POST-ISSUANCE CLIMATE BOND CERTIFICATION

Verification Report for Post-Issuance Certification
for the Green Bond Issued by EnBW

SCOPE

Energie Baden-Württemberg AG (EnBW) commissioned ISS ESG to compile a Verifier's Report for Post-Issuance Certification of its Green Bond by the Climate Bonds Initiative (CBI). The Climate Bonds Certification process includes verifying whether the provisions of the Climate Bonds Standards issued by the CBI are met and obtaining evidence to support the verification.

CRITERIA

Relevant CBI Standards for this Climate Bonds Certification:

- Climate Bonds Standard (Version 3)
- Wind Sector Eligibility Criteria (Version 1.1)
- Solar Sector Eligibility Criteria (Version 2.1)
- Low Carbon Transport Sector Eligibility Criteria (Version 2.0)
- Marine Renewable Energy Sector Eligibility Criteria (Version 1.2)

ISSUER'S RESPONSIBILITY

EnBW's responsibility was to provide information and documentation on:

- Selection of nominated projects & assets
- Technical aspects of projects & assets
- Internal processes & controls
- Proposed reporting

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Post-Issuance Verification of the green bond issued by EnBW based on the Climate Bonds Standard V.3 and planned and performed procedures to obtain limited assurance, defined by the International Standard on Assurance Engagements, ISAE 3000 revised - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board.

ISS ESG's approach to assess whether the issuer's Green Bond meets the criteria of the Climate Bond Standards 3.0. is as follows:

- The issuer provided an overview over the assets to be included in the Green Bond asset pool and the relevant processes and documentation regarding the proceeds (e.g. use of proceeds, management of proceeds) to ISS ESG.
- The issuer filled in a questionnaire that covers all criteria of the Climate Bonds Standard 3.0.
- The issuer provided background documents that elaborate further on the information mentioned in the questionnaire.
- Using the questionnaire and background documents, ISS ESG carried out an assessment of the CBI criteria. In case any answers were unclear, ISS ESG contacted the issuer for more details and clarification.

The engagement with EnBW took place in July - August 2022.

ISS ESG'S BUSINESS PRACTICES

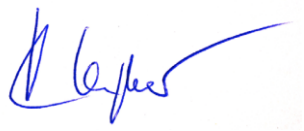
ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

RESTRICTION ON DISTRIBUTION AND USE OF REPORT

This Verification Report for Climate Bonds Certification including all documentation provided alongside is intended for the use of EnBW and the Climate Bonds Standard Board. The present document may be published by EnBW, CBI and ISS ESG. CBI and ISS ESG agree to publish the report with the consent of EnBW.

OPINION

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Issuer's 2021 Green Bond is not in conformance with the Climate Bonds Standard's Post-Issuance Requirements.



ROBERT HAßLER
ISS ESG
Munich, 23 August 2022

Disclaimer

About ISS ESG

Since March 2018, ISS-oekom has been a member of the ISS family, sitting within the ISS ESG business unit, which also includes ISS-ethix and ISS-Climate. ISS ESG provides high quality solutions for sustainable and responsible investment and corporate governance. The External Review team, covering Second Party Opinions (SPOs) and Climate Bond Certifications is made up of colleagues across ISS ESG, from ISS-oekom and ISS-Climate.

Originally founded in 1993 and formerly known as oekom research, ISS ESG is one of the world's leading ESG research and rating agencies for sustainable investments with an unsurpassed rating methodology and quality recognition. ISS ESG analyzes businesses and countries with respect to their environmental social and governance performance. As an experienced partner of institutional investors and financial service providers, we analyse the level of responsibility exercised by equity and bond issuers towards society and the environment. Under the new ownership, ISS ESG completes the ESG research and RI services offerings of ISS, making it a worldwide pure-player in the area of RI Research & Solutions. ISS ESG is headed by Robert Haßler, former CEO and co-founder of oekom research. More information: www.oekom-research.com and www.issgovernance.com.

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ANNEX

Annex 1: Detailed Findings

Annex 2: Detailed Findings Solar Power

Annex 3: Detailed Findings Wind Power (onshore)

Annex 4: Detailed Findings Marine Renewable Energy (offshore wind)

Annex 5: Detailed Findings Low Carbon Transport

ANNEX 1: DETAILED FINDINGS

5. USE OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ASSESSMENT
5.1	Net proceeds allocation to Nominated projects	The full amount of the net proceeds of EUR 498.25 million has been allocated to nominated Eligible Assets.	✓
5.2	Conformance with the Bond's documented objectives and requirements of Part C of the CBI Standard	The full amount of the net proceeds have been used to refinance onshore and offshore wind projects, solar PV projects, and electric vehicle charging infrastructure, as detailed in the Annexes.	✓
5.3	Allocation of proceeds within 24 months of issuance of the bond	The full amount of the net proceeds were allocated to the nominated projects within a year after the issuance.	✓
5.4	No double nomination of projects and assets	EnBW ensured the portions of the projects and assets refinanced by the proceeds of this bond are separate from the ones financed by EnBW's other Climate Bonds.	✓
5.5	Share of financing vs refinancing	The proceeds were used for refinancing projects eligible Capex.	✓
5.6	Tracking of proceeds	The Green Bond proceeds were managed by EnBW in a portfolio approach. EnBW's internal accounting system allows to track and control at any point in time the amount of funds that have been allocated to an individual project.	✓
5.7	Size of net proceeds vs investment exposure to nominated projects and assets	The maximum eligible amount of Capex equals the net proceeds of the issuance.	✓
5.8	Additional Projects and assets	No additional projects or assets have been added to the nominated list that was presented at the pre issuance verification.	✓

6. PROCESS FOR EVALUATION AND SELECTION OF PROJECTS & ASSETS

	REQUIREMENT	FACTUAL FINDINGS	ASSESSMENT
6.1	Documented and maintained a decision-making process, including: A statement on the Climate-related objectives of the Bond Climate-related objectives of the bond in the context of the issuer's strategy Issuer's rationale for issuance the bond Process determining that the projects/ assets meet the eligibility criteria	EnBW has a Green Financing Committee and a selection process to ensure only eligible and appropriate projects and assets are included for nomination and financing by the proceeds. As a group, EnBW strives strategically for the currently best possible CO2-free power generation and also wants to build up the infrastructure required for this, so that EnBW can participate in the development of a climate-friendly energy supply in its entire range. The issuer plans to invest in growth projects (focusing on grid expansion, renewables, and smart infrastructure), in line with their strategy 2025 of developing into a sustainable and innovative infrastructure partner. With the Green Financing Framework, EnBW intends to work towards sustainability on the asset side, and also on the liabilities side of the balance sheet. The bond was issued to fund the implementation of the strategy 2025 of EnBW which encompasses projects to support the Energy and mobility transition of Germany. The nominated projects consist of solar PV, onshore and offshore wind projects as well as charging infrastructure.	✓

7. MANAGEMENT OF PROCEEDS

	REQUIREMENTS	FACTUAL FINDINGS	ASSESSMENT
7.1	Net proceeds are credited to a sub account and documented	EnBWs internal accounting system allows to track and control at any point in time the amount of funds that have been allocated to an individual project.	✓
7.2	Net proceeds are earmarked	EnBW has set up a register and has put internal systems in place to track the outstanding proceeds of Green Financing instruments internally. Until full allocation, proceeds will be held in any form of cash, bank deposit or other form of available current financial assets.	✓

		However, the full amount of the net proceeds was allocated immediately after issuance	
7.3	Unallocated proceeds	The full amount of the net proceeds was allocated immediately after issuance	-

8. REPORTING

	REQUIREMENTS	FACTUAL FINDINGS	ASSESSMENT
8.1	Timing and availability of Update Reports	EnBW publishes allocation and impact reports annually on its website.	✓
8.2	Allocation report, Eligibility Report, Impact Report	EnBW publishes separate Green Bond Reports. All documents are publicly available on EnBW's website as below:	✓
8.3	Allocation Reporting	The allocation reporting details are available on EnBW's website at https://www.enbw.com/company/investors/bonds/enbw-green-bond-impact-report-2021/allocation-reporting.html	✓
8.4	Eligibility Reporting	The eligibility details are available in the impact report at: https://www.enbw.com/media/investoren/investors_images/green_bond/documents/enbw-green-bond-impact-report-2021.pdf	✓
8.5	Reasons for confidentiality	Public disclosure of the nominated projects and assets available on the website.	✓
8.6	Impact Reporting	The impact reporting details are available on EnBW's website at https://www.enbw.com/media/investoren/investors_images/green_bond/documents/enbw-green-bond-impact-report-2021.pdf A list of indicators and the assumptions used in calculating them, have been provided.	✓
8.7	Public Verifier Reports	Relevant Verifier Reports will be publicly available on EnBW website.	✓
8.8	Availability of information provided to Verifier	Relevant information has been provided to ISS ESG	✓

9. CLIMATE BOND TAXONOMY

	REQUIREMENTS	FACTUAL FINDINGS	ASSESSMENT
9.1	Matching of Climate Bond category	The full amount of the net proceeds was allocated to Eligible Assets which fall within the areas included in the Climate Bonds Taxonomy.	✓

10. TECHNICAL CRITERIA

	REQUIREMENTS	FACTUAL FINDINGS	ASSESSMENT
10.1	Sector-specific eligibility criteria	The full amount of the net proceeds are allocated to Eligible Assets related to the aforementioned categories and conforms with the relevant eligibility requirements under part C of the Climate Bonds Standards.	✓

ANNEX 2: DETAILED FINDINGS SOLAR POWER

✓	**The Green Bond Asset Pool complies with the Solar Criteria of the Climate Bonds Initiative.** The proceeds have been used to refinance the development of solar farms in Germany. These facilities do not rely on fossil fuel back-up. The solar farms are all eligible for the Climate Bonds Certification.

ANNEX 3: DETAILED FINDINGS WIND POWER (ONSHORE)

✓	**The Green Bond Asset Pool complies with the Wind Criteria of the Climate Bonds Initiative.** The proceeds have been used to refinance the development of wind farms in Germany and Sweden. The onshore wind farms are all eligible for the Climate Bonds Certification

ANNEX 4: DETAILED FINDINGS LOW CARBON TRANSPORT

✓	**The Green Bond Asset Pool complies with the Low Carbon Transport Criteria of the Climate Bonds Initiative.** The proceeds have been used to refinance the development of electric vehicle charging infrastructure across Germany. The charging infrastructure is all eligible for the Climate Bonds Certification.

ANNEX 5: DETAILED FINDINGS MARINE RENEWABLE ENERGY (OFFSHORE WIND)

✓	**The Green Bond Asset Pool complies with the Marine Renewable Energy Criteria of the Climate Bonds Initiative.** Two offshore wind farms located in the Irish Sea, have been nominated. They are currently under development and planned to be operational in 2028.

Adaptation and Resilience Component

	REQUIREMENT	FACTUAL FINDINGS	ASSESSMENT
1.1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions	The possible effects of climate change on the assets are considered in the EIA. For the onshore assets, the risks are considered in the onshore Flood Risk Assessment of the EIA. For the offshore assets, the risks are considered in the scoping assessment of the EIA.	
2.1	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders	Stakeholder engagement is an essential part of the consenting and grid connection process as well as the supply chain engagement and thus an indispensable component of the project.	✓
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The EIA has provided an assessment of the potential environmental impacts associated with the construction, operation and maintenance, and decommissioning phases of the project. An iterative approach to assessment will be adopted, whereby a specific impact is initially assessed, and if this is deemed to be a significant adverse effect in EIA terms, changes are made (where practicable) to relevant project parameters or design in order to avoid, reduce or offset the magnitude of that impact. The assessment is then repeated until either the effect has been reduced to a level that is not significant in EIA terms, or no further changes	✓

		may be made to the project design parameters to reduce the magnitude of the impact. The EIA is accompanied by an Environmental Management and Monitoring Plan which will include all project mitigation/monitoring measures and commitments made within the EIA.	
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	EnBW has long-term experience in operating offshore installations. Joint expertise and track records will provide for a future operation and maintenance (O&M) set up to safeguard the safe, profitable and long-term operation of the assets in the Irish Sea.	✓
4.1	Issuer is involved in stakeholder engagement and collaboration	Stakeholder engagement is an essential part of the consenting and grid connection process as well as the supply chain engagement and thus an indispensable component of the project.	✓
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the negative impacts	Within the framework of the Plan-Level Habitats Regulations Assessment (HRA) and the Project-Level HRA, environmental compatibility of the projects is assessed. If there is a risk to endangered species, habitats or to ecosystem services as a result of the project we will consider appropriate mitigation measures, which could include shifting the construction period or underwater noise reduction during the piling for the Wind Turbine Generator foundations. EnBW is currently in the early stages of project development. EnBW have started working on the Environmental Impact Assessment (EIA) and have started carrying out surveys in order to inform their understanding of the ecosystem in the wider vicinity of the lease areas.”. If needed EnBW will then review mitigation measures to avoid significant impacts.	✓
5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	The EIA will be accompanied by an Environmental Management and Monitoring Plan, which will include a Waste Management Plan.	✓

5.3	The issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.	Mitigation measurements will be taken into account in the waste management concept as well as in the HSSE (Health, Safety, Security and Environment) strategic plan.	✓
5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	The Project Design Envelope (PDE) will include details of the proposed decommissioning strategy (e.g. approach to removing infrastructure). This will inform the assessment of the decommissioning phase effects in the EIA. The submission of a decommissioning programme is likely to be a condition of the planning consent, with reference to the requirements of the UK Energy Act 2004.	✓
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	Within the stakeholder engagement plan relevant "users of the sea and coast" with respect to the project will be identified and a communication and stakeholder management strategy will be built up to minimise potential conflicts. As an example EnBW has worked with ferry line operators on how to adapt their shipping lanes where necessary in order to avoid interference with any offshore wind turbines.	✓