amounts according to primary energy sources.	◐



EN5 Energy conservation (Add)	<ul style="list-style-type: none"> → Responsibility/Customer Orientation/CR Performance 2008 → Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Renewable Energy → Responsibility/Business Energy Solutions → Responsibility/Environmental Champions Initiative <p>Groupwide data is not available, individual examples are provided.</p>	●
EN6 Initiatives for energy-efficiency and renewable energy (Add)	<ul style="list-style-type: none"> → Responsibility/Customer Orientation/CR Performance 2008 → Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Renewable Energy → Responsibility/Business Energy Solutions 	●
EN7 Initiatives for reducing indirect energy consumption (Add)	Also see EN26	●
EN8 Total water withdrawal	<ul style="list-style-type: none"> → Responsibility/Environmental Impacts/CR Performance 2008 → Responsibility/Facts and Figures/Environment <p>Data collection only encompasses process water.</p>	●
EN9 Effect of water withdrawal (Add)		○
EN10 Water recycled and reused (Add)		○
EN11 Land assets in or adjacent to protected areas	We do not view this indicator as important with regards to statements on biodiversity. E.ON owns a number of land assets in 30 countries, which means that a corresponding list for the reader would not be target-orientated. Information on biodiversity can be found under Environment/Biodiversity.	◆
EU14 Biodiversity of replacement habitats compared to the biodiversity of the areas that are being replaced		◆
EN12 Impacts on biodiversity	→ Responsibility/Biodiversity/CR Performance 2008	●
EN13 Habitats protected or restored (Add)		◆
EN14 Strategies for biodiversity (Add)	<ul style="list-style-type: none"> → Responsibility/CR Strategy → Responsibility/Biodiversity 	●
EN15 Endangered species (Add)	→ Responsibility/Renewable Energy and Biodiversity	●
EN16 Greenhouse gas emissions	<ul style="list-style-type: none"> → Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Facts and Figures/Environment <p>We report on CO₂ as the most important greenhouse gas for energy utilities. SF₆ and CH₄ are lower priorities.</p>	●

EN17 Other greenhouse gas emissions	Other indirect greenhouse gas emissions are not relevant compared with direct emissions for E.ON.	◆
EN18 Initiatives to reduce greenhouse gas emissions (Add)	→ Responsibility/Cutting Carbon Efficiently → Responsibility/Clean Coal → Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Environmental Champions Initiative	●
EN19 Emissions of ozone-depleting substances		◆
EN20 NO _x , SO _x , and other air emissions	→ Responsibility/Facts and Figures/Environment The most important other air emissions are NO _x , SO ₂ , CO and dust.	●
EN21 Water discharge		○
EN22 Waste by type and disposal method	→ Responsibility/Facts and Figures/Environment	●
EN23 Significant spills	→ Responsibility/Environmental Impacts/CR Performance 2008 The success of our efforts in the area of operative environmental protection can be seen in the field of avoiding environmentally relevant incidents for instance. In the last three years, there were no significant environmentally relevant events in the entire group that fell under the jurisdiction of the groupwide internal 24 hour reporting obligation. At our nuclear power plants there was one category one incident in 2008 on the seven-level International Nuclear Event Scale (INES, categories 1 to 7).	●
EN24 Waste deemed hazardous under the terms of the Basel Convention (Add)		◆
EN25 Impacts of discharges and runoff on biodiversity (Add)		◆
EN26 Initiatives to mitigate environmental impacts	→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Energy Efficiency for Customers → Responsibility/Customer Orientation/CR Performance 2008	●
EN27 Packaging materials		◆
EN28 Sanctions for noncompliance with environmental regulations		○
EN29 Environmental impacts of transport (Add)		○
EN30 Environmental protection expenditures (Add)		◆

Social Indicators

The indicators provided by the GRI measure labor practices, social performance, adherence to human rights as well as product responsibility.

Reference:

CoR	<u>Company Report</u> (page)
FR	<u>Financial Report</u> (page)
BO	<u>Business Overview</u>
S & K	<u>Strategy & Key Figures</u>

Status:

●	fully covered
◐	partly covered
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Social Indicators		
Content	Reference	Status
Labor Practices and Decent Work		
Disclosure on management approach (including EU15)	→ Responsibility/Commitments → Responsibility/CR Strategy → Responsibility/Workplace → Responsibility/Responsible Procurement → Responsibility/Health and Safety → Responsibility/Equal Opportunities CoR (23-27)	●
LA1 Workforce by employment type and Community	→ Responsibility/Terms of Employment/CR Performance 2008 → Responsibility/Life Balance/CR Performance 2008 CoR (26), FR (41f.)	●
EU16 Total subcontracted workforce		◆
EU17 Percentage of contractors and subcontractors that have undergone relevant health and safety training	→ Responsibility/Safety Culture E.ON offers its contractors safety training and is aiming to expand its certification scheme, which requires this training, for contractors groupwide. In 2008, 90 percent of contractors received training on safety.	●
LA2 Employee turnover	→ Responsibility/Responsible Reorganization/CR Performance 2008 → Responsibility/Facts and Figures/Workplace	●

LA3 Benefits to full-time employees (Add)	→ Responsibility/Terms of Employment/CR Performance 2008 Also see EC3	●
LA4 Employees with collective bargaining agreements	→ Responsibility/Terms of Employment/CR Performance 2008 → Responsibility/Facts and Figures/Workplace	●
LA5 Minimum notice period(s) regarding operational changes	→ Responsibility/Responsible Reorganization/CR Performance 2008 → Responsibility/Facts and Figures/Workplace The principle of co-determination applies in Germany. Locations in other countries are included via the European Works Council. The minimum notice periods fulfill the legal requirements or exceed them.	●
LA6 Workforce represented in joint health and safety committees (Add)		◆
LA7 Occupational diseases, lost days, and number of fatalities	→ Responsibility/Health and Safety/CR Performance 2008	●
LA8 Training on serious diseases		◆
LA9 Trade union agreements on health and safety (Add)		○
LA10 Training per employee	→ Responsibility/Continuing Education CoR (24ff.), FR (41)	●
LA11 Programs for lifelong learning (Add)	→ Responsibility/Continuing Education CoR (24ff.)	●
LA12 Regular performance and career development reviews (Add)	→ Responsibility/Performance-related Compensation	●
LA13 Composition of governance bodies	→ Responsibility/Equal Opportunities/CR Performance 2008 CoR (24ff.)	●
LA14 Gender pay disparity	Due to our anti-discrimination guidelines, we do not differentiate according to gender.	○
Human Rights		
Disclosure on management approach	→ Responsibility/Commitments → Responsibility/CR Strategy → Responsibility/Policies and Standards → Responsibility/Responsible Procurement → Responsibility/Equal Opportunities → Responsibility/Customer Orientation → E.ON Procurement/General Terms and Conditions	●
HR1 Investment agreements	This indicator is considered as part of risk management. There are no known cases.	●
HR2 Supplier screening on human rights	→ Responsibility/Responsible Procurement	●

HR3 Training on human rights (Add)	➔ Responsibility/Responsible Procurement	●
HR4 Incidents of discrimination		○
HR5 Freedom of association and collective bargaining	See management approach. No business activities were identified in which these conditions apply. Partially relevant for purchasing: These risks are covered as part of responsible procurement.	●
HR6 Child labor	➔ Responsibility/Global Compact ➔ Responsibility/Responsible Procurement See management approach. The "E.ON Responsible Procurement Policy" in the supply chain does not allow child labor. There were no known child labor incidents in 2008.	●
HR7 Forced labor	➔ Responsibility/Global Compact ➔ Responsibility/Responsible Procurement See management approach. The "E.ON Responsible Procurement Policy" in the supply chain do not allow forced labor. There were no known forced labor incidents in 2008.	●
HR8 Training for security personnel (Add)		◆
HR9 Violations of rights of indigenous people (Add)	As part of our materiality process we have classified the topic as not priority. E.ON adheres to all legal and regulatory requirements in the markets in which it operates.	◆
Society		
Disclosure on management approach (including DMA EU18, 19 and 20)	➔ Responsibility/Commitments ➔ Responsibility/CR Strategy ➔ Responsibility/Dialog ➔ Responsibility/Responsible Procurement	●
SO1 Impacts on communities	➔ Responsibility/Employees Engaging in our Communities/CR Performance 2008 ➔ Responsibility/Energy for Children/CR Performance 2008 ➔ Responsibility/"Powering up" our Communities/CR Performance 2008 ➔ Responsibility/Energy Generation Dialog Social and ecological issues are checked using the sustainability impact assessment (SIA) for large-scale projects. Ecological and social risks resulting from company activities are already analyzed and managed by the risk management system. Particularly notable here are the numerous stakeholder dialogs that go above and beyond the legally stipulated level.	●
EU21 Number of people displaced (by new or expansion projects related to generation facilities and transmission lines)	No displacements were identified.	●
SO2 Corruption risks	FR (Risk report)	●
SO3 Anti-corruption training	➔ Responsibility/Code of Conduct ➔ Responsibility/Monitoring and Compliance	●

SO4 Actions taken in response to incidents of corruption.	→ Responsibility/Monitoring and Compliance	●
SO5 Lobbying	→ Responsibility/Nuclear Energy → Responsibility/EU Climate Protection BO	●
SO6 Donations to political parties and politicians (Add)		○
SO7 Legal actions for anticompetitive behavior (Add)	FR (125)	●
SO8 Sanctions for noncompliance with laws and regulations	FR (46, 125)	●
Product Responsibility		
Disclosure on management approach (including EU22 and 23)	→ Responsibility/Customer Care → Responsibility/Pricing Debate → Responsibility/Customers in Need → Responsibility/Energy Efficiency for Customers → Responsibility/Commitments	●
PR1 Health and safety impacts along product life cycle	→ Responsibility/Nuclear Energy Safe use of gas and electricity is part of E.ON's activities in energy, safety and environmental education as well as our information campaigns.	●
PR2 Non-compliance with health and safety standards (Add)	E.ON adheres to all legal and regulatory requirements in the markets in which it operates.	○
EU24 Number of injuries and fatalities to the public involving company assets, including legal judgement, settlements and pending legal cases of diseases	E.ON sells products which are not dangerous at first glance. They are transported via an extremely large and publicly accessible infrastructure (high voltage lines, substations and pipelines). Unfortunately, 87 people were injured, two fatally, in 2008.	●
PR3 Product information	For information on how the relevant information is communicated see E WIE EINFACH or E.ON Bayern	●
PR4 Non-compliance with product information standards (Add)		◆
PR5 Customer satisfaction (Add)	→ Responsibility/Customer Orientation/CR Performance 2008	●
PR6 Marketing communication standards	As part of our materiality process we have classified the topic as not priority. E.ON adheres to all legal and regulatory requirements in the markets in which it operates.	◆
PR7 Non-compliance with marketing communication standards (Add)	Also see PR6	◆
PR8 Complaints regarding customer privacy (Add)	E.ON adheres to all legal and regulatory requirements in the markets in which it operates.	◆
PR9 Sanctions for noncompliance with product and service related regulations	No sanctions were reported to Corporate Center as part of the existing groupwide risk management system.	●
EU25 Percentage of population unserved in licensed distribution areas, broken down by population in rural areas and urban areas	Everywhere where E.ON operates as a licensed energy company, the portion of the population served in the distribution areas is generally 100 percent. The exception is some rural areas of Moldova where some houses remain unserved for historical reasons. This	●

represents around 0.5 percent of the populations of the area E.ON serves in Moldova.

EU26 Number of residential disconnections for non-payment	→ Responsibility/Securing Electricity Supply CoR (83) S & K	●
EU27 Power outage frequency	→ Responsibility/Securing Electricity Supply → Responsibility/Power Generation/CR Performance 2008 EU27 and EU28 were recorded together.	●
EU28 Average power outage duration	→ Responsibility/Securing Electricity Supply → Responsibility/Power Generation/CR Performance 2008 EU27 and EU28 were recorded together.	●
EU29 Average plant availability factor	http://www.eon-schafft-transparenz.de	●



Reporting on the Global Compact Principles

In our CR reporting 2008, E.ON is also reporting on its progress in implementing the ten principles of the UN's Global Compact. The table below relate to our communications regarding the Global Compact principles:

Reference:

CoR	<u>Company Report</u> (page)
FR	<u>Financial Report</u> (page)
BO	<u>Business Overview</u>

Global Compact Index		
Principle		Reference
Principle 1	Support and respect the protection of internationally human rights	→ Responsibility/Global Compact → Responsibility/Responsible Procurement → Responsibility/Nuclear Energy → Responsibility/EU Climate Politics → Responsibility/Terms of Employment/CR Performance 2008 → Responsibility/Health and Safety/CR Performance 2008 → Responsibility/Equal Opportunities/CR Performance 2008 → Responsibility/Facts and Figures/Workplace → Responsibility/Social Indicators CoR (24ff.) BO
Principle 2	Make sure not to be complicit in human rights abuses	→ Responsibility/Global Compact → Responsibility/Responsible Procurement → Responsibility/Nuclear Energy → Responsibility/EU Climate Politics → Responsibility/Social Indicators BO
Principle 3	Uphold the freedom of association and the effective recognition of the right to collective	→ Responsibility/Global Compact

	bargaining	<ul style="list-style-type: none"> ➔ Responsibility/Responsible Procurement ➔ Responsibility/Nuclear Energy ➔ Responsibility/EU Climate Politics ➔ Responsibility/Terms of Employment/CR Performance 2008 ➔ Responsibility/Responsible Reorganization/CR Performance 2008 ➔ Responsibility/Facts and Figures/Workplace ➔ Responsibility/Social Indicators BO
Principle 4	Elimination of all forms of forced and compulsory labor	<ul style="list-style-type: none"> ➔ Responsibility/Global Compact ➔ Responsibility/Responsible Procurement ➔ Responsibility/Nuclear Energy ➔ Responsibility/EU Climate Politics BO
Principle 5	Effective abolition of child labor	<ul style="list-style-type: none"> ➔ Responsibility/Global Compact ➔ Responsibility/Responsible Procurement ➔ Responsibility/Nuclear Energy ➔ Responsibility/EU Climate Politics BO
Principle 6	Elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> ➔ Responsibility/Global Compact ➔ Responsibility/Responsible Procurement ➔ Responsibility/Nuclear Energy ➔ Responsibility/EU Climate Politics ➔ Responsibility/Responsible Reorganization/CR Performance 2008 ➔ Responsibility/Equal Opportunities/CR Performance 2008 CoR (24ff.) BO
Principle 7	Support of a precautionary approach to environmental challenges	<ul style="list-style-type: none"> ➔ Responsibility/Energy Efficiency for Customers ➔ Responsibility/Customer Orientation/CR Performance 2008 ➔ Responsibility/Emissions Trading and Offsetting ➔ Responsibility/EU Climate Politics

		<ul style="list-style-type: none"> → Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Cutting Carbon Efficiently → Responsibility/Clean Coal → Responsibility/Nuclear Energy → Responsibility/CO₂ Reduction/CR Performance 2008 → Responsibility/Environmental Champions Initiative → Responsibility/Social Indicators
		BO
Principle 8	Initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> → Responsibility/CR Strategy → Responsibility/Energy Efficiency for Customers → Responsibility/Customer Orientation/CR Performance 2008 → Responsibility/EU Climate Politics → Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Renewable Energy → Responsibility/Nuclear Energy → Responsibility/Business Energy Solutions → Responsibility/CO₂ Reduction/CR Performance 2008 → Responsibility/Environmental Champions Initiative → Responsibility/Environmental Impacts/CR Performance 08 → Responsibility/Biodiversity → Responsibility/Renewable Energy and Biodiversity → Responsibility/ Biodiversity /CR Performance 2008 → Responsibility/Facts and Figures/Marketplace → Responsibility/ Facts and Figures/Environment → Responsibility/Ecological Indicators
		FR (11) BO
Principle 9	Encourage the development and diffusion of environmentally responsibility	<ul style="list-style-type: none"> → Responsibility/ Facts and Figures/Environment

		<ul style="list-style-type: none"> → Responsibility/Energy Efficiency for Customers → Responsibility/Customer Orientation/CR Performance 2008 → Responsibility/EU Climate Politics → Responsibility/Emissions Trading and Offsetting/CR Performance 2008 → Responsibility/Renewable Energy → Responsibility/Cutting Carbon Efficiently → Responsibility/Clean Coal → Responsibility/Business Energy Solutions → Responsibility/Nuclear Energy → Responsibility/CO₂ Reduction/CR Performance 2008 → Responsibility/Environmental Champions Initiative → Responsibility/Ecological Indicators
		BO
Principle 10	Work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> → Responsibility/Code of Conduct → Responsibility/Monitoring and Compliance

IIGCC Index

The content of our CR reporting has been influenced by information requirements from the Institutional Investors Group on Climate Change's (IIGCC) "Disclosure Framework for Electricity Utilities" since 2007. As of March 2009, the IIGCC included 52 institutional investors. A large number of the investors active in the body also have E.ON shares in their portfolio. Links to the corresponding information requirements can be found in the table below.

Reference:

CoR	Company Report (page)
FR	Financial Report (page)
BO	Business Overview
S & K	Strategy & Key Figures

IIGCC Index	
Topic	What E.ON reports on
1. Disclosure on Climate Change Strategy	
a. Assessment of the Likely Implications of Climate Policy	
Financial and strategic implications of the current and anticipated national and international climate change policy and regulation in each of the countries in which they operate	<ul style="list-style-type: none"> → Responsibility/CR Strategy/Strategic Approach → Responsibility/CO₂ Reduction → Responsibility/Emissions Trading and Offsetting → Investors/Investors Presentation <p>CoR 7, 38 FR 8ff., 48, 154</p>
Impact of measures that could impact the growth in demand for electricity and the opportunities these measures may present for the company	<ul style="list-style-type: none"> → Responsibility/Energy Efficiency for Customers <p>CoR 7f., 25, 48 FR 36, 55, 61ff.</p>
Opportunities that may result from policies on renewable energies	<ul style="list-style-type: none"> → Responsibility/ Renewable Energy → Responsibility/Clean Coal → Corporate/Generation <p>CoR 41 FR 8ff., 48</p>
b. Emission Reduction Targets and Strategy	
Greenhouse gas emission targets at group level and where applicable at subsidiary/divisional level	<ul style="list-style-type: none"> → Responsibility/CO₂ Reduction <p>There is a groupwide reduction target that is obligatory for all market units. On top of that, certain market units like E.ON UK also have additional goals (see E.ON UK: Activities fighting climate change)</p>
Description of the action to abate/offset their CO ₂ emissions globally	<ul style="list-style-type: none"> → Responsibility/Emissions Trading and Offsetting → Responsibility/EU Climate Politics <p>CoR 71f. E.ON presents its expectations of the negotiations as part of</p>

the United Nations Climate Change Conference 2009 in Copenhagen (see CR Magazine , p. 24).	
Information weather R&D investment is in place that may result in greenhouse gas emission reductions (e.g. Carbon Capture and clean coal technologies)	→ Responsibility/Cutting Carbon Efficiently CoR 14ff., 63 FR 42f. → Research and Development Report 2007/2008
c. Assessment of Changing Weather Conditions on Output	
Description how extreme weather events have affected/may affect generating capacity and production and resulting financial implications	→ Responsibility/Securing Electricity Expertise → Responsibility/Offshore Wind Power → Responsibility/Power Generation/CR Performance 2008 CoR 68 FR 46ff.
Description of measures that are in place for dealing with changes in weather conditions	→ Responsibility/Securing Electricity Expertise → Responsibility/Power Generation/CR Performance 2008 CoR 68 FR 46ff.
d. Impact of Carbon Price on Wholesale Power Prices	
Extent to which carbon prices are passed through or may in future be passed through into electricity prices in the markets in which the company operates (based on current and planned regulatory requirements)	→ Responsibility/Emissions Trading and Offsetting FR 12ff., 48
2. Disclosure of Quantitative Data related to Climate Change	
Companies should specify whether they use an equity share or a control approach (financial or operational control) for the data required below.	→ Responsibility/Facts and Figures → Responsibility/GRI Content Index
2.1 Capacity and Production Data	
Description of the historic, current and planned total installed capacity by fuel type (year-by-year plan over a five year horizon):	
New generation including capital expenditures associated with new investments and expected completion dates for new facilities	→ Responsibility/Power Generation BO → E.ON Kraftwerke/Locations → E.ON Kraftwerke/New Power Plants → E.ON UK/Planning for the future
Plans for fuel switching at existing plants	→ E.ON UK/Coal
Closure of existing plants	→ Responsibility/Dismantling Nuclear Power Plants → E.ON Kernkraft/ Locations
2.2 Emissions Inventories	
a. Disclosure on Group's CO₂ Emissions	
CO ₂ emissions in specific terms (tons of CO ₂ per MWh), by country and by fuel type	→ Responsibility/Facts and Figures/Environment
CO ₂ emissions in absolute terms (total tons of CO ₂), by country and by fuel	→ Responsibility/Facts and Figures/Environment

type	
Explanations for any changes in the emissions profiles (e.g. installation of new generating capacity, closure of existing plants)	→ Responsibility/CO ₂ Reduction
b. Accuracy of Reported Emissions	
Disclosure of the methodology to calculate the CO ₂ emissions	The data is collected according to collection methods for the emissions trading system. The CO ₂ data was subjected to an independent audit (see Responsibility/Assurance).
Explanation of how data accuracy is ensured	The CO ₂ data was subjected to an independent audit (see Responsibility/Assurance).
2.3 Emissions Allowances and Credits	
a. Amount of Free Emission Allowances and Allocation Methodologies	
Quantity of EU Emissions Allowances received for Phase I of the EU Emissions Trading System (for each of the countries in which the company operates)	→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008
Quantity of EU Emissions Allowances received for Phase II (2008-2012) of the EU Emissions Trading System (for each of the countries in which the company operates)	→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008
Quantity of EU Emissions Allowances received for Phase I of the EU Emissions Trading System (for each of the countries in which the company operates)	
Participation in any emission trading schemes	→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008
Potential CO ₂ emission reduction targets required by them	→ Responsibility/Power Generation/CR Performance 2008 In May 2007, E.ON set itself the goal of reducing its CO ₂ emissions per kWh electricity generated by 50 percent by 2030 compared to 1990 levels.
b. Participation in Clean Development Mechanism (CDM) and Joint Implementation (JI) Projects	
Total amount of Kyoto credits (Emission Reduction Units (ERUs) for JI projects and Certified Emissions Reductions (CERs) for CDM projects)	→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008
Amount of credits from direct participation in JI/CDM projects	→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008
Amount of credits from carbon funds	→ Responsibility/Emissions Trading and Offsetting/CR Performance 2008
Credits expected from HFC projects	E.ON is not involved in these sorts of projects.

All Key Figures at a Glance

Transparent communication and clear presentation of our performance is one of the most important maxims at E.ON. For this reason, aside from the key figures for individual content areas like environment and workplace, we have put together a list of CR key figures sorted by topic.

The figures included in our CR reporting on the CR Portal website and CR magazine apply to all subsidiaries and power plants in which E.ON owns a majority stake and which are fully consolidated into E.ON's Consolidated Financial Statements. In addition, you can find key figures from the previous years available for download on the right-hand side.

- Marketplace
- Environment
- Community
- Workplace

Marketplace

Information about the basis for key figures can be found in our [GRI Content Index](#).

- E.ON Group Financial Highlights
- Net Value Added
- Gas Purchases by Region
- Hard Coal Procurement by Source Country
- Uranium Procurement
- Energy Mix of Electricity Generated
- Generation Portfolio 2008-2015 and Outlook for 2030
- Reliability Figures Regional Distribution
- R&D Budget According to Project Type
- Development of the Investments in New Technologies

E.ON Group Financial Highlights			
	2008	2007	+/- %
Sales (EUR in millions)	86,753	68,731	+26
Adjusted EBIT (EUR in millions)	9,878	9,208	+7
Electricity sales (billion kWh)	614.6	487	+26
Gas sales (billion kWh)	1,224.0	1,092.3	+12
Financial investments (EUR in millions)	26,236	12,456	+111
Employees at year end	93,538	87,815	+7

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Net Value Added			
EUR in millions	Use	2008	2007
Value added¹		11,212	15,812
Employees	Wages, salaries and benefits	5,130	4,597
Government entities	Current income taxes, other taxes ²	2,168	2,615
Lenders	Interest expense ³	2,182	1,206
Other shareholders	Minority interests share of income/loss (-) from continuing operations	338	520
Net value added⁴		1,394	6,874
Shareholders	Dividends ⁵	2,857	2,560

¹From continuing operations.
²Adjusted for deferred taxes, excludes other federal, state and local fees and levies (such as concession fees) of EUR477 million in 2008.
³Excludes the accretion expense on long-term provisions; includes capitalized interest expense.
⁴Income from continuing operations (attributable to shareholders of E.ON AG).
⁵Dividends are paid out of value added from both continuing and discontinued operations.

The calculation of the net value added outlines the financial benefits provided to our individual stakeholders. The key figure "Value added" represents the company performance for continued business operations (sales and other income) excluding the necessary input (material expenses, depreciation/amortization and other expenses). In total, E.ON Group generated a net value added of around EUR1.4 billion in 2008. The fall in the net value added primarily resulted from the value adjustments carried out in 2008

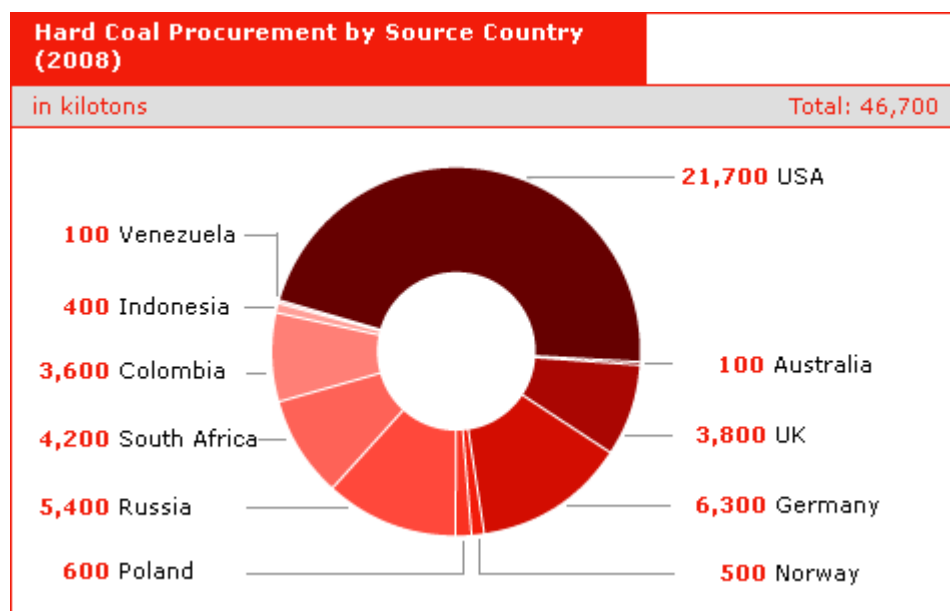
at the market unit U.S. Midwest and in the activities purchased from Enel/Acciona and Endesa as well as the effects of the balance sheet date-related derivative valuation and the planned decrease in financial interest income. At the Shareholders Meeting on 6th of May 2009, we will propose distributing a dividend of EUR1.50 per share qualifying for a dividend. This would result in a total dividend distribution of EUR2.9 billion based on the number of shares outstanding as of 31st of December 2008.

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Gas Purchases by Region¹		
Billion kWh	2008	%
Russia	177.3	26.1
Norway	176.9	26.0
Germany	121.4	17.9
Netherlands	114.8	16.9
United Kingdom	41.7	6.2
Denmark	25.4	3.7
Other	22.0	3.2
¹ Gas purchases of E.ON Ruhrgas AG; total 679.5 billion kWh.		

Gas purchases made by E.ON Ruhrgas are largely based on long-term purchasing contracts. Procurement sources of purchase have changed only slightly compared to 2007. The production volumes in Germany, the UK and also in the Netherlands in the future are falling, and as a result other sources will become more important for finalizing contracts in the future, particularly Russia and North Africa.

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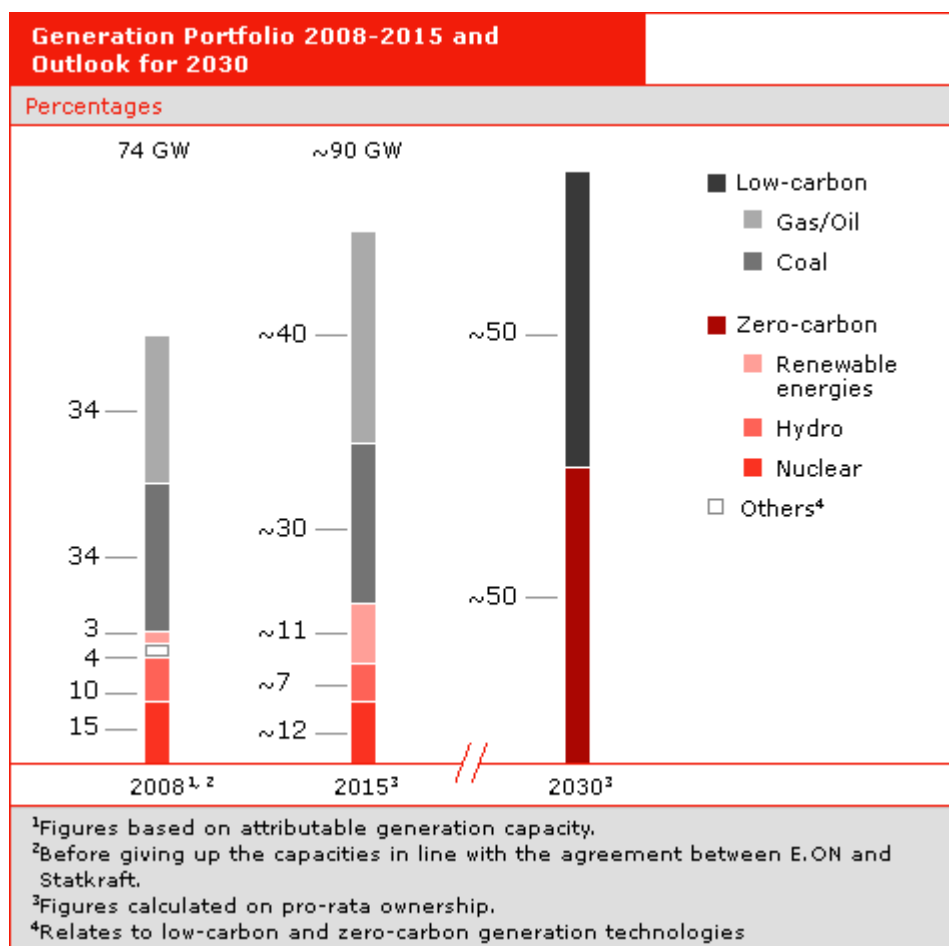
In 2008, E.ON purchased a total of 46,700 kilotons of hard coal for power generation. The USA was the most important supplier of the fossil fuel, delivering 21,700 kilotons or 46.5 percent of our total coal requirement. Other important coal supplier countries were Germany, Russia and South Africa.

Uranium Procurement

In 2008 the majority of E.ON's total demand for uranium was covered by natural uranium from Canada and Russia, which was enriched in Europe and Russia, and by EUP (Enriched Uranium Product) from Kazakhstan. In addition, we have an inventory of natural uranium originating from Canada, Namibia, Niger, Ukraine and USA.

Energy mix of Electricity Generated			
Percentages	2008	2007 ^{1,3}	2006 ^{2,3}
Coal	39	43	46
Nuclear	24	30	34
Oil/Gas	27	16	10
Hydro	7	8	8
Wind	1	-	-
Waste	1	1	-
Others	1	2	3
Total	100	100	100
¹ Including the consolidated holdings of the market unit Russia from Q4 onwards. ² Waste reported under "Others". ³ Wind be reported under "Others".			

In 2008, we took more than eight percent of the 317.6 billion kilowatt hours of electricity generated from renewable energies. The shift from coal to gas was realized thanks to new rules governing the generation of fossil-fired power stations in the UK and Spain as well as additional gas generation capacities provided by the new market unit Russia.



In the period up to 2015, we intend to increase the share of renewables in our generation portfolio to 18 percent. By 2030, half of our portfolio is expected to comprise of zero-carbon technologies, the other 50 percent of low-carbon forms of generation.

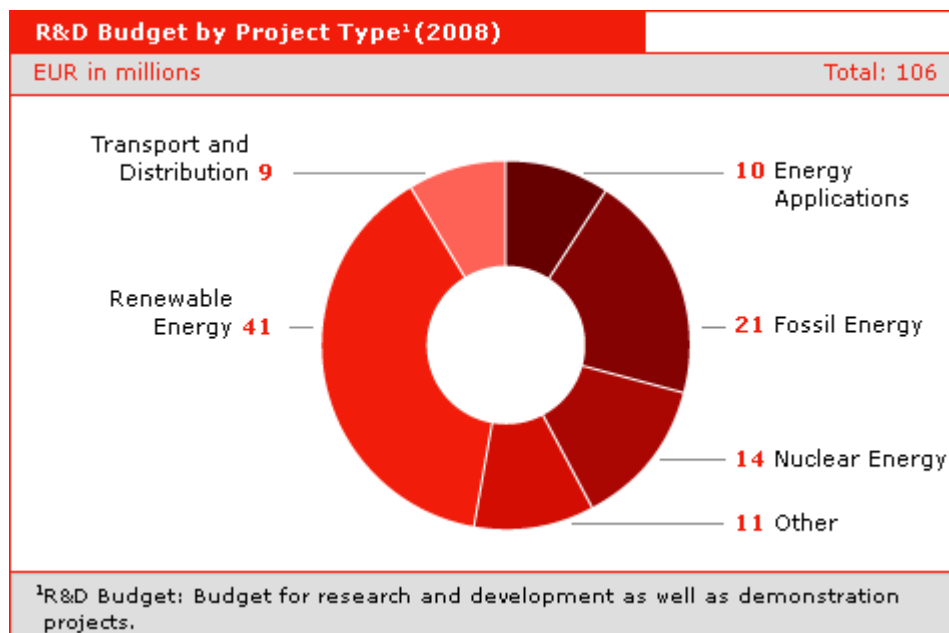
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Reliability Figures Regional Distribution (2007) ¹		
	SAIFI ⁴	SAIDI ⁵
Central Europe ²	0.6	38
UK	1.03	116.5
Nordic ³	2.58	881.3
U.S. Midwest	0.97	109.6

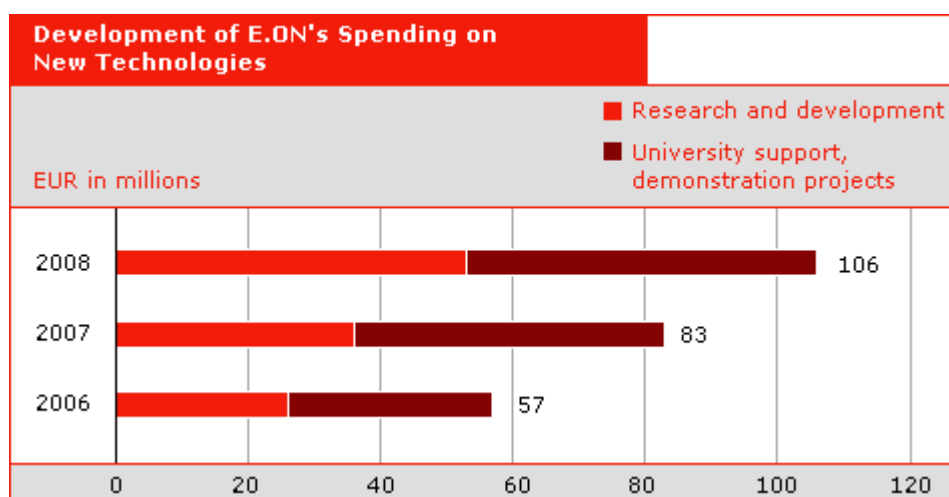
¹Including exceptional events; Differences across the market units are due to different network designs and exceptional events.
²Only Germany without exceptional events.
³Whereof 715 min exception events (storm).
⁴SAIFI: System Average Interruption Frequency Index is the average number of interruptions that a customer would experience.
⁵SAIDI: System Average Interruption Duration Index is the average outage duration (in minutes) for each customer served.

A comparison of different market units shows the different numbers and frequency of interruptions in connection with the respective network structures. Exceptional events also play a role here.

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The project volume of all the R&D activities planned for 2009 (research, development and demonstration projects) amounts to EUR108.5 million. This represents an increase of two percent compared to 2008, and of 28 percent compared to 2007.



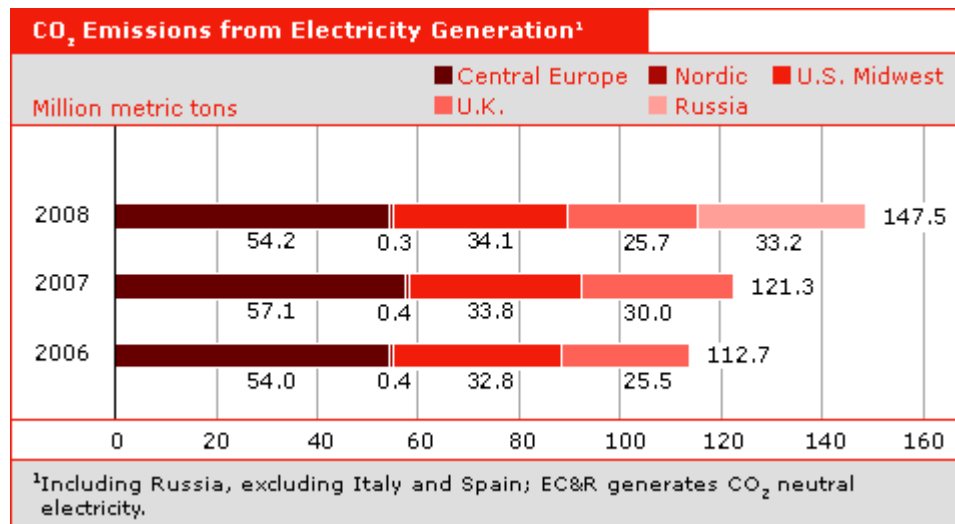
The volume spent on research and development projects and demonstration projects in 2008 was EUR106 million.

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Environment

Information about the basis for key figures can be found in our [GRI Content Index](#).

- CO₂ Emissions
- Carbon Intensity
- CO₂ Allowances
- SO₂ Emissions
- NO_x Emissions
- Dust Emissions
- Process Water Consumption
- Nuclear Waste
- Non-hazardous and hazardous Waste
- Ash and Gypsum
- Major Environmental Incidents



In 2008, E.ON emitted 147.5 million tons of CO₂ from production of electricity, which represents an increase of 26.2 million tons compared to the previous year. The increase is due to the integration of generation assets from our market unit Russia. Without those, the absolute CO₂ emissions would have decreased by seven million tons compared to 2007. Our Central Europe market unit's CO₂ emissions fell in 2008 due to an overall increase in generation efficiency as well as a decline in the percentage of coal-fired generation. The UK market unit made particular good progress by generating a higher ratio of electricity from gas versus coal.

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Carbon Intensity¹ E.ON Group²							
in t/MWh	1990	2003	2004	2005	2006	2007	2008
Central Europe	0.45	0.41	0.41	0.41	0.41	0.42	0.39
U.K. ³	0.94	0.72	0.79	0.75	0.71	0.73	0.58
Nordic	0.02	0.14	0.01	0.01	0.02	0.01	0.01
U.S. Midwest	0.99	1.00	0.93	0.92	0.93	0.94	0.92
Russia	-	-	-	-	-	-	0.59
E.ON Group	0.72	0.55	0.49	0.49	0.49	0.50	0.48
¹ Specific CO ₂ emissions: emitted metric tons of CO ₂ per MWh electricity generated. ² Excluding Energy Trading, Italy and Spain. For carbon intensity values listed above, EC&R generation volumes are allocated to geographical Market Units. ³ For the purposes of calculating carbon intensity, generation volume including CHP plants in E.ON UK of 43.6 TWh will be used.							

Since 1990, our carbon intensity has decreased from 0.72 to 0.48 t/MWh. This represents an improvement of almost 32 percent. The UK market unit has made particularly good progress: by generating a higher ratio of electricity from gas versus coal its CO₂ emissions fell from 0.73 metric tons per MWh last year to 0.58 in 2008.

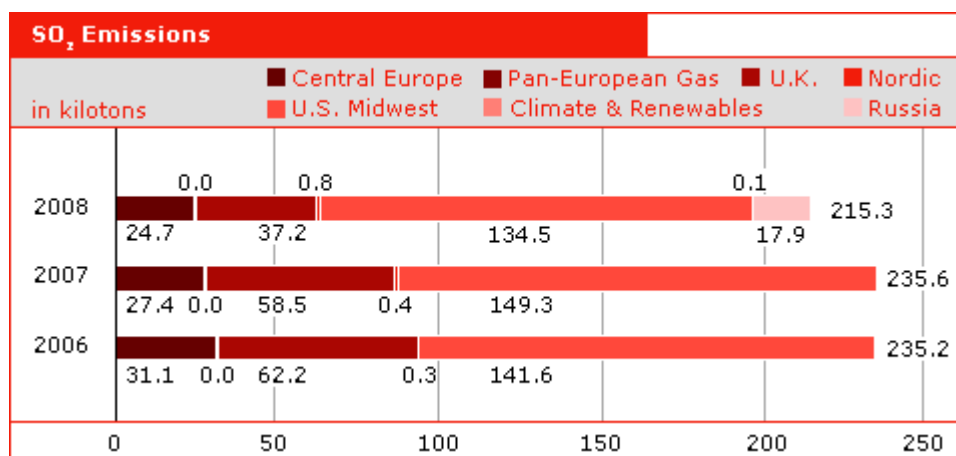
For July till December 2008 the carbon intensity for E.ON Italy is 0,51 t CO₂/MWh, for E.ON Spain 0,54 t CO₂/MWh. The E.ON Group intensity 2008 stays at 0,48 t CO₂/MWh even if the Italy and Spain figures are included.

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CO₂ Allowances Allocated to E.ON Group (2008)			
in million tons	2008	2007	2006
Central Europe	37.7	52.8	52.8
Pan-European Gas	0.5	0.5	0.5
U.K.	14.5	22.0	22.0
Nordic	0.5	0.7	0.7
U.S. Midwest ¹	n/a	n/a	n/a
E.ON Group²	53.2	76.0	76.0
¹ The U.S. Midwest market unit is not included in European emissions trading. ² Excluding new markets.			

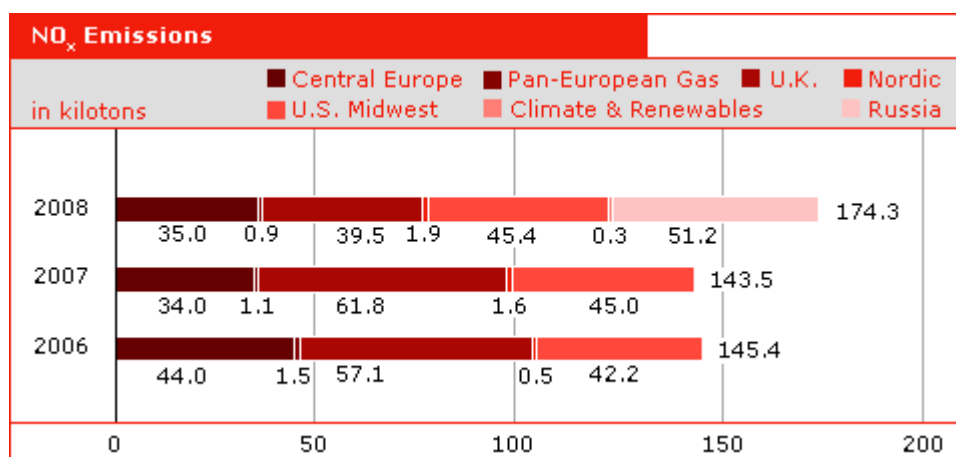
In 2008, E.ON was allocated emissions allowances for around 53 million tons. That is a lower amount than the E.ON power plants included in emissions trading produced in 2008.

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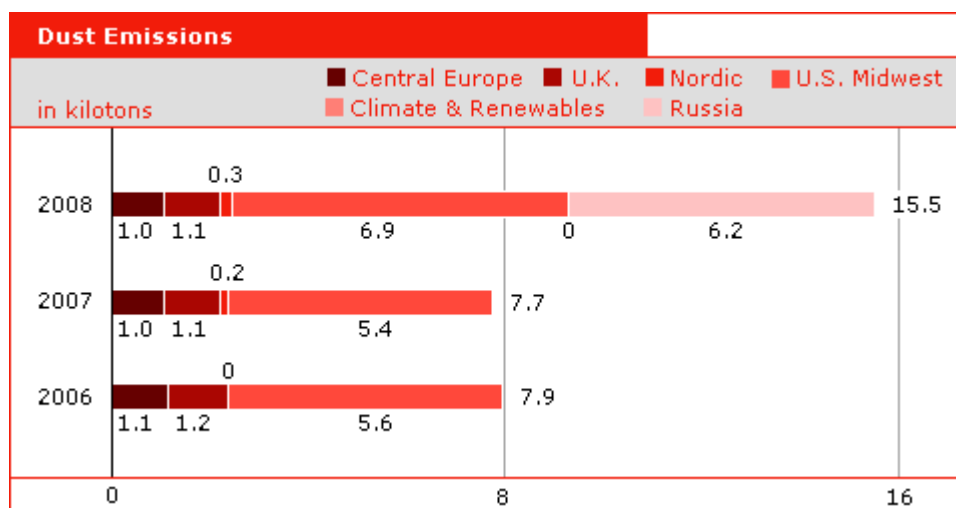
From 2006 to 2008, E.ON Group's SO₂ emissions fell by around nine percent to 215.3 kilotons. At E.ON UK, sulfur oxide emissions were significantly reduced due to investments in improved filter and scrubbing technologies.

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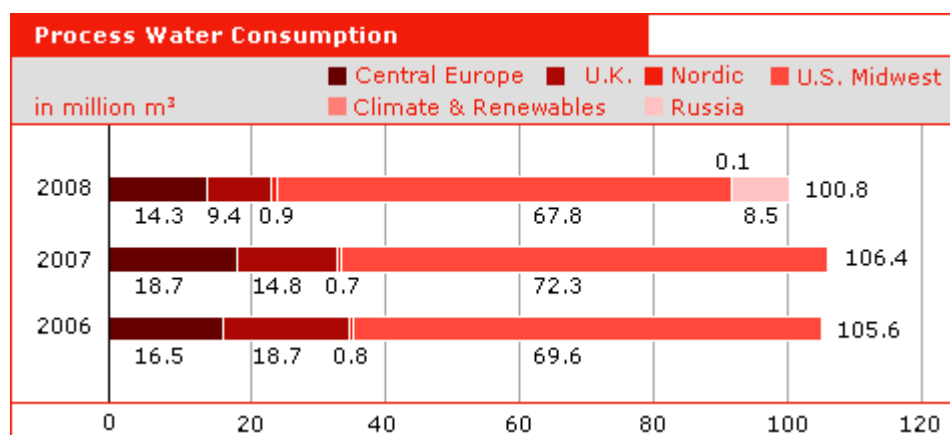
As a result of the acquisitions made in 2008, NO_x emissions rose to 174.3 kilotons. At E.ON UK nitrogen emissions were reduced due to investments in improved filter and scrubbing technologies.

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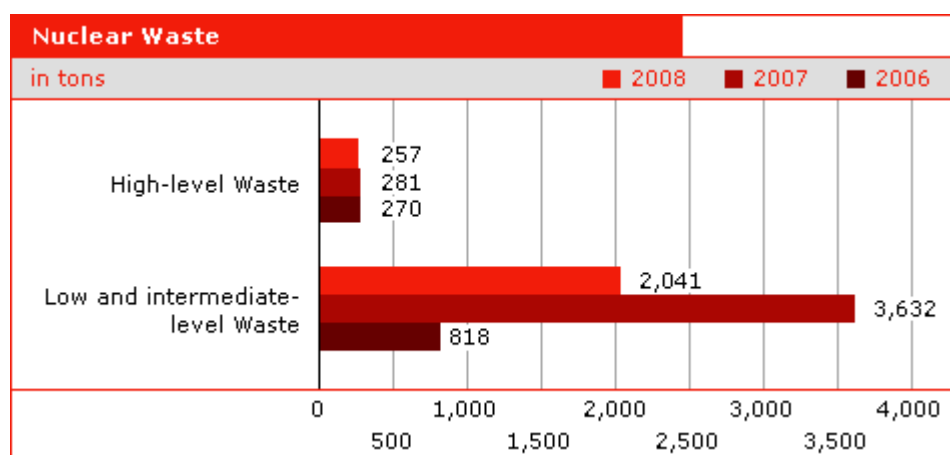
Between 2006 and 2008, our dust emissions increased to 15.5 kilotons. This is primarily due to the first-time consolidation of the Russia market unit in 2008 and the increased value of dust emissions for the U.S. Midwest market unit. Since 2008, the Market Unit is using a significantly more precise online monitoring.

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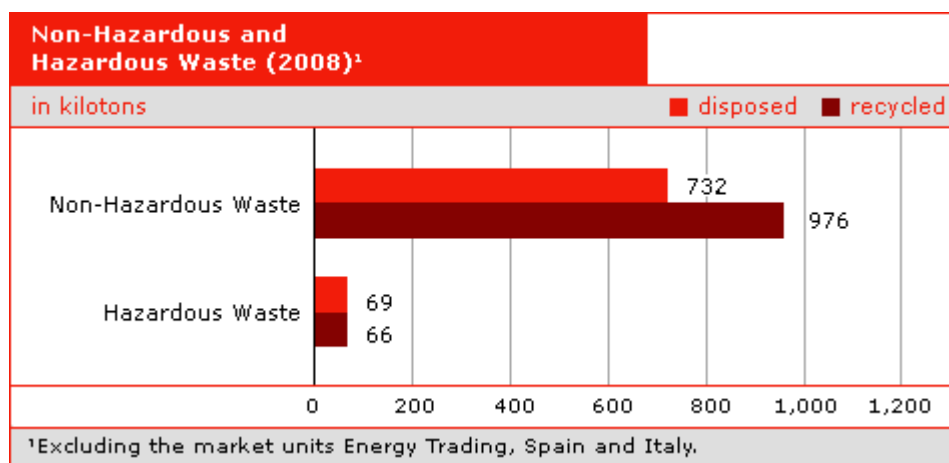
In total, process water consumption fell slightly despite the first-time consolidation of the new market units E.ON Russia and Climate & Renewables.

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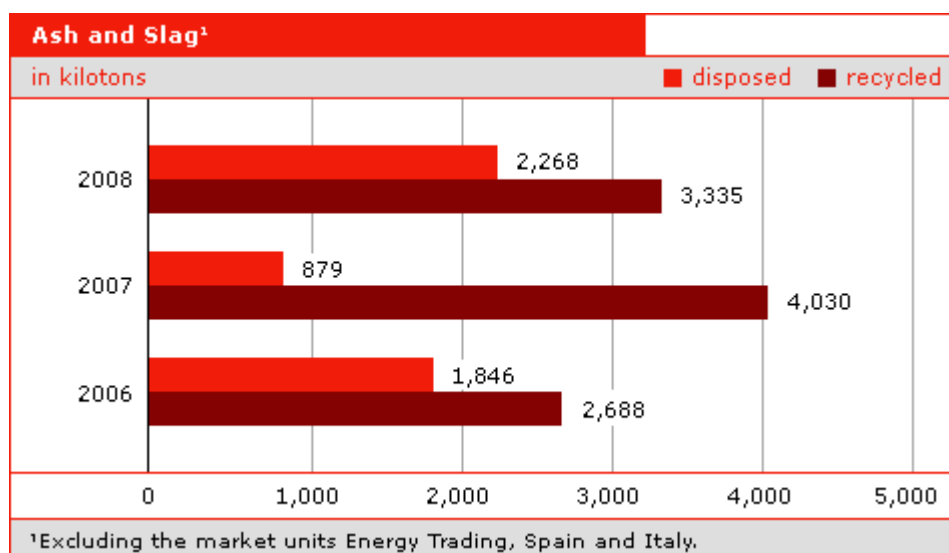
We devote particular attention to carefully disposing of the radioactive waste from E.ON Energie and E.ON Nordic's nuclear power plants. In 2008, we generated 2,041 tons of low-level and intermediate-level radioactive waste, and 257 tons of high-level radioactive waste. These figures have fallen significantly compared to the previous year, but are higher than in 2006. The main reason for the high levels of low and intermediate-level radioactive waste is the continuing dismantling of the Stade and Würgassen nuclear power plants in Germany.

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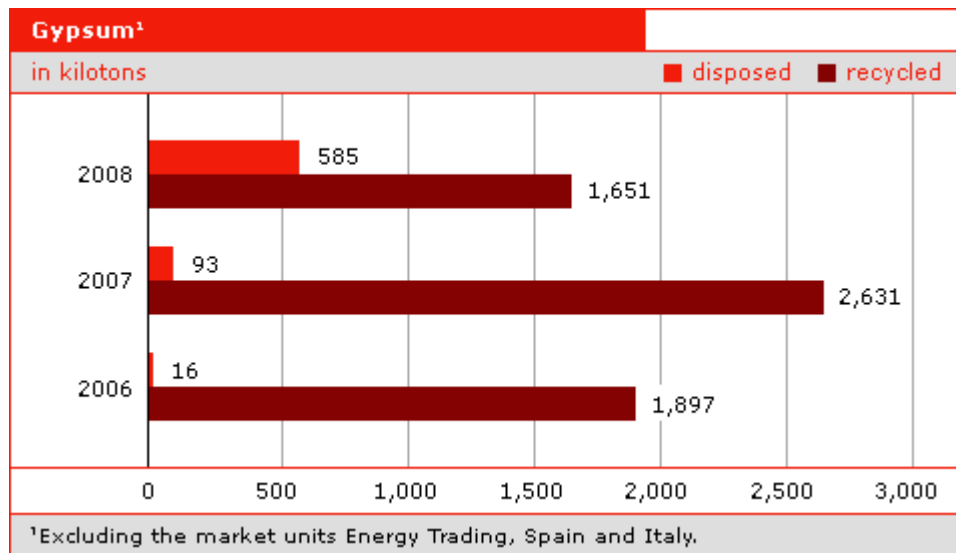
The large fluctuations in the amounts of hazardous and non-hazardous waste recycled and disposed of in recent years are attributable to the temporary storage periods. The disposal of hazardous waste is not always carried out in the same year but is instead dependent on recycling possibilities and the efficient use of logistics.

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In 2008, the volume of recycled ash and slag fell to 3,335 kilotons, while the amount disposed of increased to 2,268 kilotons. One reason for this is the decrease in the recycling ratio at the U.S. Midwest market unit.

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The volume of gypsum disposed of increased more than six-fold in 2008, while gypsum recycling fell as a result. That was due to the newly installed flue gas desulphurization facilities at the U.S. Midwest market unit.

Major Environmental Incidents in the E.ON Group

The success of our operational environmental protection efforts is demonstrated by the rarity of environmental incidents at E.ON. In the last three years there has not been one major environmental incident in the entire group that triggered our 24 hour groupwide internal reporting requirement. In 2008, there was one category one incident at our nuclear power plants on the seven-level International Nuclear Event Scale (INES, categories 1 to 7).

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Community

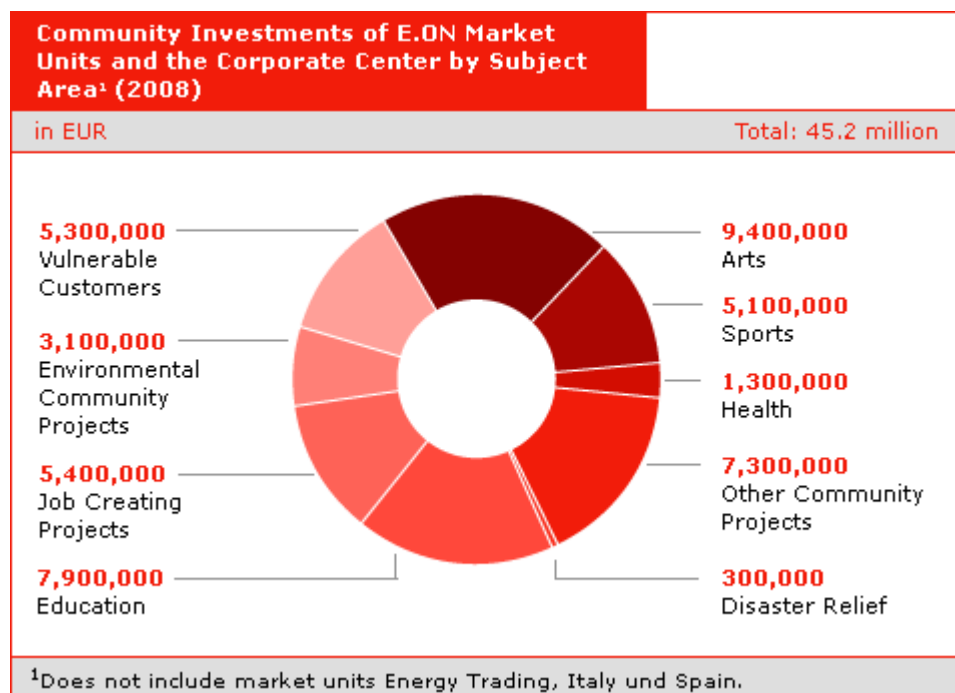
Information about the basis for key figures can be found in our [GRI Content Index](#).

- Community Investments by E.ON market units and Corporate Center by Purpose
- E.ON Market Units' not-for-profit Investments in Communities by Strategic Focus

For many people and organizations, financial contributions are an important, often vital, form of support. In keeping with our commitment to being a good corporate citizen, we also make social investments in the community (community investments). In 2008 we spent EUR45.2 million groupwide in total across a range of different subject areas. This is a considerably higher figure than in 2007 and reflects our increased engagement in society, the continual growth of our business and greater sophistication in our community investment reporting.

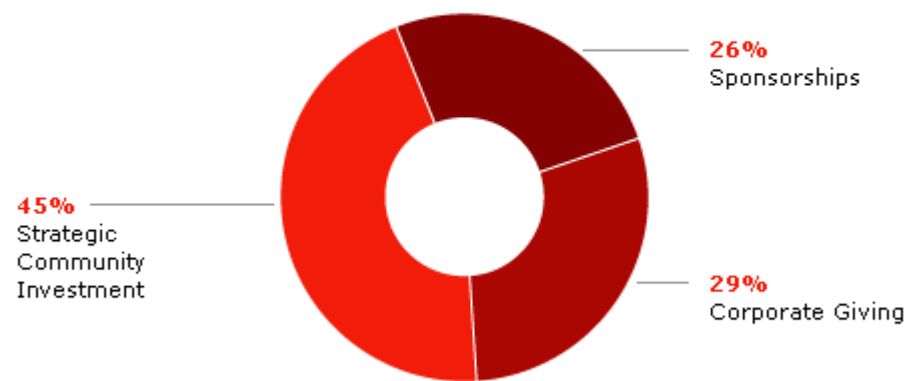
In contrast to 2007, we are no longer talking about financial expenses or donations, but community investments. In doing this we differentiate between three strategic focus areas: Strategic Community Investments, Community Sponsorships and purely financial Corporate Giving. In 2008, 45 percent of all community expenditure was strategic. This shows we are making good progress towards our objective of moving from Corporate Giving to more strategic community initiatives.

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This figure does not include those activities that have a community benefit that E.ON is legally obliged to provide in some markets, for example as part of our Regulatory Licence. It also excludes E.ON's substantial group-wide R&D program. Adding this spending would multiply the figure reported here many times.

**E.ON Market Units' not-for-profit
Investments in the Communities, by
Strategic Focus¹ (2008)**



¹Does not include market units Energy Trading, Italy und Spain.

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Workplace Key Figures

Information about the basis for key figures can be found in our GRI Content Index.

- Number of Employees by E.ON Market Units
- Percentage of Employees with Contracts Based on Wage Agreements with Trade Unions
- Average Length of Service
- Turnover Rate of E.ON Group
- Lost Time Injury Frequency Index (LTIF)
- Total Recordable Injury Frequency Index (TRIF)
- Number of Lost Time Injuries (LTIF) by Contractors Working for E.ON
- Age Profile of E.ON Employees
- Diversity of E.ON Employees
- Proportion of Women at E.ON Market Units
- Number of Women among Employees, Senior Management and Top Executives by E.ON Market Unit
- Number of Employees with a Severe Disability at Group Companies located in Germany
- Number of Apprentices with a Severe Disability in Group Companies located in Germany
- Proportion of E.ON Market Unit Employees with Full-time or Permanent Employment Contracts
- Number of Apprentices in Germany

Group Employees ¹			
	December 31		+/- %
	2008	2007	
Central Europe	44,142	44,051	0.2
Pan-European Gas	9,827	12,214	-19.5
U.K.	17,480	16,786	4.0
Nordic	5,826	5,804	0.4
U.S. Midwest	3,110	2,977	4.5
Energy Trading	885	-	-
New markets	9,214	5,424	69.9
Corporate Center ²	3,054	559	446.3
Total	93,538	87,815	6.5
Discontinued activities ³	474	474	-
¹ Excluding Board Members / Managing Directors (330) and apprentices (2,705). ² 2008 figures include E.ON I.S. ³ Includes Western Kentucky Energy Corp.			

We currently employ around 93,500 staff in more than 30 countries worldwide. The Central Europe market unit recorded a slight increase in employees. The restructuring of the group meant that around 2,800 employees left the Central Europe market unit at the beginning of the year. However, this fall was more than offset by new activities in France and Poland as well as acquisitions in the fields of waste incineration as well as electricity and gas supply in Germany.

The primary reason for the four percent increase in employee numbers at E.ON UK was the rise in staff with customer contact in sales as well as the acquisition of a company in the field of vocational training.

At the Nordic market unit, the transfer of around 100 employees to the new market units Energy Trading and Climate & Renewables was completely balanced out by new appointments and the acquisition of a technical consulting company.

The growth in employee numbers at the U.S. Midwest market unit can be attributed to various investment projects.

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Percentage of Employees with Contracts Based on Collective Wage Agreements with Trade Unions			
in %	2008	2007	2006
Central Europe	88.6	89.0	90.2
Pan-European Gas	83.9	86.3	88.0
U.K.	93.9	89.7	94.4
Nordic	99.3	99.2	99.2
U.S. Midwest	26.7	27.1	27.1
Energy Trading	48.6	n/a	n/a
New markets ¹	85.5	90.4	n/a
¹ Reduction due to the growth of E.ON Climate & Renewables which employs a smaller percentage of employees with wage agreement-based contracts.			

The majority of our employees are compensated according to collective wage agreements.

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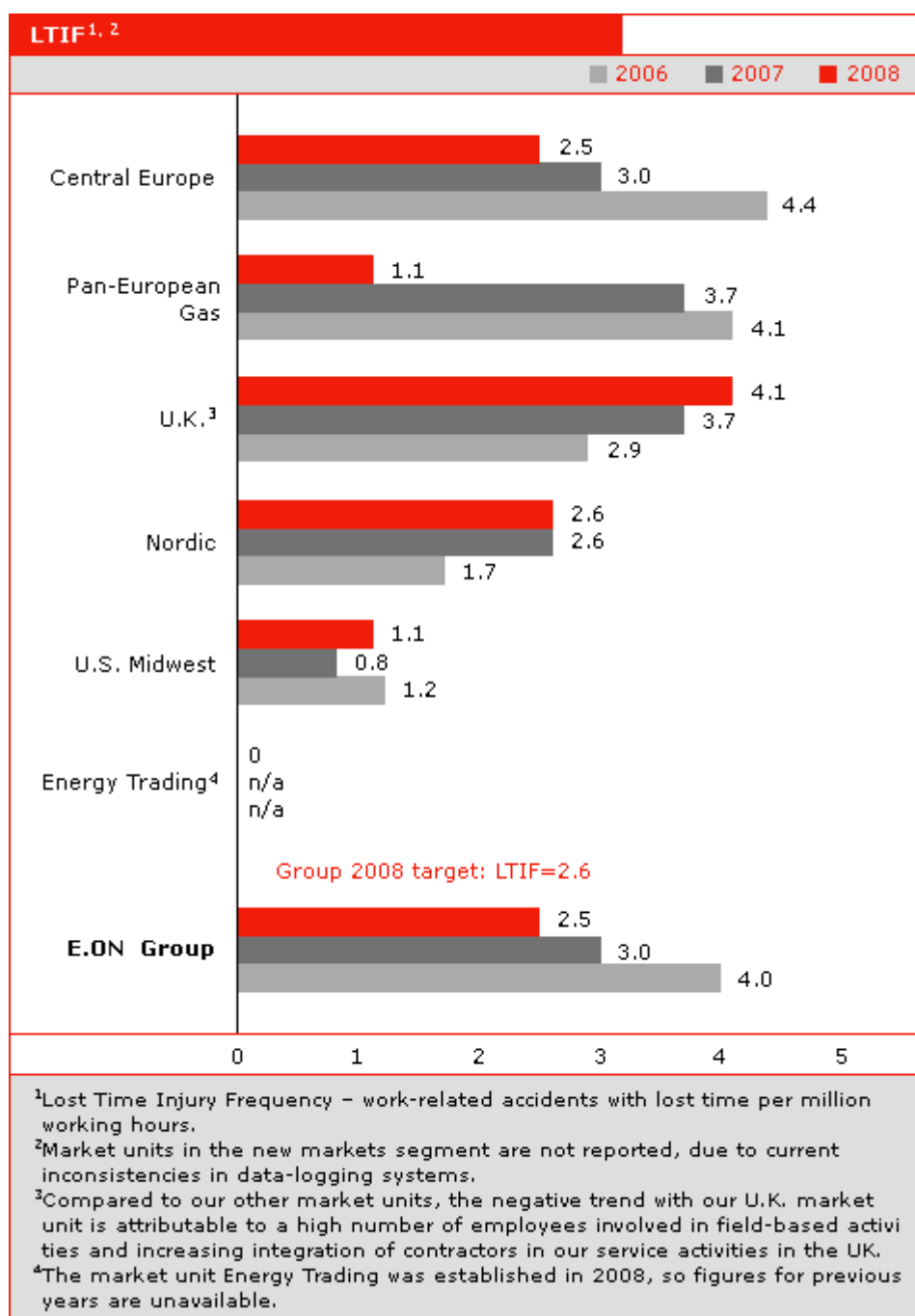
Average Length of Service				
In years	2008	+/- %	2007	2006
Central Europe	16.5	2.5	16.1	17.1
Pan-European Gas	13.8	-0.7	13.9	13.8
U.K.	8.0	0	8.0	8.1
Nordic	13.7	-4.6	14.4	13.8
U.S. Midwest	17.0	-1.7	17.3	17.2
Energy Trading	6.7	-	-	-
New markets	14.7	13.1	13.0	-
Corporate Center ¹	7.0	-23.1	9.1	-
E.ON Group	14.4	2.9	14.0	14.6
¹ Average length of service at the Corporate Center has fallen due to new hires in 2008. 2008 figures include E.ON I.S.				

On average, our employees have been working within the group for 14 years. In 2008, employee turnover resulting from voluntary terminations amounted to approximately five percent.

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Turnover Rate of E.ON Group		
in %	2008	2007
Central Europe	3.7	2.5
Pan-European Gas	1.9	1.8
U.K.	11.3	11.9
Nordic	6.8	5.7
U.S. Midwest	1.4	2.2
Energy Trading	11.4	-
New markets	2.5	0.0
Corporate Center	4.8	2.4
E.ON Group	5.2	4.3

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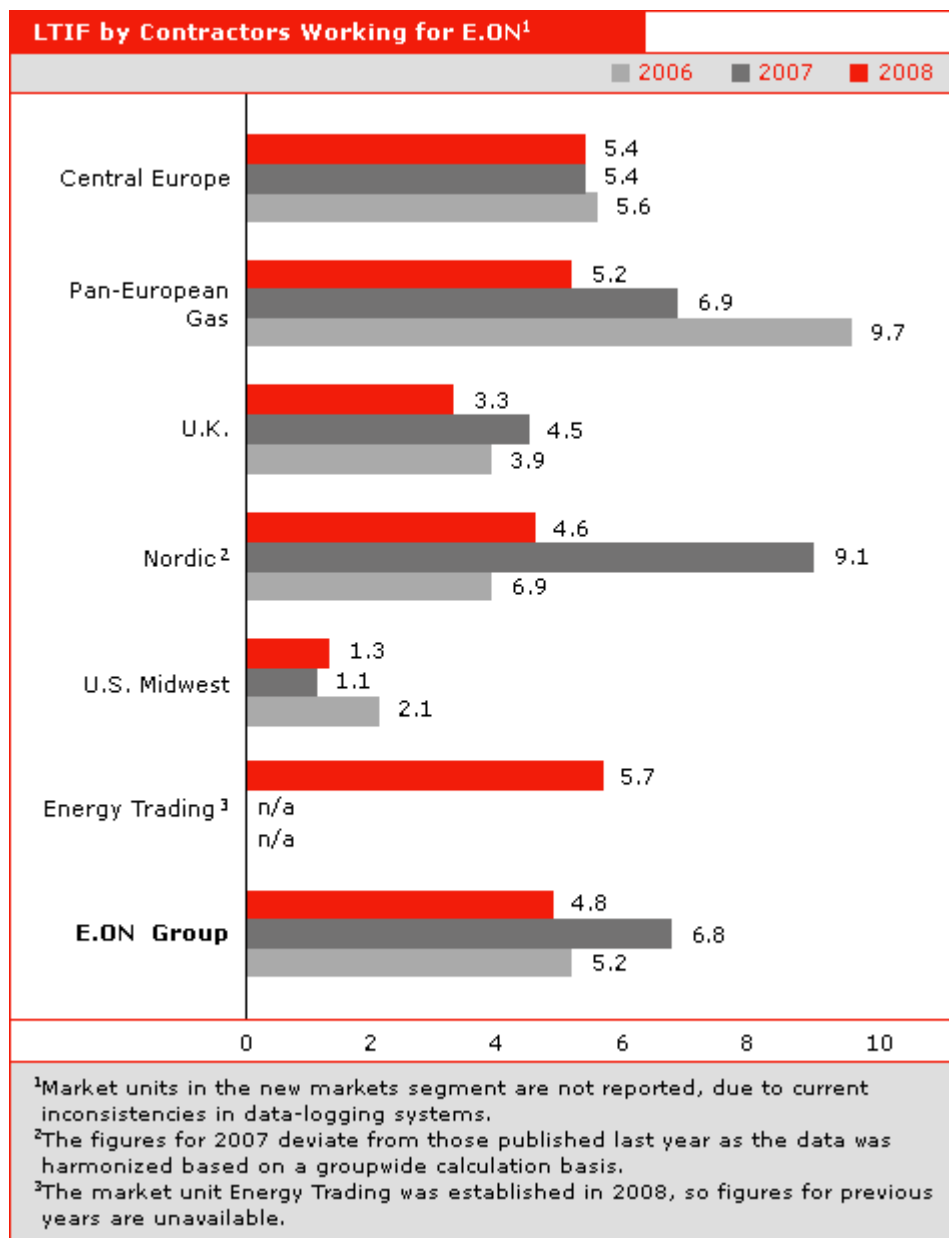
The accident rate has now fallen for five years in succession at E.ON. The latest improvement in occupational safety can be gauged by the Lost Time Injury Frequency Index figures (LTIF). In 2008, LTIF came in at 2.5- an improvement of more than 15 percent. That means that in 2008, 2.5 accidents at work resulting in lost time occurred for every million working hours at E.ON. As a result, we have managed to exceed slightly our goal of reducing LTIF to 2.6 in 2008.

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TRIF ^{1, 2}	
	2008
Central Europe	5.6
Pan-European Gas	2.9
U.K.	5.3
Nordic	3.9
U.S. Midwest	5.7
Energy Trading	3.9
E.ON Group	4.9
¹ Total Recordable Injury Frequency (TRIF) describes the number of work-related injuries per million hours worked. Injuries resulting in lost workday cases (see LTIF), as well as those resulting in a limited ability to work, or where employees have received medical attention, but where no time is lost, are included. ² Market units in the new markets segment are not reported, due to current inconsistencies in data-logging systems.	

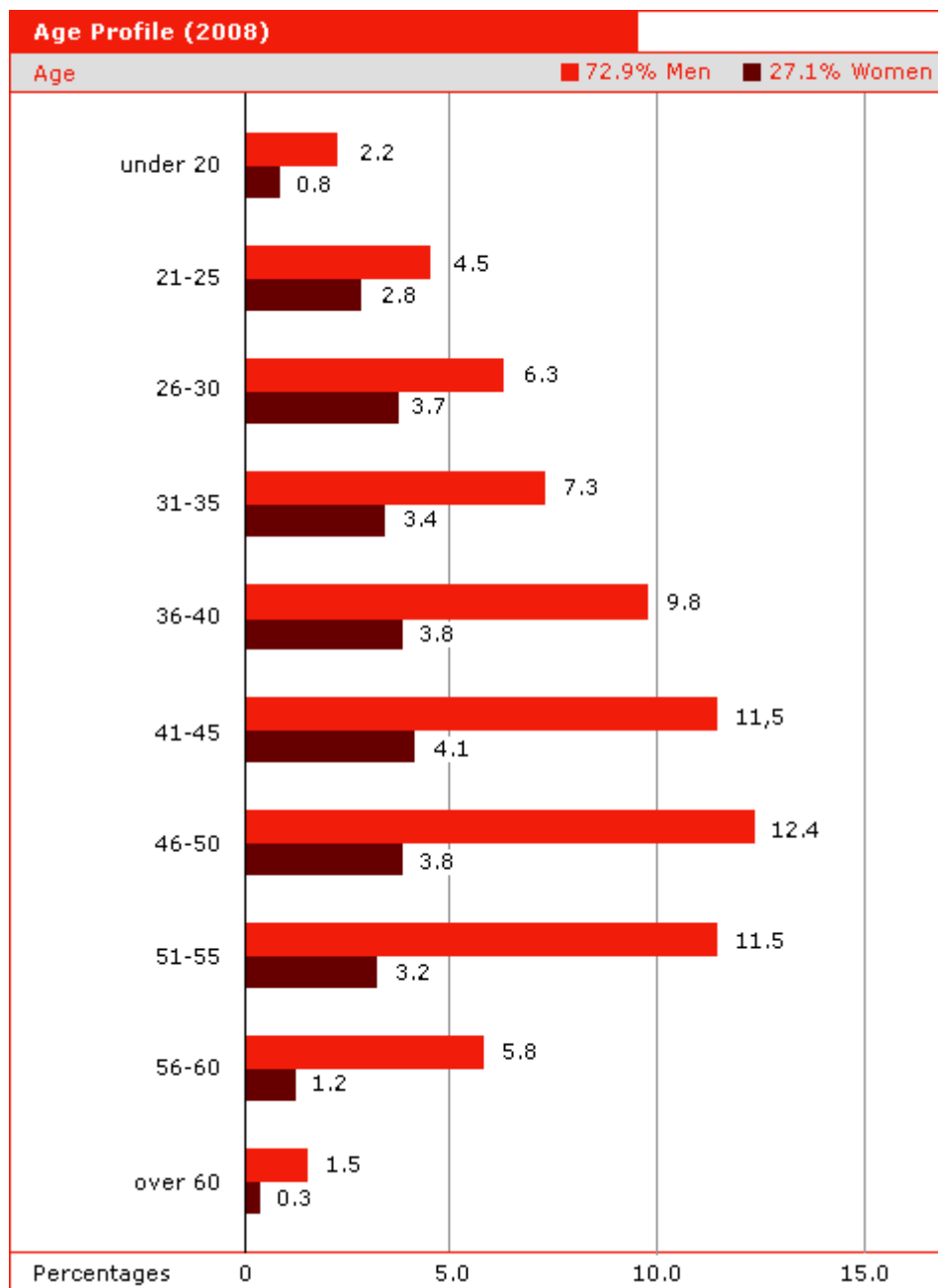
E.ON is constantly working to improve its safety standards. In an effort to gain a better understanding of possible safety risks, we recorded a Total Recordable Injury Frequency Index (TRIF) for the first time in 2008. In contrast to the LTIF, which only measures the frequency of accidents resulting in lost time, TRIF also records accidents which result in a limited ability to work or employees requiring medical attention, but without lost time occurring. The groupwide TRIF figure of 4.9 is comparatively low and sets a good benchmark for future measures aimed at improving safety standards.

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E.ON's high safety standards don't just apply to our employees. Suppliers and contractors are also intended to benefit from it. To ensure this is the case, E.ON has initiated a range of measures across the group, such as occupational safety instructions for contractors. E.ON's commitment in this area is paying off: Since the initial collection of LTIF data for suppliers and contractors in 2006, we have been able to improve this figure at all market units, substantially in some cases.

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Today E.ON has a relatively balanced age structure among its employees: In 2008, around 20 percent were under 30, around 56 percent between 31 and 50, and approximately 24 percent over 50.

Diversity of E.ON Employees

E.ON employs staff consisting of over 80 nationalities in around 30 countries worldwide.

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Proportion of Women at E.ON Market Units ¹			
in %	2008	2007	2006
Central Europe	24	24	25
Pan-European Gas	25	26	26
U.K.	34	37	38
Nordic	25	25	24
U.S. Midwest	26	26	25
Energy Trading	31	n/a	n/a
New markets ²	29	36	n/a
Corporate Center ³	31	47	49
E.ON Group	27	28	28
¹ Incl. Board Members / Managing Directors and apprentices. ² The figure has declined because of newly integrated market units. ³ The lower rate is attributable to restructuring measures. 2008 figures include E.ON I.S.			

At the end of 2008, around 27 percent of our workforce was female and around 73 percent male.

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Number of Women among Employees, Senior Management and Top Executives by E.ON Market Units						
in %	Employees		Senior Management		Top Executives	
	2008	2007	2008	2007	2008	2007
Central Europe	24	24	9	8	2	2
Pan-European Gas	25	26	9	8	5	5
U.K.	34	37	14	13	13	8
Nordic	25	25	15	16	15	0
U.S. Midwest	26	26	25	23	17	17
Energy Trading	31	-	12	-	0	-
New markets ¹	29	36	-	n/a	0	n/a
Corporate Center ^{1, 2}	31	47	13	n/a	2	n/a
E.ON Group	27	28	11	10	5	4
¹ Only aggregate data is available for 2007 for Senior Management and Top Executives. That year, 17 percent of senior management positions were held by women at the Corporate Center and in the new markets, with four percent occupying Top Executive positions. ² 2008 figures include E.ON I.S.						

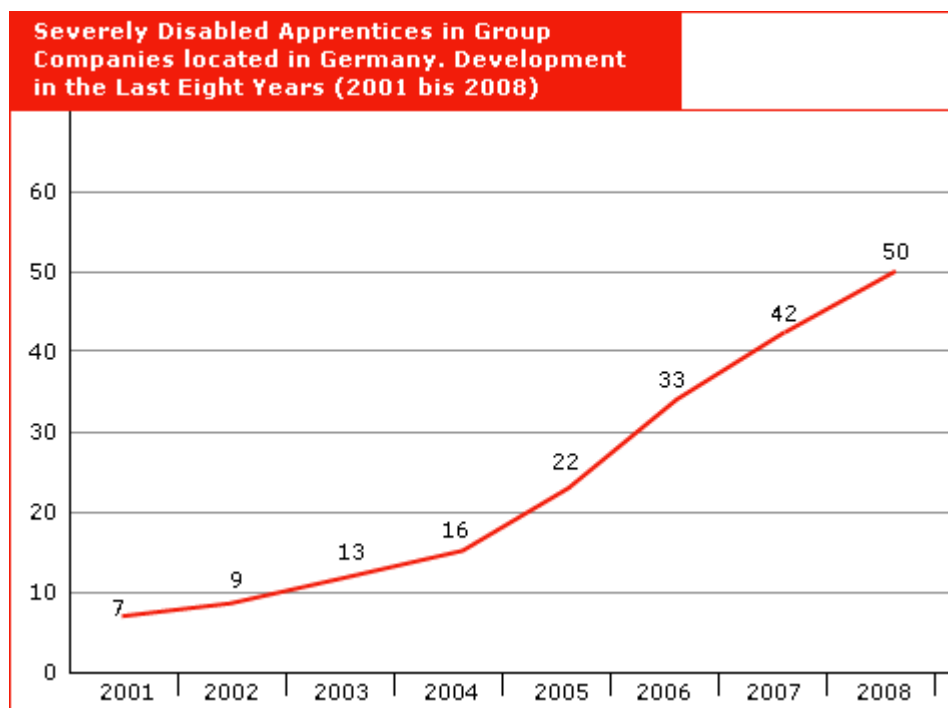
The proportion of women in the entire workforce fell to around 27 percent in 2008. Women make up eleven percent of Senior Management and five percent of Top Executives. The number of women in leading positions therefore grew slightly despite the minor decrease in females in the entire workforce.

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Number of Employees with a Severe Disability of Group Companies located in Germany (2008)						
	Central Europe	Pan-European Gas	Energy Trading	Corporate Center ¹	New markets ¹	E.ON Group
Number of employees with severe disabilities	1,737	98	3	66	1	1,905
Of which the number of apprentices with severe disabilities	45	1	0	4	0	50
Proportion of employees with severe disabilities	6.1	3.1	0.6	2.3	0.8	5.4
¹ Market unit Climate & Renewables.						

In 2008, the group's German companies employed over 1,900 severely disabled people or people with a similar impairment. This represents around five percent of the total workforce, meaning that we able to increase the ratio by another 0.3 percent year-on-year (2007: 5.1 percent).

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In 2008, the number of disabled apprentices at E.ON increased once again, growing 19 percent compared to 2007.

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Proportion of E.ON Market Unit Employees with full-time or permanent Employment Contracts						
in %	2008		2007		2006	
	Full-time	Permanent	Full-time	Permanent	Full-time	Permanent
Central Europe	90	94	92	95	93	96
Pan-European Gas	96	99	97	99	97	99
U.K.	88	97	89	98	87	98
Nordic	98	98	96	98	96	97
U.S. Midwest	99	99	99	99	99	99
Energy Trading	97	94	n/a	n/a	n/a	n/a
New markets	99	97	100	98	n/a	n/a
Corporate Center ¹	91	95	89	95	91	94
E.ON Group²	93	96	93	96	93	97
¹ 2008 figures include E.ON I.S. ² 60% of women groupwide take up the option of part-time employment.						

At the end of 2008, 93 percent of employees at E.ON worked full-time, while 96 percent were employed on a permanent basis.

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Apprentices in Germany	
	Dec. 31, 2008
Central Europe	2,317
Pan-European Gas	298
E.ON AG/Others ¹	90
E.ON Group	2,705
¹ Including E.ON I.S.	

Traditionally, training young people has a top priority at E.ON. At the end of 2008, 2,705 apprentices were employed by E.ON companies in Germany. This apprentice ratio therefore remained relatively close to that of the previous year, at around seven percent.

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Awards, Ratings and Rankings

E.ON is continually expanding its involvement in Corporate Responsibility (CR). That is why we are delighted about the awards as well as good results we achieve in ratings and rankings, which confirm that we are on the right track. In 2008, we showed once again that our work also gains plenty of recognition outside of the company. We'd like to present a few examples of this here.

Ratings and Rankings

Dow Jones Sustainability Index (DJSI)



After qualifying for the Dow Jones Sustainability Index (DJSI) for the first time in 2007, E.ON was able to confirm this position in 2008. In other words we continue to be represented in the market indicator for companies which demonstrate state-of-the-art sustainability in operations. We are now aiming to improve our Dow Jones Sustainability Rating even further.

Gold Class in the Sustainability Yearbook 2008



As a result to its ranking in 2008, E.ON placed among the best three electricity companies worldwide in 2008 and therefore in the "Gold Class" of the Sustainability Yearbook 2009 published by Zurich-based asset management company SAM. The Yearbook is one of the world's most comprehensive publications on sustainability. Every year, the 2500 largest companies according to the Dow Jones Wilshire Global Index are invited to take part in the SAM Corporate Sustainability Assessment. Only the 15 percent of companies with the highest scores in their sector are included in the Sustainability Yearbook.

"Good Company Ranking"

E.ON came in sixth place in the "Good Company Ranking" monthly published "manager magazin" (German business magazine) issued in May 2009. The competition is aimed at the 90 largest European companies listed on the STOXX index. It recognizes the connection between corporate responsibility and a company's successful business management.

Carbon Disclosure Index 2008

In 2008, E.ON was included in the Carbon Disclosure Leadership Index (CDLI) for the first time. The index is published by the "Carbon Disclosure Project" (CDP), a group of 385 institutional investors. The index analyzes 500 of the world's largest companies on their carbon dioxide emissions in terms of their completeness and transparency. Only 67 of these companies were admitted to the index.

Accountability Rating

In 2008, E.ON placed 24th in the accountability rating of the top 100 companies published by the British CSR consultancy csrnetwork and the international think-tank AccountAbility. This also underlines the quality of our CR work.

ASPI Eurozone Index®

E.ON has been part of the Advanced Sustainable Performance Index (ASPI Eurozone®) since September 2007. The share index features the 120 Eurozone companies with the best CSR ratings according to the French rating agency Vigeo Group.

Storebrand



The Norwegian financial service provider Storebrand named E.ON "Best in Class" for its efforts in the area of sustainability. E.ON has now received this mark of quality for the second time in succession.

High Ranking for Online Communications

E.ON has been voted as one of Europe's best companies for its online corporate responsibility reporting in the annual ranking from Swedish communications agency Hallvarsson & Halvarsson. Every year the ranking assesses 700 companies on the scope and quality of the CR information they provide on their websites.

Awards

"Best Workplaces" in Germany and Europe



The Great Place to Work Institute Europe ranked E.ON as one of Europe's 100 best employers in 2008. E.ON ranked in 14th place at the "Best Workplaces in Europe" awards, which the institute presents in cooperation with the Financial Times. The assessment was based on the national competitions of 15 countries. In 2008, E.ON also received the special prize for "Health Management". These and many other awards once again confirmed E.ON's reputation as an outstanding

employer.

Wulf Bernotat "Strategist of the year"

Wulf Bernotat was awarded the title "Strategist of the year". The award is presented by the Financial Times Deutschland, the WHU business school in Vallendar and the management consulting company Bain & Company. Every year, the award is given to the CEO of a listed company that has outperformed market competitors thanks to a clear strategy. Bernotat received the award in the category "Large company with revenue of more than EUR15 billion". The assessment considers criteria such as revenue and employee growth, profitability as well as responsible business leadership.

Top Capital Market Award

E.ON's Finance department was also recognized, picking up the title of "Corporate Issuer of the Year". The award is presented by the popular capital market publication International Financing Review, and is based on surveys conducted among banks and investors. It underlines the special trust that E.ON has earned on the financial markets. Despite the financial crisis, E.ON was still able to place EUR12.9 billion in borrower's bonds and notes in 2008 alone.

First Place for Investor Relations Work

The 35th Thomson Reuters Extel Survey revealed that E.ON enjoys high acceptance levels among the more than 7,500 investors quizzed in the category "financial communications for a European company". E.ON CEO Wulf Bernotat didn't just come out on top in the "Best CEO Utilities" category, but also in the overall ranking of CEOs at the

top 100 companies from all sectors. "Best CFO Utilities" was awarded to Chief Financial Officer Marcus Schenck. There were also other top rankings for the entire group, recognized for its investor relations work, as well as for Kiran Bhojani, Executive Vice-President E.ON AG, as "Leading Pan-European IR Professional".

Recognition for Bulgarian Subsidiary

Our subsidiary E.ON Bulgaria ranked second in the Annual Awards for Socially Responsible Business 2008 presented by the Bulgarian Business Leaders Forum (BBLF). The company was presented with the award in the category "Investor in human capital and the labor conditions" for its further education program. The award was also recognition for E.ON Bulgaria's tireless HR work.

Tódor Kármán Award

E.ON Hungária received in 2008 the renowned "Tódor Kármán Award" of the Hungarian Ministry of Education and Culture. E.ON Hungária received this award for its years of supporting scientific research and education in Hungarian Universities.

CEDR Award for Excellence in ADR

E.ON AG was given the "CEDR Award for Excellence" award in Alternative Dispute Resolution (ADR) in 2008 for its business mediation project. With this award E.ON was acknowledged as one of the leading German companies in modern and contemporary conflict management. This project was initiated by E.ON Energie. The Centre for Effective Dispute Resolution (CEDR) is one of the most important associations for so-called Alternative Dispute Resolution (ADR) in Europe.

Additional Information

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