Sustainability Report 2021/22

The Power of Sustainability

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Information has been audited externally by Ernst & Young AG to obtain limited assurance.

Sustainability is crucial for successful corporate management, especially in times of crisis

GRI 102-14

Christoph Brand, CEO

Christoph Brand, we're experiencing a war, an energy crisis and inflation – is sustainability falling by the wayside in turbulent times like these?

Sustainability is and will always be the compass of our corporate governance. That's the only way we can ensure Axpo's long-term success and contribute to the security of supply. Even – or especially – in times of crisis, our main motivator remains the same: we utilise innovative energy solutions to enable society to build a sustainable future. Of course, in times of crisis, we often have to solve urgent problems that we would have rather dealt with differently. I don't think anyone in Switzerland would have wanted to hear calls to save energy or temporary gas-fired power plants like those at Birr AG, which are now needed to secure the supply in winter. The energy trilemma – meaning the conflict between security of supply, affordability and environmental sustainability – is particularly acute in the current crisis. At Axpo, we're doing everything we can to achieve these three energy policy objectives at the same time.

What about Axpo's environmental sustainability?

At around 95 g CO_2 per kilowatt hour, our power plants produce significantly fewer CO_2 emissions than the European average. In Switzerland, we even operate a virtually CO_2-free power plant portfolio thanks to our nuclear and hydroelectric power plants and other sources of renewable energy such as biomass and solar power. Of course, our goal must be to reduce this number to zero.

How does Axpo intend to grow in the area of renewable energy despite the crisis?

In the face of climate change, renewable energy will continue to gain importance. As Switzerland's largest producer of renewable energy, we want to continue to grow strongly in this area. We've made separate divisions of wind and photovoltaics (PV) and strengthened their importance in the company. By 2030, we aim to expand our installed PV capacity to up to 10 gigawatts both domestically and internationally – around 20 times more than today. In the case of onshore wind, we're planning a tenfold increase to around 3 gigawatts. We've also added 257 mega-

watts of solar power and 103 megawatts of wind power in the year under review. Since Switzerland has to import substantial quantities of electricity in winter, expanding the production capacity of renewable energy abroad makes a cost-efficient contribution to Switzerland's security of supply.

And the expansion in Switzerland?

We're launching a major solar initiative in Switzerland. Our plan includes the expansion of 1.2 gigawatts of solar power in Switzerland by 2030. That will let us cover the energy requirements of more than 300,000 Swiss households. Doing so will help us improve the security of supply and make a valuable contribution towards ensuring a sustainable and secure electricity supply, especially in winter. The solar initiative focuses both on Alpine solar plants as well as ambitious projects in residential areas. We've already got our sights set on specific projects like NalpSolar, an Alpine solar park near the Nalps reservoir in the Canton of Graubünden. Coming on the heels of the pioneering AlpinSolar project at the Lake Mutt Dam, NalpSolar can become another flagship project for Axpo. If the energy transition is to succeed, we'll need around 50 terawatt hours of additional electricity per year by 2050. That's possible if we significantly accelerate the expansion of renewable energy, but also calls for technologies like CO_2-neutral gas-fired power plants for the winter.

How is Axpo contributing to efforts to ensure the security of supply during this winter of crisis?

Axpo generates around 20 terawatt hours of electricity per year in Switzerland. That's around a third of Switzerland's annual consumption, meaning that we contribute substantially towards ensuring the security of supply. Over the past 10 years, around 70 per cent of the investments we reported were made in Switzerland. The list includes new power plant projects as well as investments in the power grids and the safe operation of nuclear power plants. We've postponed the renovation of the Gigerwald Dam by two years as a short-term measure. While that's costing us money, it also gives us around 160 gigawatt hours to ensure the security of supply this winter. On top of that, the drought caused lower water flows which we compensated for in full by generating less electricity in the summer in order to fill the reservoirs for the winter – that will generate about 900 gigawatt hours. Finally, we comprehensively modernised the Leibstadt nuclear power plant. Not only will that give us the option of extending the plant's operating life, but it will also generate an additional 100 to 150 gigawatt hours of energy over the year, albeit mostly in the summer.

What about social sustainability?

We're aware of the fact that our 100 or so power plants and distribution grids mean we play a key role in Switzerland's economy and society. And we're doing everything in our power to continue fulfilling this responsibility in the future. Our diversified strategy and the integration of production and trading put us in a position to overcome turbulent times like these.

As an employer, how does Axpo define sustainability?

We're a major employer with around 6,250 employees (5,937 full-time positions). We also created a total of around 570 new jobs in the past financial year, mainly in the areas of renewable energy (solar/wind) and the origination business in our international operations as well as in the areas of building technology and solar at CKW in Switzerland. Today, we're a diversified and international company. We embrace a culture free of prejudices concerning age, gender, origin, education, religion, disability and sexual orientation. We promote uniqueness because it creates diversity. Our employees hail from over 60 nations, have around 150 different professional profiles and cover a wide range of ages. This diverse mix and the dynamic environment it engenders are pivotal to Axpo's sustainable corporate success. The employees have made a tremendous effort in this year of crisis, something that makes me both proud and grateful.

Flagship project: biomethane from the farm

Axpo invests in new projects to expand and develop the energy system by integrating renewable energy. In the 2021/22 financial year, one of these involved the production of biomethane on the Torre Santamaría farm.

The Torre Santamaría farm in Balaguer (Catalonia, Spain) uses livestock waste to produce 100 per cent biogas in a state-of-the-art plant. The plant has been up and running since February 2022 and fed nearly 10 gigawatt hours of biomethane into the local gas grid during its first 10 months of operation. The project's development was made possible by an advance payment by Axpo of more than 4 million euros and it is the first biomethane production facility in Spain to be secured by a long-term purchase and sale agreement.

A flagship project for the circular economy

The more than 2,000 cows at the Torre Santamaría farm produce 24 million litres of milk per year and some 70,000 tonnes of organic waste. The plant uses this livestock waste as a source of energy. The project could catch on, because the potential is there: around 8 million pigs, 700,000 cattle and 38 million birds are being raised in Catalonia. Those farm animals produce a total of around 17 million tonnes of manure. Livestock farms could significantly reduce their ecological footprint if large-scale biomethane projects were implemented in the region.

Axpo’s solar initiative in Switzerland

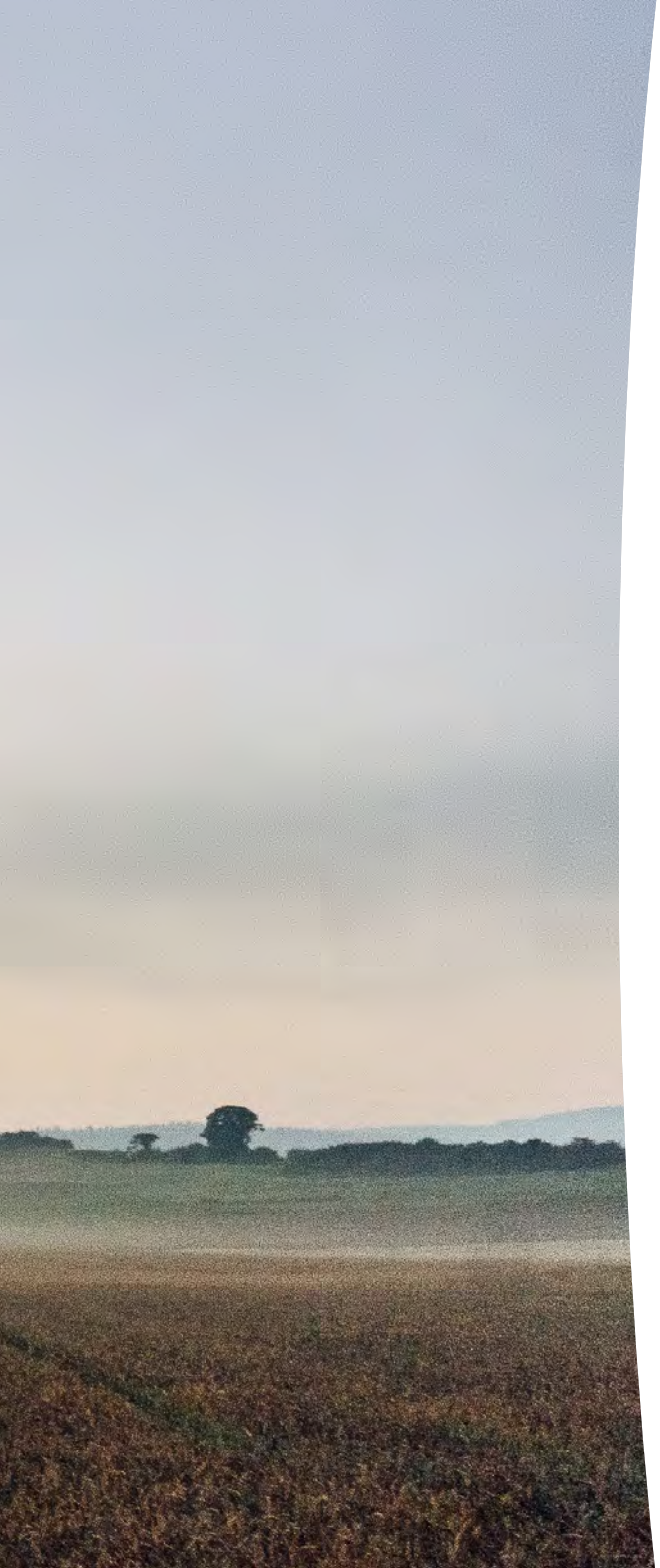
Given the growth in electricity consumption, Switzerland faces a major challenge when it comes to adequately meeting demand going forward. Not only will the nuclear power plants be decommissioned one by one but the potential for expanding hydro power is also limited. Switzerland’s electricity shortfall will amount to around 50 terawatt hours by 2050.

In terms of solar energy expansion, we see a lot of potential in Switzerland and throughout Europe that absolutely must be exploited. After all, expanding the use of renewable energy on all fronts in Switzerland is the only way we will be able to bridge the upcoming electricity supply gap.

Solar expansion in new dimensions

While this initiative is an important step, on its own, it will not be sufficient to overcome Switzerland’s challenges. Further investments are urgently needed in all types of renewable energies.

The Axpo model shows that if approval procedures and financing options permit, the energy turnaround is attainable while still maintaining a high level of security of supply.



We are Axpo

Rooted in Switzerland, active internationally, committed to values and a shaper of the energy turnaround: the Axpo Group combines all this. Rarely has the energy market been as challenging as it is today, meaning that Axpo's agility and innovative strength are needed now more than ever.

Three figures we're proud of:

6,000+
employees

100+
years of experience

30+
countries

We are Axpo

As Switzerland's largest producer of electricity, Axpo plays a major role in the country's security of supply. The expansion of renewable energy has made it a leading force in the energy turnaround and the Group supports a secure energy future.

The integrated business model employed at Axpo combines production and trading for sustainable success in the internationally interconnected electricity market. Axpo has successfully positioned itself in the global energy trading market, particularly with respect to power purchase agreements (PPAs) in the customer business. It uses these agreements to help corporate customers in 40 markets reduce their CO_2 emissions. PPAs are becoming increasingly important in efforts to combat climate change.

Axpo employs a highly professional risk management system. The international trading and customer business has contributed significantly to earnings for many years. Profits from abroad enable large investments to be made in Switzerland. In fact, Axpo has invested three times more in Switzerland than in other countries since 2013. Several billions of Swiss francs were spent on maintaining the country's hydro power capacities, on electricity grids and on ensuring nuclear power plant safety.

> Our more than 6,000 employees and our partners help us meet our customers' energy needs a little better every day and become even more sustainable.

Our purpose

We work every day to meet the high expectations of our customers, employees and shareholders. As an energy company, the Axpo Group is committed to safety, quality and reliability. Environmental, social and economically sustainable objectives shape our actions. We aspire to make a significant contribution towards the success of the energy turnaround and to ensure long-term profitability and competitiveness. Our purpose is what drives us.

> We create added value for society and the economy.

The purpose describes Axpo's "reason for being", other than the Group's focus on profit, and clearly references social added value that extends beyond the mere need to ensure customer satisfaction. The purpose is what motivates current and future employees to work for Axpo and what drives us every day.

> Our purpose:
>
> We ensure a sustainable future through innovative energy solutions.

Activities, markets and products GRI 102-2, 102-6

On our way towards a CO_2-free future

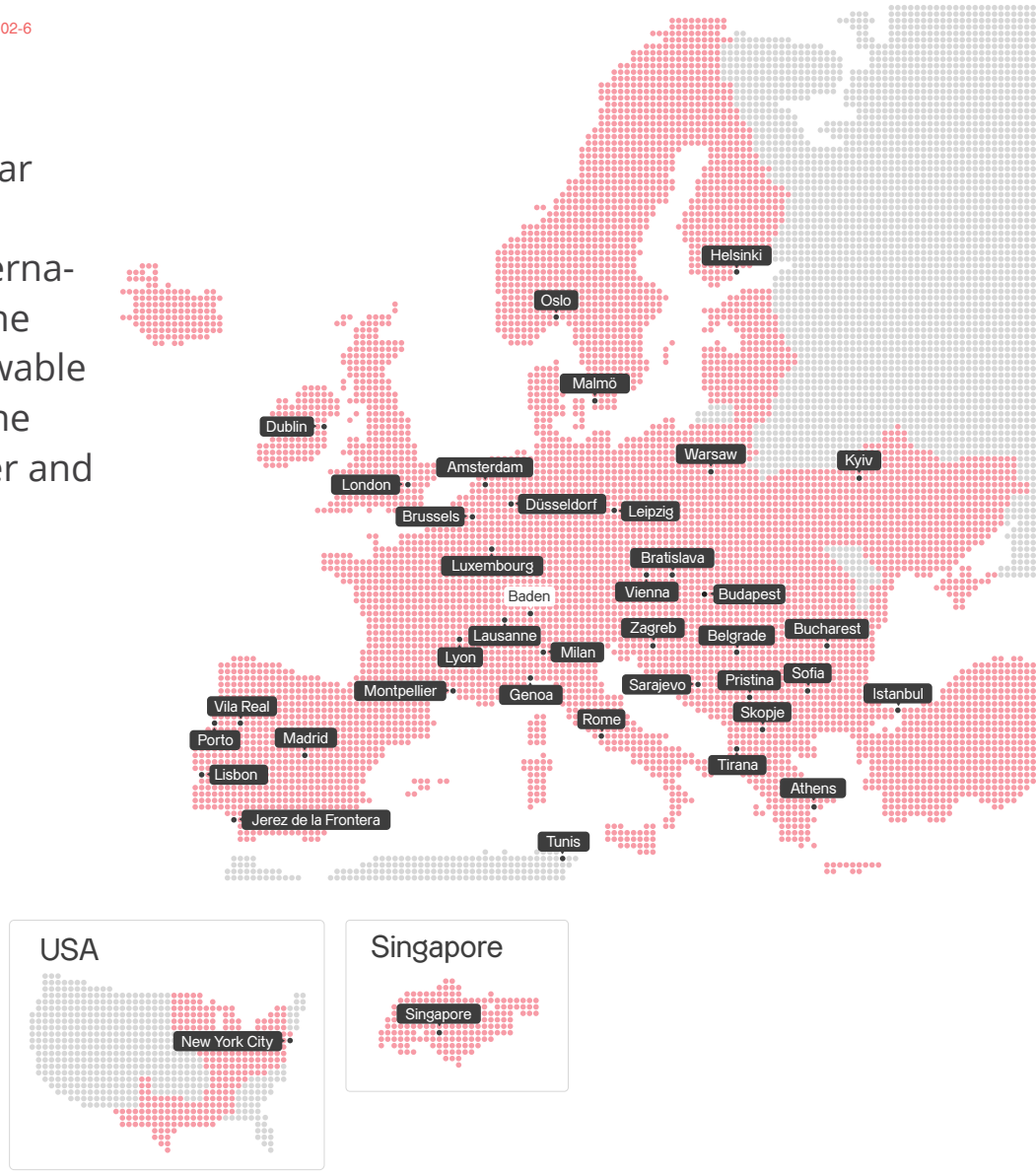
Axpo is the largest Swiss producer of renewable and low-CO_2 energy. The Group is an international leader in the marketing of solar and wind power. We leverage our innovative strength and state-of-the-art technologies to contribute to a climate-friendly energy supply and help our customers on their way towards a CO_2-free future.

Ready for the turnaround

Since all activities are aimed at ensuring the company's long-term economic success, it is also a Group objective. The key megatrends of decarbonisation, decentralisation and digitalisation are fundamentally transforming the energy market. Axpo wants to provide answers to the energy-related issues of our time. Thanks to its expertise, network and early decision-making, Axpo is well positioned and prepared for the turnaround in the energy sector. For example, Axpo is rapidly forging ahead with the expansion of solar and wind energy in Europe and making targeted investments in the business areas of green hydrogen and battery storage. Together with its partners, Axpo is doing pioneering work in these areas.

Axpo pursues a clear growth strategy. The company's international focus is on the expansion of renewable energy as well as the wholesale customer and trading business.

GRI 102-15



Business areas and strategic alignment GRI 102-2

Axpo Holding AG bears strategic responsibility for the Axpo Group and ensures that it remains focused on the future. It was established in 2001 and has its registered office in Baden. Together with its subsidiaries, it forms the Axpo Group. In Switzerland, Axpo mainly sells electricity to the B2B sector. Its biggest customers are five cantonal utilities and two municipal utilities. Through its subsidiary CKW, Axpo delivers electricity directly to private and business customers as well as indirectly to other customers through a total of six local distributors.

Axpo pursues a clear growth strategy. The company's international focus is on the expansion of zrenewable energy as well as the wholesale customer and trading business. In Switzerland, Axpo is strengthening its leading role in the transition to a CO_2-free energy future. We invest in battery storage and hydrogen in addition to hydro power, wind and solar energy.

The Generation & Distribution business area

The Generation & Distribution business area operates Axpo's power plant portfolio (nuclear, hydro, gas, new energy) and distribution grids. It is also responsible for the ongoing optimisation of the power plant portfolio and targeted investments in new

power plant and grid capacity. Since the 2020/21 financial year, this business area has additionally been responsible for developing the hydrogen and battery storage business.

The Trading & Sales business area

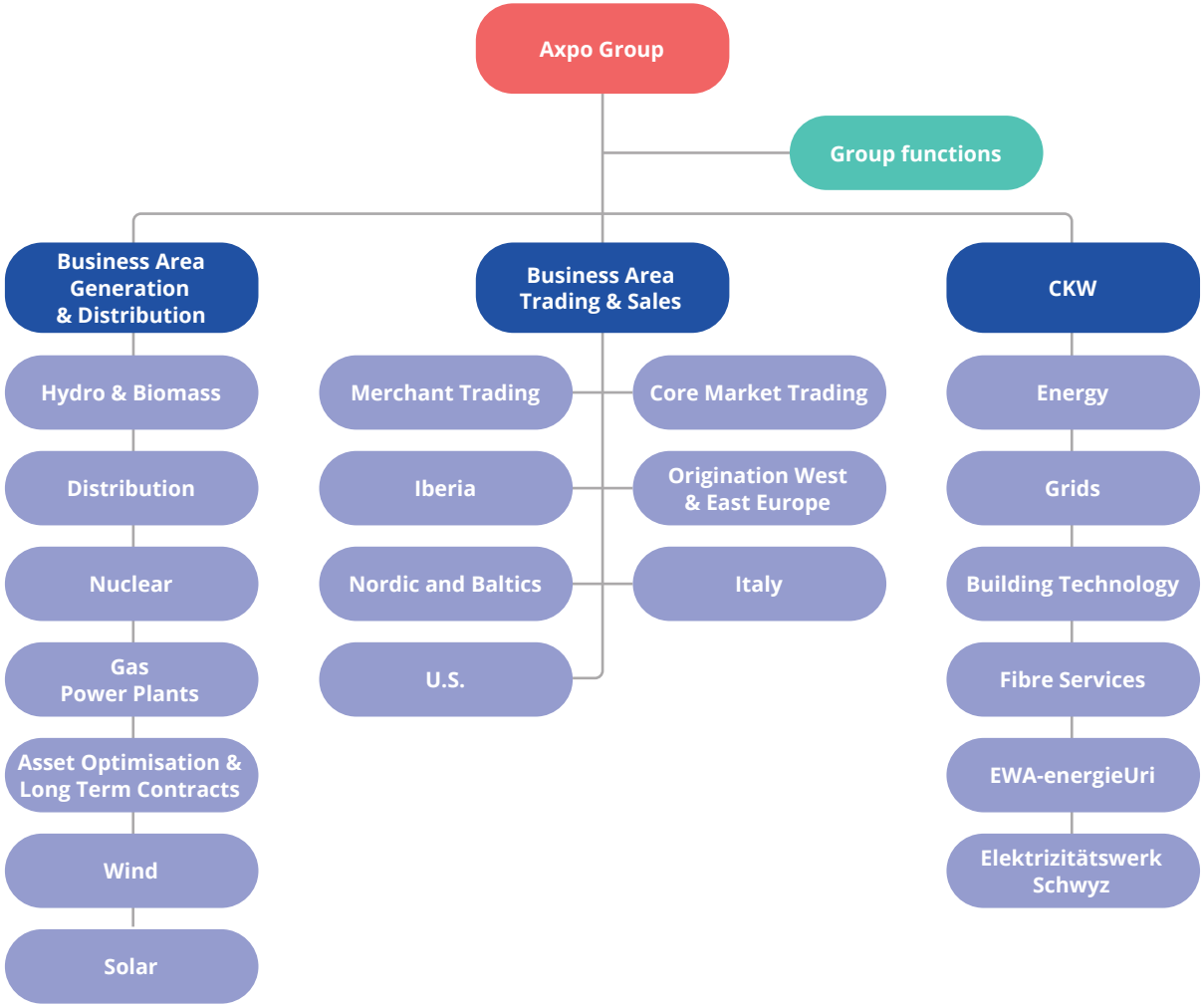
The Trading & Sales business area conducts own-account trading in energy-related commodities. This business area also serves as a supplier of energy for wholesale customers, intermediaries and retail-related activities. Geographically, Trading & Sales is present in all major European markets. A comprehensive, diversified commodity portfolio enabled the company to put its many years of expertise in market and credit risk management to use and to offer its customers tailored risk management solutions for managing cash flows and risk.

CKW

The CKW Group is the leading provider of energy services in Central Switzerland. It provides private customers, companies and the public sector with comprehensive services along the entire value chain – from turbine to socket.

Further information on CKW's activities can be found at https://www.ckw.ch.

The organisational chart of the Axpo Group at a glance: these are the subsidiaries and divisions.



The Group functions combined in Axpo Services AG include central management and service functions for the Group. This area comprises the duties of the CEO, CFO and COO.

What determines Axpo's sustainability

Adapting to new developments

Axpo conducts a materiality analysis once a year that identifies the most important sustainability issues for the company. The materiality analysis was expanded to cover additional information for the current reporting year, with the additions being based on relevant developments and foreseeable trends in the energy sector. As in the previous year, we carried out the analysis from two perspectives: significant impact on sustainable development and relevance to the various stakeholder groups.

The analysis was based on the relevance classes of high, medium and low. Topics are only considered material for reporting purposes if they are of at least medium significance in both relevant perspectives (see the graphic on materiality). Corresponding topics of the GRI Sustainability Reporting Standards (GRI) and its indicators (disclosures) were assigned to the topics identified as material. The content of the Sustainability Report focuses on the material topics.

Internal and external assessments

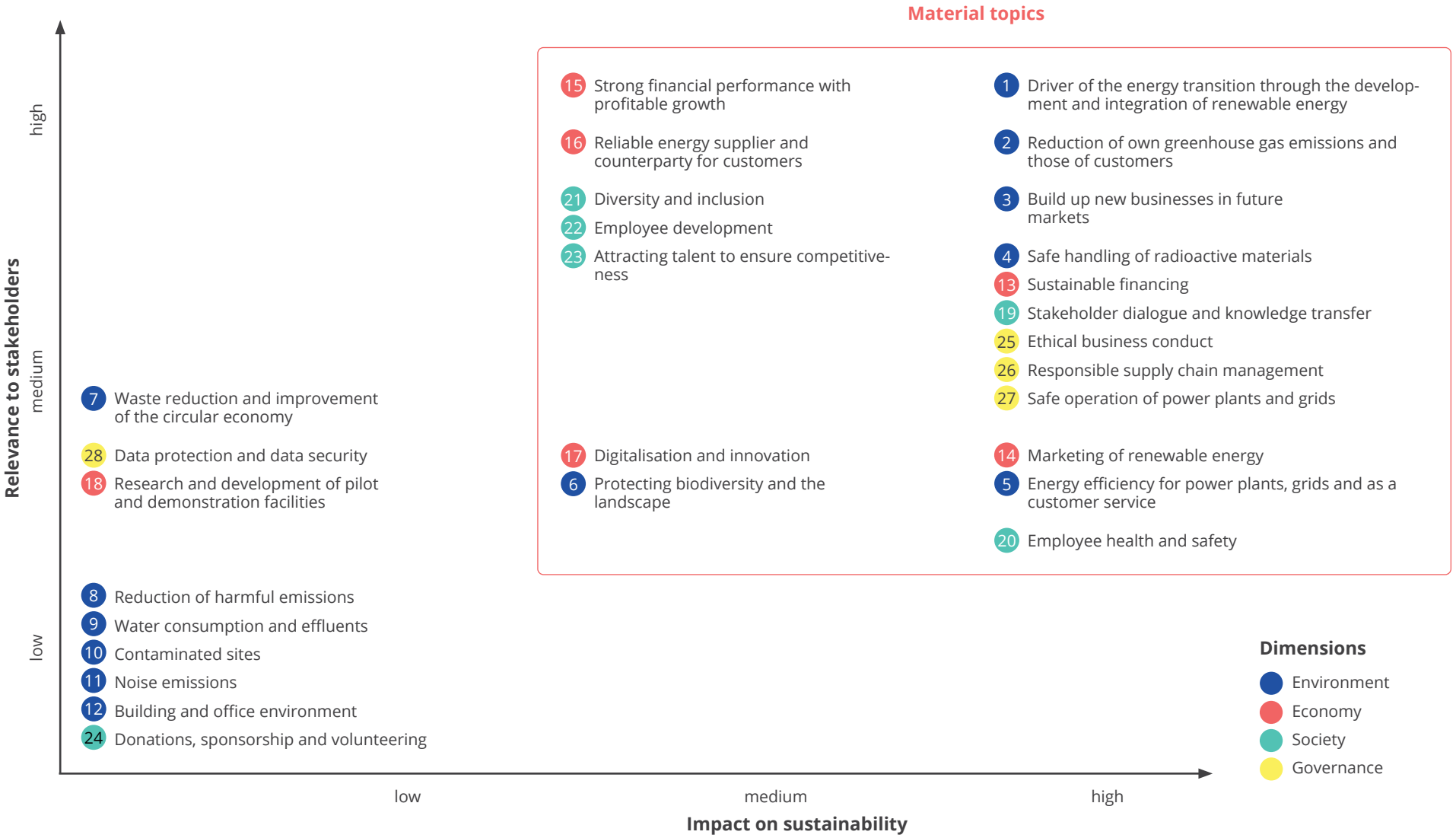
As in previous years, the analysis of relevance to Axpo's business activity is based on an internal assessment. The extent of significant positive or negative effects on sustainability aspects such as environmental concerns, employee concerns, ethical business management, observance of human rights and social concerns was assessed. The assessment of the material topics was updated slightly in the reporting year.

The analysis of relevance from a stakeholder perspective is based on a broadly diversified view of the stakeholder groups relevant to Axpo. The results of various stakeholder surveys were incorporated into this analysis:

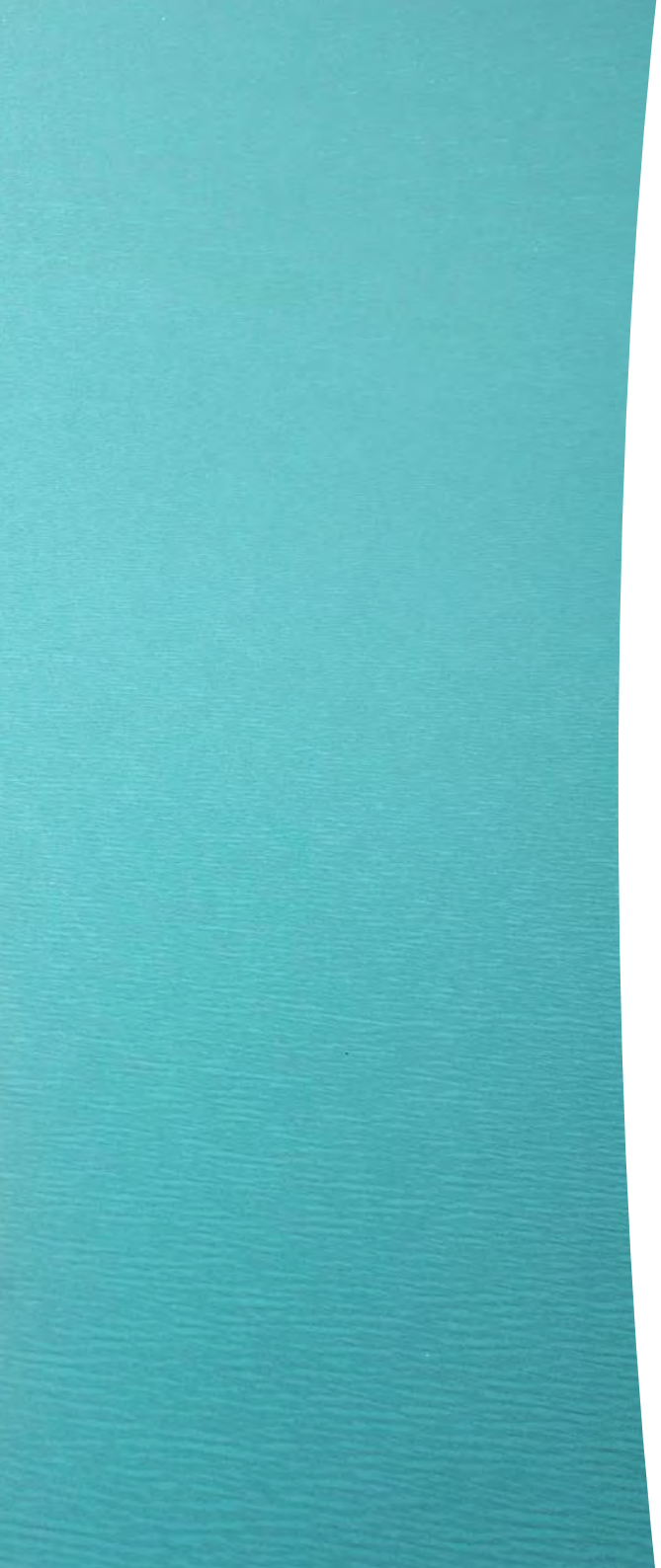
- Employees of Axpo
- Board of Directors of Axpo Holding AG
- Customers
- Politicians and public authorities
- Associations and NGOs
- Lenders

GRI 102-46

Materiality matrix GRI 102-47



Topics within the weighting high, medium and low are not ranked further by priority



Economy

As Switzerland's largest producer of renewable energy, our contribution to the security of supply is crucial and we underscore our commitment to sustainability by providing long-term financing (sustainability-linked bond framework)[1)] for the expansion of renewable energies. That helps us fulfil both our corporate strategy as well as the needs of our customers, shareholders and investors. We are financing a greener future through the sustainability-linked bond, the green bond as well as other transparent, sustainable offers.

1) More detailed information about the framework can be found at: https://www.axpo.com/ch/en/about-us/portrait/sustainability.html

Economy

We also take responsibility for climate protection and security of supply at an economic level. Solid financial performance and profitable growth help us ensure the company's development and, by extension, the expansion of renewable energy. We utilise our sustainable finance approach to secure our attractive credit profile and act in a forward-looking manner.

Financial performance and profitable growth GRI 201

Setting the course

Securing long-term economic income is a prerequisite for all of Axpo's future activities, making it the company's most important objective. The energy market is in a state of flux. Unforeseen volatility in the year under review highlighted the importance of the company's commitment to financial security and growth.

Axpo's strategy is based on three pillars:

- In Switzerland, Axpo plays a leading role in the transition to a CO_2-free energy future.
- Axpo continues to expand its renewable energy in Europe.
- Internationally, the company aims to grow in the area of trading and production.

Last year, Axpo focused heavily on expanding its renewable energy capacity. 103 megawatts of wind energy and 255 megawatts of solar energy were added in the financial year. In addition to hydro power, wind and solar energy, Axpo is also pushing ahead with the development of battery storage systems and the use of hydrogen as a source of energy. The majority of the investments go into the expansion, security and maintenance of Swiss plants and grids. Axpo aspires to continue making an important contribution to the energy turnaround in Switzerland and will invest 1 billion Swiss francs[1)] in the expansion of renewables over the next five years.

1) Assuming that it is permitted by the regulatory framework.

Volatile markets

In the trading business, Axpo was able to weather energy market volatility relatively unscathed thanks to its specialists' outstanding knowledge of the market. Further information on market development and Axpo's activities can be found in the Annual Report 2021/22 and Financial Report 2021/22.

The uncertainty in the markets led to higher customer demand for customised risk management solutions. The trend towards long-term supply contracts (power purchase agreements; PPAs) in the renewable energy sector, in which Axpo is one of the leading suppliers in Europe, continues unabated. Axpo concluded new renewable PPAs with a volume of 29.54 billion kilowatt hours in the past financial year, underlining its leading position in this attractive market.

> Axpo's investments in its efficient distribution grid make a substantial contribution toward securing the electricity supply in Switzerland and are simultaneously essential for the success of the energy turnaround.

CKW is the leading Swiss provider of solar energy

Axpo's subsidiary CKW also delivered excellent results in the 2021/22 financial year. CKW has established itself as a leading provider in the solar energy sector. In 2021, it strengthened its position with the acquisition of Solarville AG, which specialises in the planning, installation and maintenance of solar plants. Through this acquisition, it has also expanded its area of activity to include North-Eastern and North-Western Switzerland.

Sustainable finance

Sustainability on the financing side, as well

Sustainability is a central pillar of our corporate strategy and an increasingly important criterion for investors. With that in mind, we also want to utilise our sustainable finance initiatives as a means of contributing towards the financing aspect of the corporate strategy while also satisfying investors' current needs at the same time.

Green bond and other sustainable offers

The first step in this direction was the issue of the Axpo Green Bond and the corresponding creation of the Green Bond Framework in 2020. Other sustainable-linked finance instruments were added in 2022.

The Corporate Finance unit of the Treasury department is responsible for sustainable finance. However, the concepts are developed within the framework of cross-unit cooperation, including the Axpo Group's Sustainability department.

Attractive credit profile

> By establishing sustainable finance as a topic, the Axpo Group promotes the attractiveness of its credit profile and ensures cost-efficient financing for the Group in the future.

That means the capital provided can continue to be invested in Axpo's sustainability projects, among other things.

Market sends positive signals

Our most recent sustainable finance transactions have consistently prompted positive feedback from the banking and capital markets, which is why we are convinced that we're on the right track with our current financing concept.

Green bond reporting

Taking action against climate change

The issue of the green bond on 23 July 2020 supports the growth of Axpo's climate-friendly project portfolio, consisting of wind and solar projects. The green bond gives investors the opportunity to participate in Axpo's sustainable investment strategy in a targeted manner.

The Axpo Green Bond is accompanied by a Green Bond Framework. This framework is in line with the Green Bond Principles published by the International Capital Market Association (ICMA) in June 2018. It provides investors with a transparent overview of how green projects are selected and how the funds from the green bond issues are used.

Key data on the Axpo Green Bond

Issuer	Axpo Holding AG
Currency	CHF
Size	133,000,000
Issue date	15 July 2020
Total capital invested FY21/22	122,938,824
Unallocated capital	10,061,176

Reporting on the allocation of issue proceeds and environmentally sustainable impacts

Annual reports about the Axpo Green Bond

Transparency regarding the use of the proceeds from green bond issues is a core component of the ICMA Green Bond Principles. Axpo therefore publishes an annual report within the Axpo Sustainability Report, showing:

- the total amount of the net proceeds from green bond issues already allocated to the project portfolio
- the breakdown of the reported net proceeds from green bond issues by use for new financing, refinancing and amounts not yet allocated
- sustainable projects that were (re)financed in the reporting year, including project descriptions
- any allocation adjustments in the green bond project portfolio if projects no longer meet the Green Bond Asset criteria of Axpo's Green Bond Framework.

Global overview of the allocation of issue proceeds

Technology	Project	Country	Commissioning (year)	Type of financing[1]	Status	Installed capacity (MW)	Energy produced 2021/2022 (MWh)	Greenhouse gases avoided 2021/2022 (t CO_2 equivalents)	Capital invested (CHF m)[2]
Wind	Benet 2	France	2019	Refinancing	Operational	17.3	37,913	2,222	0.73
	Bois de la Hayette	France	2023	Financing	Under construction	27.6			5.96
	Saint-Quentinois	France	2022	Financing	Planning stage	27.6			6.16
	Aiguillettes	France	2023	Financing	Under construction	18.0			9.89
	Touches de Périgny	France	2022	Financing	Operational	27.3			8.06
	Bois Elie	France	2023	Financing	Under construction	22.0			8.62
	WP Egeln	Germany	2026	Financing	Planning stage	96.0			8.18
	Bois Paillet (TS)	France	2022	Financing	Operational	69.1			5.51
	Mont Varin (TS)	France	2022	Financing	Operational	61.2			4.84
	Plaisance	France	2025	Financing	Planning stage	17.3			3.85
	Tilleuls	France	2021 2023	Financing	7 wind turbines operational 4 wind turbines in the planning stage	29.4 14.4	52,979	3,105	3.68
	Moulin Berlémont	France	2022	Financing	Under construction	32.4			3.22
	Martelotte	France	2023	Financing	Under construction	18.0			2.94
						Σ Wind	90,892	5,326	71.64
Photovoltaics	Bove	Italy	2024	Financing	Planning stage	15.6			0.08
	Cigliano	Italy	N/A	Financing	Aborted	0.0			–
	Viglione	Italy	2024	Financing	Planning stage	11.8			0.06
	Caveirac	France	2022	Financing	Operational	4.7			1.46
	Villognon	France	2024	Financing	Under construction	22.0			18.45
	Les adrechs bras	France	2023	Financing	Under construction	12.0			5.69
	Moissac Bellevue	France	2023	Financing	Under construction	30.0			25.56
						Σ Photovoltaics			56.29
						Σ Total allocated			**122.94**
						Σ Not allocated			**10.06**
						Σ Total			**133.00**

Past projects:

Technology	Project	Country	Commissioned (year)	Type of financing	Status	Capital invested (CHF m)
Photovoltaics	Cigliano	Italy	–	Financing	Aborted	0.03
					Σ Photovoltaics	**0.03**

Calculation of CO_2 emissions avoided

The calculation of CO_2 emissions avoided is based on the assumption that the electricity produced by the project financed by the green bond would otherwise have been generated with the country-specific production mix. The source for emission factors for the production mixes of European countries is the European Environment Agency's EUROSTAT database. The CO_2 emissions avoided in tonnes are calculated by multiplying a project's production volume attributable to the green bond by the CO_2 emission factor for the production mix of the country in which the project is located. In the reporting year, the Benet 2 project in France produced renewable electricity with no direct CO_2 emissions. The emission factor for France's production mix is 58.6 g CO_2/kWh[3)].

1) Provided that the majority of the net proceeds from green bond issues allocated to the "green" project took place before the payment date of the Axpo Green Bond , the "green" project is classified as a refinancing.
2) The invested capital is based on the average exchange rates for the respective fiscal year in which the proportioned net proceeds from green bond issues were allocated to the corresponding "green" projects.
3) Source: Emission factors IEA 2018

› Green Bond Assurance Statement from KPMG

Marketing of electricity from renewable energy sources

The marketing of electricity from renewable sources of energy is a main responsibility of the Trading & Sales business area. In the international energy trading business, the Group trades quantities of physical energy and energy-related financial products through origination services, for example, which enables it to develop energy solutions, based in particular on renewable energy.

Investments in renewables calls for pioneering work

Switzerland still lacks an adequate framework for large-scale investment in renewable energy. Despite this, Axpo has joined forces with IWB to build Switzerland's largest Alpine solar plant at the Muttsee Dam in the canton of Glarus, a technically pioneering project made possible by a long-term power purchase agreement (PPA) with the Swiss retailer Denner.

Long-term purchase agreements

The trend towards power purchase agreements (PPAs) in the renewable energy sector continues unabated. Axpo is one of Europe's leading suppliers in this area. Axpo concluded new PPAs with a volume of 23.6 billion kWh in the past financial year. In addition to the progress made in Scandinavia, the UK and eastern Europe, Axpo sees great potential in southern Europe and has significantly expanded its position in the region, particularly on the Iberian peninsula.

Expansion of wind and solar energy

Axpo is also involved in the development, planning, construction and operation of solar and wind power plants through its two subsidiaries Volkswind and Urbasolar. Volkswind, which was acquired in 2015, has so far realised more than 80 wind farms with a total installed capacity of over 1,350 megawatts. Further plants with a total capacity of more than 3,000 megawatt are in the pipeline. While some of the wind farms built by Volkswind will remain in Axpo's portfolio, others will be sold to investors to generate additional income and boost liquidity. For example, in July 2021 Axpo announced that it had completed the sale of five newly built wind farms in France with an installed capacity of 74.5 megawatts. Following its acquisition of Urbasolar in 2019, Axpo is also one of the biggest companies in France's solar energy industry. The Montpellier-based company is one of the leading developers of solar plants and currently operates several hundred of these. Plants with an installed capacity of 227 megawatts were constructed in the reporting year. The project pipeline comprises over 5,700 megawatts.

In hydro power, Axpo benefited from higher wholesale prices. Swiss hydro power remains economically unattractive, however, and new or expanded investments in this area are not worthwhile given the current framework conditions.

Quantity of electricity supplied from renewable energy:

23.6 billion kWh

Electricity sales in the 2021/22 financial year.

Digitisation and innovation in all business activities

More digitisation and higher standards

Axpo made further progress with the digitalisation of its business areas. Through the Hydro 4.0, Grid 4.0 and Nuclear 4.0 initiatives as well as the pioneering in-house developments of Urbasolar, Axpo has laid the foundation for digital tools designed to improve the maintenance, expansion and operation of the energy supply and set the highest standards for power plant operation. Axpo is also digitising and modernising the data platform for energy trading.

Axpo's establishment of the Technology Management department also created a structure that operates competence centres for operational data, business intelligence, software development and digital strategy and focuses on strategic initiatives in relation to technology, data and digitalisation.

Kickbox sustainability campaign 2022

The year under review saw Axpo implement its first Kickbox campaign focused on a topic rather than a business area: sustainability. All employees of the Axpo Group were invited to submit their idea for making Axpo even more sustainable. There was a record number of responses and 50 ideas were submitted. These ideas will be further developed in the new 2022/23 financial year.

The Kickbox sustainability campaign was launched as a way of finding creative ideas on how to improve sustainability at Axpo in both the short and long term. The goal was to find sustainable and innovative ideas that have a positive social or ecological impact and minimise negative impacts while taking cost-effectiveness into consideration at the same time. The campaign gave employees an opportunity to help shape Axpo's future and raise internal awareness of the topic of sustainability.

What is Kickbox?
Kickbox is an innovation process originally invented by Adobe as a structured means of promoting innovation within the company and an entrepreneurial spirit among employees. Participants receive a physical box with tools they can use to develop new and innovative solutions independently.

Energy and environment

Axpo is making an important contribution to the energy transition: As Switzerland's largest producer of renewable energy, Axpo takes responsibility for environmentally friendly energy production and actively supports the climate targets set in Switzerland and Europe. The expansion of photovoltaics (PV) plays an important role in this, not least for the production of urgently needed winter electricity. Axpo is also making headway in terms of energy efficiency and investing in new technologies such as storage systems for electricity and green hydrogen.

Energy and environment

Axpo attaches great importance to sustainability in its energy production. The company is constantly expanding its proportion of renewable energy as a result and making ongoing improvements in energy efficiency – both in its own operations and those of its customers.

Axpo as a driver of the energy transition GRI 302

Commitment to environmental and climate protection

Axpo is committed to environmental protection and sustainability. This commitment is based on regulatory requirements and the Group-wide sustainability strategy. The focus is on the environmentally benign and, most importantly, climate-friendly production, use and distribution of energy. Axpo consistently strives to conduct its business activities in a way that contributes to the energy turnaround while also minimising its impact on the environment.

Contribution to the energy transition in Switzerland

At the same time, some 50 terawatt hours of sustainable energy must be added in Switzerland every year until 2050 in order to secure the country's supply. Why will demand be so high? With the phasing out of nuclear power, declining hydro power generation and the large amount of power required for decarbonisation – demand for electricity is expected to increase by more than 35% by 2050. Axpo uses many approaches to drive the energy turnaround – from the production of low-CO_2 electricity and expansion of renewable energy to efficiency improvements and new technologies.

Aspiring to expand renewable energy

By 2030, Axpo aims to:

- increase its PV portfolio by 10 gigawatts – around 20 times more than in 2020
- expand its onshore wind power by a factor of 10 to around 3 gigawatts

Axpo is Switzerland's largest producer of renewable energy and expands its capacities on an ongoing basis. The Group's dedication helps it make an important contribution to the energy turnaround in Switzerland and Europe – because Switzerland and the European Union have set their sights on climate neutrality by 2050.

Expansion of renewable energy

Climate targets need green electricity

Countries signed the Paris Agreement, a legally binding treaty, in 2015 in an effort to limit global warming to well below two degrees Celsius. Against this backdrop, the European Union and Switzerland have set their own binding target of achieving net-zero emissions by 2050. Climate-friendly electricity generation is the only way to achieve these targets. Globally, the energy sector is responsible for around 25 per cent of greenhouse gas emissions. What's more, the transport, building and, to some extent, industrial sectors can only be substantially decarbonised through electrification. For the electricity supply sector, that means: the production mix must undergo a fundamental reform. The future belongs to renewable energy. At the same time, new technologies, infrastructures and regulatory reforms must support the energy turnaround and safeguard the security of supply.

Axpo model for a sustainable electricity supply

Axpo has developed a model for sustainably converting and expanding its electricity supply (online available under Power Switcher). This model shows that the energy turnaround is attainable while still maintaining a high level of security of supply if the necessary permits are available and financing is secured. A mix of different technologies is a pivotal aspect of the Axpo model. Hydro power and photovoltaics play the most important roles, while CO_2-neutral gas-fired power plants, wind and biomass also contribute to the climate-friendly energy supply. But even with this model in place, Switzerland will not be completely independent of energy imports.

PV plays a key role

PV will play a key role in Switzerland's energy turnaround. Buildings' roofs and façades should be used wherever possible. Given their enormous potential for electricity generation, solar panel arrays must be set up in large open spaces, especially above the fog line in Alpine regions. This type of solar plant provides around three times as much electricity in winter as PV plants in residential areas. The widening 'winter gap' in the electricity supply makes that electricity particularly valuable.

> Axpo is already installing two rooftop PV systems per day in Switzerland.

> Axpo plays an active role in shaping the energy transition:
>
> **360 megawatt**
>
> **Development and provision of renewable energy capacity[1)] in Switzerland and internationally in the 2021/22 financial year**

1) Disclosure of renewable energy capacity is part of Axpos's commitment in the sustainability-linked bond framework. The key performance indicators (KPI) covers the further development and creation of renewable energy capacity in megawatts, including photovoltaic and wind power plants, primarily throughout Europe during the respective financial year. The capacity developed is measured in absolute terms in megawatts, as this is the most transparent way of illustrating how the KPI target was reached.

In its 2022 autumn session, the Federal Parliament set the stage for the rapid expansion of greenfield PV installations with high winter production capacities through its adoption of the "Urgent Federal Act on the short-term provision of a secure electricity supply in winter". It simplifies and speeds up the installation of large solar plants that generate more than 10,000 megawatt hours on undeveloped plots of land. The rapid process will remain in place until the end of 2025 and will help boost the production of urgently needed winter electricity.

Largest Alpine solar plant in Switzerland

The Alpine solar plant at Muttsee Dam became fully operational at the end of August 2022; it meets expectations and confirms that the winter power concept works. Named AlpinSolar, this plant is the largest Alpine solar plant in Switzerland. The pioneering project was built 2,500 metres above sea level and uses around 4,872 solar panels to generate 3.3 gigawatt hours of climate-friendly electricity – half of it in winter. Axpo collaborated with IWB (the city of Basel's energy utility) to implement this pioneering project. A power purchase agreement (PPA) with retailer Denner ensures that the solar power generated is purchased. The customer will use the solar power for its stores.

> Alpine winter electricity is pivotally important in Axpo's supply model.

Earnings are invested in Switzerland

Axpo intends to expand the use of PPAs like the one signed with Denner at the international level. Long-term PPAs benefit Axpo at both value creation levels and help it minimise risks. PPAs are a growth market and play an important role in the energy turnaround. Earnings from international trading activities mainly benefit Axpo's investments in Switzerland. Some two-thirds of all investments, or around CHF 213 million, have gone to Switzerland's energy supply over the past three years.

Responsibility for nature

When producing energy, nature is a resource. Axpo is aware that the production of energy always impacts nature and the environment, making it all the more important to maintain a balance between protection and utilisation.

For example, Axpo collaborates with national and regional partners to promote Switzerland's image as a great place to visit and a haven of sustainability. We support numerous projects to advocate respectful and considerate interaction with nature. We take measures to offset ecological impacts, with one example being the restoration of the meadow landscape in Summergrien and creation of bays with shallow water zones along the riverside. The complete opening of the Frey canal creates new separate habitats for many different animal species, thereby promoting biodiversity in the Aare river. This project also includes providing flood protection for the Scheibenschachen and Telli districts of Aarau, for example. We installed new fish ladders at the Rüchling power plant and the first-ever downstream fish passage at the Dotier power plant to help fish and other aquatic animals overcome differences in elevation in both directions.

Ensuring the success of Switzerland's energy transition

The general conditions must be right for the energy transition to succeed. Axpo sees room for improvement in several areas:

- The approval procedures for environmentally friendly energy-related infrastructure often take too long.
- Suitable subsidy schemes and sufficient resources are needed to create incentives for producing winter electricity.
- It should be possible to continue operating nuclear power plants as long as they are safe.
- Negotiations with the EU on a "light" electricity agreement
- Axpo's focus is on a sliding market premium

Expansion of new business areas in the future markets of battery storage and hydrogen

Growth in large batteries

Axpo has experience in the operation, management and marketing of large batteries in Switzerland and abroad. Overall, the company markets around 100 megawatt of battery storage across Europe and wants to keep growing in this business area. The upward trend in electricity production from renewable, weather-dependent energy sources as well as advances in battery storage technology make this an important future market. When marketing the batteries, Axpo leverages its extensive expertise in international energy trading to enable storage systems to be put to the best possible use on markets for system services (balancing energy) as well as in day-ahead and intraday trading.

National and international storage projects

Internationally, the company has been marketing the flexibility options of a 30-megawatt storage facility in Yllikkälä, Finland, since 2020. This is Scandinavia's largest battery storage facility. Not only does this facility offer greater reliability and reduce the cost of stabilising the Finnish electricity grid, but the electricity storage system also makes it easier to integrate new renewable energy-related power plant projects into the grid.

Axpo built a two-megawatt battery storage facility in Rapperswil-Jona, Switzerland, in 2019. In February 2021, Axpo commissioned the country's largest indoor battery storage facility in Arbon. In Rathausen near Lucerne, CKW is planning a battery storage system that is unique in Switzerland with an output of 6.25 megawatts.

In the reporting year, Axpo took over the management and marketing of a newly built battery storage system in Domat/Ems with an output of 1.25 megawatt from Rhiienergie. Very short response times make the plant in Graubünden ideal for supplying primary and secondary balancing energy to balance and support the electricity grid. The battery storage system is also used for peak shaving: a battery can help lower and smooth out peak loads, thereby taking some of the pressure off the distribution grid so it can be used more efficiently.

Investments in "green" hydrogen

Axpo is making targeted investments in the areas of green hydrogen and battery storage and established dedicated departments in the reporting year to drive further development in these fields. "Green" hydrogen is one of the most important climate-friendly energy sources for industry and mobility. It is a key element of decarbonisation efforts in many countries, particularly in the EU.

> Axpo plans to use existing Swiss hydro power plants for the production of "green" hydrogen.

Production and distribution of energy

Low-CO_2 electricity production GRI 201-2

The utilities sector must face the risks accompanied by climate change. These include both regulatory challenges, such as the requirements regarding energy efficiency and the energy mix, as well as the potential that higher temperatures, changes in precipitation and more frequent extreme weather events might impact the generation plants, grid installations, services and customer demand.

> Axpo makes an important contribution to protecting the climate with its low-CO_2 production mix.

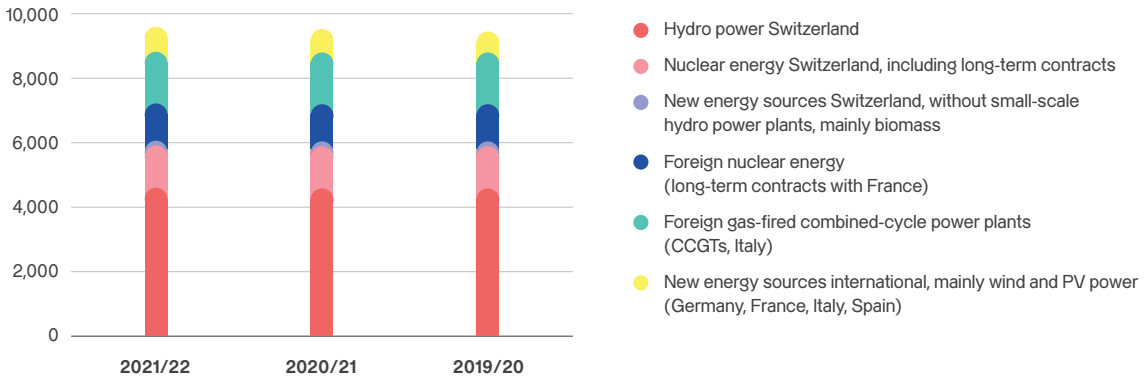
The transition to renewable energy generation also opens up great opportunities. For instance, Axpo is increasingly expanding its portfolio for low-CO_2 electricity generation and strengthening its grid infrastructure. Axpo develops technologies for applications such as green hydrogen and battery storage as well as new products. We stay flexible, adaptable and innovative in order to offer customers new solutions.

The revised Clean Energy Package (CEP) for the EU's internal electricity market aims to strengthen competition in the wholesale market and in the end-customer business. This will open up opportunities for Axpo in the area of generation and in the end-customer business. In Switzerland, there is potential for CKW in particular to take advantage of the potential that exists for new products and services, ecological electricity products and offers involving renewable energy in the installation business.

Installed capacity GRI EU1

The Axpo Group has a total installed power plant capacity of around 9,500 megawatts. This includes the fully consolidated plants and all investments in other companies based on the share of ownership (renewable energy) and of energy (other technologies). The breakdown by technologies and countries is as follows:

Technologies and countries
Installed capacity, figures rounded in MWh

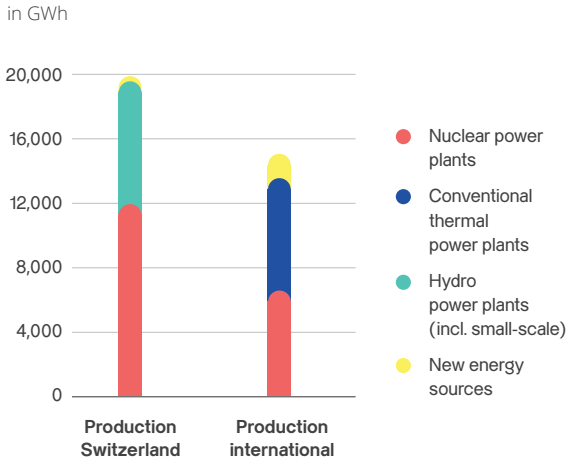


Installed capacity, figures rounded in MWh	2021/22	2020/21	2019/20
Hydro power Switzerland	4,400	4,400	4,400
Nuclear energy Switzerland, including long-term contracts	1,600	1,600	1,600
New energy sources Switzerland, without small-scale hydro power plants, mainly biomass	30	30	30
Foreign nuclear energy (long-term contracts with France)	1,100	1,100	1,100
Foreign gas-fired combined-cycle power plants (CCGTs, Italy)	1,700	1,700	1,700
New energy sources international, mainly wind and PV power (Germany, France, Italy, Spain)	750	700	650
Total	**9,550**	**9,500**	**9,450**

Information regarding the grid infrastructure GRI EU4

Length of transmission and distribution lines (EU4)	Overhead line	Cable
Grid level 1 (stub lines – Axpo only)	–	1 km
Grid level 3 (cross-regional distribution grid)	1,620 km	412 km
Grid level 5 (regional distribution grid)	81 km	49 km
Grid level 7 (local distribution grid, including home electricity connections – CKW only)	240 km	4,760 km

Net energy production GRI EU2



Energy procurement from fully consolidated power plants and investments in power plants

in GWh	2021/22	2020/21
Nuclear energy Switzerland, including long-term contracts	11,718	11,395
Foreign nuclear energy (long-term contracts with France)	6,131	6,659
Foreign gas-fired combined-cycle power plants (CCGTs, Italy)	7,249	6,967
Hydro power Switzerland	7,943	9,511
Wind energy international	1,191	1,277
PV international	352	315
PV and biomass Switzerland	150	143
Total production	**34,734**	**36,269**

Reduction of own greenhouse gas emissions and those of customers

GRI 305

Emissions at a glance

During the year under review, Axpo emitted a total of around 3.4 million tonnes of CO_2e[1]. Overall, emissions increased by approximately 233,000 tCO_2e, mainly due to heightened use of the gas-fired combined cycle power plants from minority shareholdings as well as electricity consumption due to the utilization of the hydraulic pumped storage power plants. Axpo monitors emissions, especially greenhouse gas emissions, by means of a careful Group-wide monitoring system that employs a greenhouse gas inventory check with limited assurance according to ISO 14064. Greenhouse gas emissions are expressed in CO_2 equivalents. As with the Axpo Annual Report and Sustainability Report, the fully consolidated Group companies form the system boundaries for the greenhouse gas inventory. Exceptions are listed under voluntarily disclosed emissions (Scope 3 emissions). Additional, relevant emissions sources are shown over which Axpo exerts little influence, because they are non-controlling interests. Data is collected annually in all divisions of the Axpo Group; this data was first collected in the 2008/09 financial year (= base year).

GRI 305-1, GRI 305-2, GRI 305-3

Greenhouse gas emissions in tonnes of CO_2e	2021/22[2]	2020/21[3][4]	2019/20[4]	2018/19
Production				
Direct emissions international	1,844,075	1,947,523	1,790,099	2,320,400
Direct emissions Switzerland	31,629	37,396	32,459	29,020
Indirect emissions international	4,018	3,960	6,783	5,970
Indirect emissions Switzerland[4]	522,765	405,166	460,561	470,840
Voluntarily[4] disclosed indirect emissions in Switzerland (Scope 3 emissions from pump energy of shareholdings in pumped-storage power plants)	40,745	32,122	51,133	50,600
Voluntarily[5] disclosed direct emissions international (Scope 3 emissions from non-controlling interests in gas-fired combined-cycle power plants)	981,850	765,935	712,887	946,900
Transmission (only relevant for Switzerland)				
Direct emissions (SF6 emissions)	811	1,613	1,128	890
Indirect emissions (transmission losses)	2,763	2,717	4,473	11,460
Operation administration buildings[2]				
Direct emissions international	208	149	138	150
Direct emissions Switzerland	4,871	4,409	4,778	4,530
Indirect emissions international	443	190	392	440
Indirect emissions Switzerland	104	170	542	1,100
Total greenhouse gas emissions	**3,434,282**	**3,201,301**	**3,065,448**	**3,842,300**

The table shows prior-year figures that have been rounded.

1) CO_2e is the short form of CO_2 equivalents (CO_2e), which is a unit of measurement that aims to standardise the climate impact of the various greenhouse gases. Basis used is the IPCC AR5.

2) Axpo sold the Bisaccia wind farm in the reporting period; this has not been included. The emissions of the Ukrainian office site could not be determined; at the same time, the sites in France were estimated and included for the first time. A discrepancy could arise as a result.

3) Biomass emissions were underestimated in the reporting period of the 2020/21 financial year and have been adjusted retrospectively. At the same time, the emission factors for electricity consumption at country level were used on the basis of IEA data (2018) as of the 2020/21 financial year. This resulted in a slight deviation.

4) The emissions of the CKW vehicle fleet were retroactively adjusted for the reporting period 2019/20 and 2020/21. The values determined resulted in an increase in emissions whereby a small deviation could arise.

5) In accordance with the provisions on the labelling of electricity pursuant to Article 9 of the Energy Act, the origin of the pump energy losses of 17 per cent must be proven by means of certificates. In the calendar year under review, Axpo only allocated CO_2-free energy to cover pump energy losses.

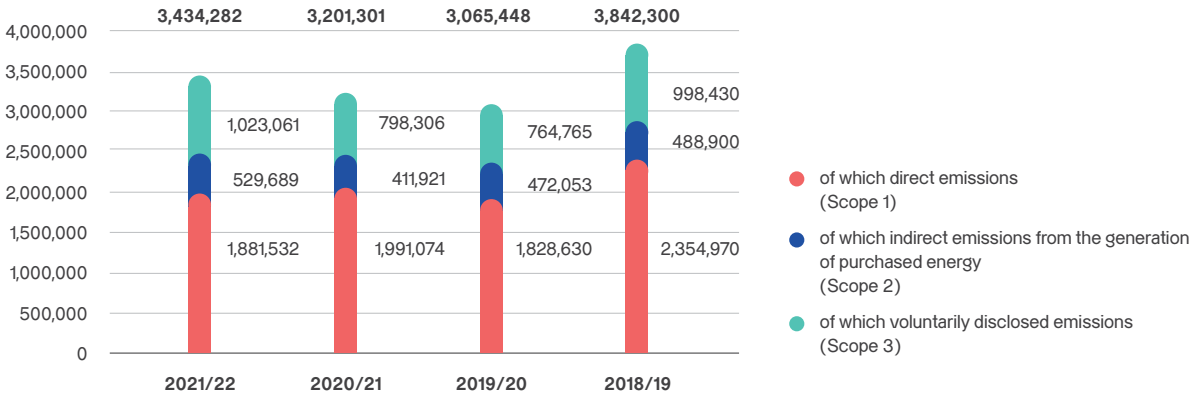
6) Voluntary in the sense that, in order to fulfil the requirements of ISO 14064 on the preparation of greenhouse gas emissions inventories, direct emissions (Scope 1 emissions) and indirect emissions from purchased electricity (Scope 2 emissions) must be disclosed. All other emissions (Scope 3 emissions) may be listed voluntarily.

Scope 1 emissions resulting from the direct combustion of fossil fuels are recorded on a volume basis. Thermal power plants are the main sources of Scope 1 emissions. Other emissions come from the vehicle fleet, biomass processing, building heating and emergency power generators. The resulting emissions are calculated based on fuel consumption and the corresponding emission factors as well as the amount of biowaste processed.

Scope 2 emissions include greenhouse gas emissions from Axpo's own consumption of electricity. That includes electricity consumption attributable to operation of the power plant portfolio, pump electricity, office buildings and electricity used for other purposes. The resulting emissions are calculated based on the amount of electricity and market-based emission factors.

Axpo reports on Scope 3 emissions. According to an internal assessment, these are some of the main sources of emissions across the Group. They include emissions from the investment in a thermal power plant, among others.

Greenhouse gas emissions by scope in tonnes of CO_2e



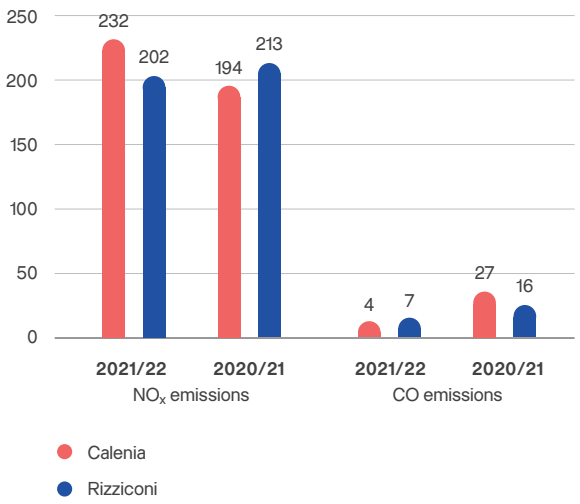
Emissions by greenhouse gas in tonnes of CO_2e	2021/22	2020/21	2019/20	2018/19
Total greenhouse gas emissions	**3,434,282**	**3,201,301**	**3,065,448**	**3,842,300**
of which CO_2	3,401,869	3,162,350	3,031,787	3,812,440
of which CH_4	27,101	32,263	28,389	25,500
of which N_2O	4,039	5,080	4,036	3,470
of which SF_6	778	1,539	1,128	840
of which refrigerants	495	69	108	50

The table shows prior-year figures that have been rounded.

Nitrogen oxides (NO_X), sulphur oxides (SO_X) and other significant air emissions

Air pollutant emissions are mainly produced by the two gas-fired combined-cycle power plants in Italy. Changes compared with the previous year are due in particular to the plants' different operational circumstances. Emissions data is measured continuously at both power plants. GRI 305-7

Air pollutant emissions from gas-fired combined-cycle power plants in tonnes



Waste becomes biogas and heat

The generation and distribution of power have an impact on nature. To reduce this impact as much as possible, Axpo continuously optimises its production facilities. As part of our commitment to the sparing use of resources, Axpo's Kompogas plants recycle biowaste from households, gardens, commerce and industry into materials and energy. The fermentation of this waste produces biogas, which can then be converted into electricity, heat, fuel or biogas that has the same high quality as natural gas. Residual waste from the fermentation process contains important nutrients, which means it can be used as a fertiliser and completes the material cycle.

Climate-friendly insulating gas

Axpo uses SF6-free gas-insulated switchgear when renovating substations. g3[1)] is a climate-friendly insulation and switching medium that replaces the SF6 gas[2)] that had been commonly used for around 50 years; its global warming potential is 98% lower.

Energy required at the Baden site

At the Baden site, 2,254 kWh of primary energy electricity was procured in the financial year, 276 kWh more than in the previous year. The increase is due in part to the easing of the coronavirus pandemic and a return to the workplace for employees that had been working from home. Axpo uses some of its primary energy to generate heat through the use of heat pumps. However, Axpo not only purchased energy, but also used a PV system on the building's roof to produce 102 kWh.

Gas and heating oil consumption amounted to 488 kWh in the year under review (previous year: 395 kWh). This 93 kWh increase is also attributable to the fact that many employees stopped working from home and returned to their office workplaces. Gas heaters are powered by 100% biogas.

1) g3 gas is a specially developed alternative to SF6 insulation gas and has a significantly lower global warming potential.
2) Due to its insulating properties, SF6 is widely used in switchgear, medium-voltage and high-voltage technology.

Power plant efficiency

Axpo strives to achieve a high level of power plant efficiency and low electrical transmission distribution losses in the interests of sustainability and profitability. Security of supply is also a priority in the interests of electricity customers. If power outages occur, they will be rectified as swiftly as possible.

Efficiency of thermal plants EU11

The net generation efficiency of the Beznau nuclear power plant in the reporting year was 33.8 per cent for Block 1 and 32.2 per cent for Block 2.

The gas-fired combined-cycle power plants in Italy reported an average generation efficiency of 52.4 per cent (Calenia) and 52.2% (Rizziconi).

Transmission and distribution losses EU12

Losses on the distribution grids of Axpo Grids (grid levels 1 to 5) amounted to 0.7 per cent and those on the CKW grids (grid levels 3 to 7) were 2.88 per cent.

Power outage frequency EU28

Axpo uses the distribution codes developed by the Association of Swiss Electricity Companies (VSE) to measure the reliability of electricity supply. In 2021, the electricity supply to CKW customers was interrupted for just under 18 minutes on average. The average interruption frequency per end-consumer, per year (SAIFI, System Average Interruption Frequency Index) was 0.014 [1/a] for Axpo grids and 0.42 [1/a] for CKW grids.

Average power outage duration EU29

The average interruption duration per end-consumer, per year (SAIDI, System Average Interruption Duration Index) was 0.78 [min/a] for Axpo grids and 17.88 [min/a] for CKW grids.

More efficient production, less consumption GRI 302-4

Axpo is working to improve energy efficiency in four areas:

- reductions in consumption by customers
- production increases in power plants
- reductions in transmission losses
- lower consumption in building management.

For Axpo, energy efficiency means generating more electricity with the same resources. Within the company itself, Axpo relies on economically feasible measures for improving energy efficiency. In the year under review, for example, three cooling units were replaced at the Baden site. Lower output and a change in coolant enable the new units to work more efficiently. Axpo is also gradually converting its lighting to energy-saving LED technology. In the grids business, Axpo is using new transformers, for example, to improve efficiency.

CKW has been able to cut its energy consumption by 30 per cent since 2011. A target agreement regarding CKW's large properties was entered into with the federal government in 2019. Sixteen of a total of 18 efficiency improvement measures identified have already been implemented at these three properties. Further measures were taken across the Group to address the threat of a power shortage. Some of these included changing the hours of operation, making adjustments to the air volumes circulated by the ventilation system, reviewing the timers on lights in hallways and public areas as well as checking heating curves and room temperatures and reducing these if necessary.

Last but not least, the company feels it important to offer its customers more services to help them save energy. Some examples of these include energy monitoring, audits and efficiency consultations that are tailored to customers and to help them implement efficiency measures in a targeted manner. Many of these advisory and efficiency measures are implemented by Axpo's subsidiary CKW. GRI 302-4

Direct energy consumption relates to energy sources burned in the company's own fully consolidated production facilities, buildings or vehicles, such as natural gas, crude oil or renewable fuels. Compared with the previous year, energy consumption decreased as a result of reduced nuclear fuel requirements. Indirect energy consumption represents the volume of grid-based energy sources used in the company, such as electricity and district heating. It should be noted that energy losses here take into account all losses on networks owned by Axpo, even if some of the transported energy is transmitted by other companies. The direct energy consumption figures are shown in terajoules (TJ). This serves as a comparative value for the compilation of energy quantities of different sizes and from different sources.

Direct energy consumption in production and operations in TJ GRI 302-1		2021/22	2020/21	2019/20	2018/19	2017/18
Nuclear fuel for production	Beznau nuclear power plant, gross thermal energy production	59,747	63,607	66,610	62,713	52,740
Fossil fuels for production	Natural gas for gas-fired combined-cycle power plants, diesel for emergency backup generators	34,276	36,419	33,564	43,412	31,130
Fossil fuels for operations	Building heating with gas and oil; fuel for cargo, delivery and passenger vehicles	69	59	61	63	54
Renewable fuels	Biomass, biogas and wood for energy production	2,477	2,263	2,212	2,110	2,415
Total		**96,567**	**102,348**	**102,453**	**108,298**	**86,340**

Indirect energy consumption for production, in buildings and via transmission losses in TJ[1)]		2021/22	2020/21	2019/20	2018/19	2017/18
Energy procurement for production	Electricity required for pumped-storage power plants (fully consolidated power plants) and for production facilities	8,501	6,609	7,487	6,360	6,045
Energy lost via transmission	Total transmission losses via Axpo's grids (caused by the transport of Axpo and third-party energy)	858	869	796	778	759
Energy required for building management	District heating and electricity used in buildings and data centres	50	44	70	71	61
Total		**9,409**	**7,523**	**8,353**	**7,210**	**6,865**

Energy consumption outside of the organisation GRI 302-2

Indirect energy consumption for production, in buildings and via transmission losses in TJ		2021/22	2020/21	2019/20	2018/19	2017/18
Energy procurement for production	Electricity required for pumped-storage power plants (partner plants)	705	560	845	684	727

1) Indirect energy consumption is based on shares of renewable and non-renewable energy sources.

Energy efficiency as a service

CKW optimises energy use

Axpo's subsidiary CKW provides a wide range of energy-related services for private and commercial customers. It has positioned itself as a leading, innovative provider for the shift towards attractive, climate-neutral energy solutions and is transforming its role from a pure energy supplier to that of a holistic decarbonisation partner. CKW optimises its customers' overall energy efficiency – in terms of both electricity and heat. For example, every year CKW replaces many oil-fired heating systems with highly efficient heat pumps.

CKW aims to raise society's awareness of how to use energy more responsibly. Four full-time employees provide practical advice on energy-related issues and energy efficiency in the CKW Stromwelt (the World of Electricity visitor centre). Around 13,400 people visited CKW Stromwelt in the year under review.

Sustainable energy solutions from CKW

Both efficiency and sustainable energy solutions are at the centre of these efforts. CKW offers its customers "all-round carefree packages" from a single source. Every homeowner can use these to produce their own electricity to become less dependent on an external electricity supply. CKW also installs solar panels on the rooftops of Swiss houses, larger companies and at other locations. On average, two new solar systems go into operation every day. CKW's services range from PV system planning and installation to maintenance and billing services. The company supports individual solutions, for example, for single users, for mergers for own consumption (ZEV) and for property owners who opt in favour of solar contracting and receive environmentally friendly solar power from CKW at a fixed price.

CKW's portfolio not only includes storage solutions and associated services in the small customer segment, but also for energy supply companies and industrial customers. The batteries meet several needs at the same time: they provide system services, ensure peak load optimisation and compensate for solar production on site, among other things. CKW also supports business customers by providing guarantees of origin for their energy purchases, thereby enabling customers to provide evidence of their own sustainability.

CKW also provides customers with opportunities to charge electric vehicles. It has three products to choose from: Basic, Comfort and Comfort+. The latter two options also let customers use the extensive MOVE public charging network in Switzerland and throughout Europe. CKW additionally offers ecologically responsible users the option of linking their electric vehicle charging station to their own solar plant.

Anyone interested in saving energy in a more targeted way can have CKW perform an energy consumption analysis; CKW's experts will then devise specific savings plans for the customers' specific property. CKW uses clever building technology to promote energy efficiency primarily in the commercial sector.

Facts and figures about CKW

Energy efficiency: CKW has been able to increase energy efficiency per energy reference area by almost a third since 2011. A target agreement with the federal government stipulates that CKW must achieve total electrical energy savings of three per cent by 2028 – that's over 167 megawatt hours per year. Efficiency measures target the three most energy-intensive locations in particular. Eighteen mandatory measures were selected. CKW has made some headway to date by installing a PV system and two highly efficient locations. Electricity consumption is covered by low-CO_2 hydro power and solar power from the company's own PV system.

E-mobility: CKW owns one of the largest electric vehicle fleets in Switzerland and is expanding it further. It aims to electrify around 300 vehicles between 2020 and 2025. The electricity is provided by low-CO_2 hydro and solar power from the company's own plants.

Resources: CKW has cut its paper consumption by around 70 per cent and reduced waste by around 50 per cent since 2011.

Safe handling of radioactive materials

Close monitoring

Axpo is obliged to take a precautionary approach to risks. When it comes to the environment, the population and its employees, the safe operation of Axpo's production plants is of central importance. (Read more under "Governance" on page 68).
Axpo complies with the international standards of the IAEA Safety Convention (International Atomic Energy Agency) on nuclear safety ratified by Switzerland. National and international authorities carry out nuclear safety checks on a regular basis. Periodic safety inspections serve as the basis for all measures to maintain and improve safe plant operation. In addition, safety at the nuclear installations is analysed and appraised by WANO (World Association of Nuclear Operators) on a regular basis. WANO is a global association of nuclear power plant operators for the mutual exchange of information.

Protecting employees

Axpo ensures the health and safety of employees through consistent implementation of the relevant regulations. The Swiss Federal Nuclear Safety Inspectorate (ENSI) has defined permitted radiation levels and policies that Axpo complies with, monitors and reports to ENSI in accordance with the regulations.

All permitted radiation levels were adhered to in 2021. The health and safety of the employees were ensured and the objective of safe radioactive waste handling was achieved. GRI 403-1

The following describes how waste is handled.

How waste from the Beznau nuclear power plant is handled

Radioactive waste is the most important type of waste for Axpo and safety is a top priority when handling it. Radioactive waste from the Beznau nuclear power plant is grouped into operational waste, spent fuel rods and waste from reprocessing.

Radioactive operational waste (raw waste)

At the Beznau nuclear power plant this waste is regularly generated by the water purification systems and the flue gas and exhaust air cleaning processes. Other waste is generated by the replacement of components when performing maintenance, refurbishment or retrofitting work and by the consumables used during these processes. The radioactive raw waste is collected, conditioned in batches and transferred to intermediate storage. Unconditioned waste at the Beznau nuclear power plant is stored in purpose-designed areas in the controlled zone[1]. At the Beznau nuclear power plant, waste is conditioned by mixing resins with polystyrene and cementing the radioactive sludge. Flammable and fusible raw waste and exhaust air filters are prepared for treatment at the ZWILAG plasma plant, Switzerland's interim storage facility for radioactive waste. Specific approval has been obtained for all processes in accordance with the Nuclear Energy Ordinance and ENSI guideline B05[2]. The conditioned waste packages are stored in the plant's own interim storage facility. The Beznau nuclear power plant also uses the facilities of the central interim storage facility in Würenlingen.

The Beznau nuclear power plant's radioactive waste is captured in an electronic accounting system used by all Swiss nuclear facilities. This means that information about the volumes, storage location and radiological features of the waste is always available.

A key element in the minimisation of radioactive waste is the testing of materials from the controlled zone to confirm that the levels of residual radioactivity are below regulatory limits. In the reporting year, 6.5 tonnes of material at the Beznau nuclear power plant were tested and confirmed to be inactive in accordance with ENSI guideline B04[3].

Spent fuel rods and waste from reprocessing

After their final removal from the reactor core, this highly radioactive waste is stored in the power plant's own spent fuel pool for cooling for several years. Once the amount of heat they produce has dropped sufficiently, the spent fuel rods are placed in temporary storage casks. These storage casks are built in compliance with international standards[4] and are licensed and stored in Switzerland in accordance with ENSI guidelines G04[5] and G05[6]. The packed casks are stored in the plant's own ZWIBEZ interim storage facility.

The Swiss regulations for the transport of radioactive materials by road and rail are based in part on the international regulations governing the carriage of dangerous goods by road[7] and by rail[8]). The IAEA

Radioactive waste from the Beznau and Leibstadt nuclear power plants
2021

	LILW unconditioned		LILW conditioned		HLW from nuclear fuel	
	m^3	m^3/MWh	m^3	m^3/MWh	tU	tU/MWh
KKB	23	3.88×10^{-6}	6	1.01×10^{-6}	12.94	2.19×10^{-6}
KKL	140	2.92×10^{-5}	7	1.46×10^{-6}	13.51	2.81×10^{-6}

recommendations for the safe transport of radioactive materials apply to all transport carriers.[9] No long-lived intermediate-level waste (ILW) resulting from the reprocessing of spent fuel rods was transported back to Switzerland in 2021, as all the obligations to take back waste for processing were fulfilled.

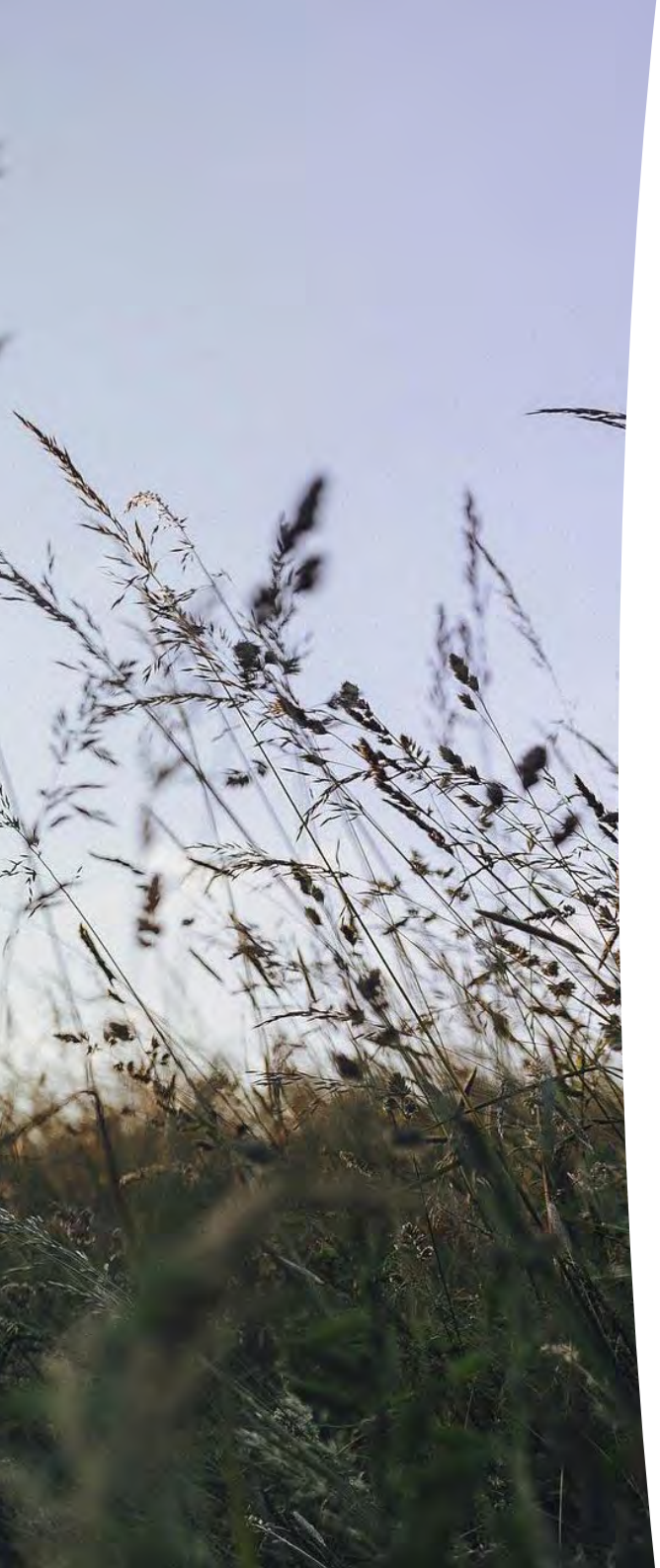
Reportable incidents

There were no accidental incidents with leakage of measurable quantities of radioactive materials during the reporting year. Reportable incidents do not necessarily entail the accidental leakage of measurable quantities of radioactive substances. They actually indicate that an irregular event took place during operations, which had to be monitored and reported. Incidents that do not fall under Chapter 5.1 “Nuclear safety reporting criteria”, but rather under Chapter 5.3 “Reporting criteria: Public Interest” or Chapter 5.4 “Reporting criteria: safety” according to ENSI guideline B03 are rated as INES “Not applicable” (NA).

1) Controlled zones are marked or demarcated areas reserved for working with radioactive materials pursuant to Art. 69 of the Radiological Protection Ordinance (RPO 814.501).
2) ENSI-B05: Requirements for the conditioning of radioactive waste, February 2007.
3) ENSI-B04: Clearance measurement of materials and areas from controlled zones, August 2009.
4) Regulations for the Safe Transport of Radioactive Material, 2012 edition, IAEA Safety Standards no. SSR-6.
5) ENSI-G04: Design and operation of storage facilities for radioactive waste and spent fuel rods, rev. 1 March 2012.
6) ENSI-G05: Requirements for transport and interim storage casks, April 2008.
7) 0.741.621: European Agreement of 30 September 1957 concerning the International Carriage of Dangerous Goods by Road (ADR)
8) 0.742.403.1: Convention of 9 May 1980 concerning International Carriage by Rail (COTIF).
9) IAEA safety standards: Regulations for the Safe Transport of Radioactive Material, 2012 edition, Specific Safety Requirements SSR-6.

Number of reportable incidents in 2021

Beznau nuclear power plants, Block I and Block II	Total 6	0 INES 1, 6 INES 0
Leibstadt nuclear power plan (partner plant)	Total 5	0 INES 1, 5 INES 0
Gösgen nuclear power plant (partner plant)	Total 8	0 INES 1, 8 INES 0



Social responsibility

Axpo is transparent and maintains a dialogue with its stakeholders: shareholders, politicians, employees, suppliers, cantons and municipalities, the general public, NGOs and the media. A trusting relationship with our stakeholders is the basis for ensuring that our projects meet with broad acceptance and are successful. We also maintain an open approach within the company and promote diversity. At Axpo, employees can develop both on a professional and on a personal level.

Social responsibility

Axpo assumes social responsibility with conviction. We treat our stakeholders openly and with respect.

Stakeholder dialogue and knowledge transfer

Individual approach

An active dialogue with its stakeholders is essential for Axpo. We value communication that addresses all our stakeholders individually. We share information about Axpo's activities, performance and objectives on a transparent basis, both through the annual, sustainability and financial reports as well as through numerous other publications and announcements. We also voice our position as a member of associations and organisations. GRI 102-40

Axpo's key stakeholders are customers, shareholders, politicians, employees, suppliers, concession grantors (cantons and municipalities), the local population, NGOs, the media and the general public. All of these groups can be affected by Axpo's business activities and in turn influence them. Active and ongoing dialogue with stakeholders is therefore key to the successful management of the company.

Different stakeholder interests GRI 102-42

Axpo is aware of the fact that the activities of the company need to be reconciled with the needs of the various stakeholder groups, particularly with regard to the expansion of the infrastructure. The main concerns of the stakeholders are very different. NGOs, for example, usually place most emphasis on the protection of biodiversity and the landscape and the sparing use of untouched areas of nature.

For the concession grantors, the focus is primarily on local security of supply and public revenues. The local population is concerned first and foremost about the specific impacts of projects: construction and operation of the actual energy plants, the required infrastructures, the harm done to the visual landscape, environmental changes versus job creation or the impact on tourism. GRI 102-43

An early involvement and regular dialogue with all those affected promote trust, make compromises possible and help to convey technically complex topics in a manner that is understandable and factually correct. A high degree of social acceptance for an energy project speeds up the approval process, thus often improving its cost effectiveness.

Axpo is committed to direct dialogue with the public and other stakeholders as well as nature conservation and environmental associations.

Involving the local population right from the start

In order to assess the impact of its business activities on the community, in particular in the construction and operation of infrastructure facilities, Axpo engages in transparent communication and clarifies the expected impact for all projects. From the planning stage through to the implementation of a project, Axpo works closely with representatives of the authorities and involves the local population and environmental protection organisations from the outset. This also applies to the use and production of new energies. Information events and discussions are staged in the immediate communities and cantons where power plants are located and in municipalities with grid concessions. The frequency of such events is dictated by topical events and needs. At the national level, the Axpo Group is responsible for dialogue, which is managed by the Corporate Public Affairs department. At the local level, the local companies are responsible for stakeholder dialogue. The general public have access to a wealth of information on the company at www.axpo.com. Axpo also focuses on the transparent and politically neutral communication of knowledge on all aspects of energy at its power plants and on its digital channels.

Examples of successful exchange

This approach has proved successful. A recent example from the field of hydro energy is the completion of the recultivation project at the former large-scale construction site for the Limmern pumped-storage power plant. At the time, Axpo operated one of the largest construction sites in Switzerland between Tierfehd and Muttenalp. Today, almost five years later, thanks to an expert recultivation project conducted over a number of years, there is barely a trace of this construction site to be seen. The Swiss Association for Engineering Biology awarded its “Greener Prize 2021” to the recultivation project “for the outstanding work before the actual greening and the flawless execution of the work, for the positive cooperation with the authorities and environmental associations, and for raising awareness among the construction companies.” AlpinSolar, the largest Alpine solar power plant in Switzerland, did not raise any objections thanks to the early involvement of the various stakeholders. The pioneering project at an altitude of 2,500 metres has been fully operational since August 2022.

The Waldemme small-scale hydro power plant project is another example: Axpo is pursuing intensive dialogue with the UNESCO Biosphere Entlebuch (UBE). It is thus providing the project with a stronger local base and ensuring that part of the value creation remains in the region.

Responding to concerns

Grid operation and, in particular, grid expansion sometimes meet with hostility among the affected residents. Many are afraid of the potential health effects of electromagnetic radiation and worry about the impact on the landscape. To raise the level of social acceptance of a power line construction project and thereby simplify the approval process, Axpo engages in direct dialogue with all stakeholders. This also serves to strengthen trust, clarify critical issues at an early stage and enable technically complex topics to be conveyed in an understandable manner.

CKW works closely with cantonal and municipal authorities as well as environmental associations. Through these cooperations, we aim to investigate the impact of our business activities on the company at an early stage. Visits to existing power plants are organised with individual government and association representatives.

Dialogue with the local population

Dialogue with the public enhances credibility and promotes an understanding of the Group's business policies. The interested public can contact Axpo or obtain information via Axpo's website as well as various social media channels. Axpo CEO Christoph Brand used his increased presence in the mass media to inform the public about the context and framework conditions of the energy turnaround in Switzerland. In September 2022, the main focus was on information about the Swiss Federal Council's credit line for Axpo, while in the previous months the public's need for information had grown noticeably in view of the impending electricity shortage.

A good line to the media

Axpo's Media Office strives to be easily accessible for media representatives. Around 70 media releases regarding current events and developments at the Group and its subsidiaries were sent out to the media in the reporting year. In addition, the Media Office increasingly organised background discussions and media briefings in order to cultivate direct contact with journalists and to provide information. Axpo provided information on 6 September 2022 on the particularly lively exchange between the media and the Media Office on the subject of the federal credit line.

Intensive dialogue with shareholders

Exchanges with shareholders mainly took place at the twice-yearly shareholder information events and the Annual General Meeting. Due to the crisis on the European energy markets, we have intensified the exchange between shareholders and management. In order to comply with the politically determined governance strategies of some cantons that apply to the management of companies in which the cantons hold an investment, regular meetings on specific topics are also scheduled between the specialist units and employees of Axpo's Public Affairs department.

Involving the public and local communities in new projects GRI 102-44

When developing power plants in the field of renewable energies, we involve all stakeholders in the project planning process early on and support the development process from the initial idea to the operation of the plants. These new projects include:

Lindenberg wind farm

Over the past financial year, we received feedback on the planning documents. However, an unresolved question still remains regarding the preservation of historical monuments, which needs to be clarified with the federal authorities. As a result, it has not yet been possible to drive this project forward. Several support group meetings have taken place on the Lindenberg wind farm. The aim is to bring the project to a vote in spring 2024.

Lucerne wind farms

Three new wind farm projects were launched in the canton of Lucerne last year. As a first step, we sought the cooperation of the landowners. The administrations and municipal governments concerned were then involved. In the next round, we will inform the public about upcoming projects together with the municipalities.

Schüpfheim heating network

In close cooperation with the municipality, Schüpfheim's district heating supply is being expanded. The focus is on coordination with interface projects, such as the renovation of Kantonstrasse. The aim is to keep construction activities and the associated obstructions and emissions as low as possible, taking into consideration the local residents.

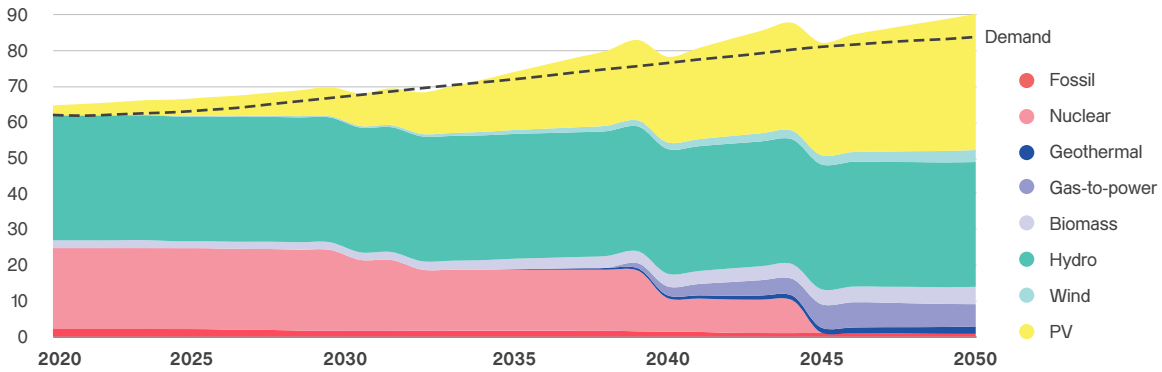
Dealing responsibly with impact

By operating large hydro power plants and nuclear power plants, Axpo provides important jobs for the local population. Apart from these positive impacts, the operation of such power plants also has potential negative impacts. Although Axpo gives top priority to the safety of its power plants and implements many measures to ensure that safety, it is the nature of the business that potential negative impacts cannot be entirely excluded.

Power switcher

Axpo has created the power switcher tool to convey to the public the knowledge and challenges of the energy turnaround. The tool has stimulated debate on the development of the energy system in the future. The power switcher provides the opportunity to gain an overview of the development of the electricity supply in Switzerland. For example, it enables an evaluation of whether the demand for electricity can be met by domestic production and possible imports by 2050 or whether there might be a shortage of electricity. A slider can be used to adjust the number of photovoltaic systems to be built. Anyone can create their own scenario – or draw on existing scenarios. The power switcher has already predefined the future expectations of various national councillors, Swiss industry and the Swiss Federal Office of Energy.

Annual electricity mix
TWh



Diversity and inclusion

Individual strengths

Axpo's employees are its most important asset for its long-term success. In order to continue to operate successfully and remain innovative, a variety of perspectives, attitudes and skills are required. Axpo promotes diversity within the company. The working environment is characterised by mutual respect regardless of gender, nationality, ethnic or social origin, religion or beliefs, disability, age, sexual orientation or identity. Axpo helps its employees leverage their unique skills, experiences, perspectives and backgrounds to make an active contribution to the success of the company. After all, employees use their experience and individual background to develop energy solutions for our customers. Entrepreneurial thinking and customer orientation have numerous facets at Axpo.

Measuring development

Every quarter, Axpo measures the changes in the proportion of women and men, nationalities, age distribution and length of service with the company. Axpo is currently reviewing other indicators to measure the extent of diversity and inclusion. This also includes the use of continuous feedback from the organisation, known as pulse checks. The pulse checks are conducted online and provide an insight into teamwork, leadership and cooperation as well as commitment in the different parts of the company. The perception of Axpo as an employer is also regularly reviewed externally.

Even greater diversity with "Diversity@Axpo"

Axpo benefits from diversity within the company and also promotes it through the "Diversity@Axpo" initiative. A diverse workforce makes Axpo more innovative and attractive as an employer. Priority goals are the promotion of gender equality, corporate culture and skills. Axpo is already addressing the demands placed on the workforce of tomorrow and favours diversity in order to meet personnel challenges and stand at the forefront of the competition for the best workforce. Diversity@Axpo pursues three goals: even greater diversity within the company, innovation and a customer-focused approach through the interaction of employees with different skills and abilities and greater attraction of Axpo as an employer.

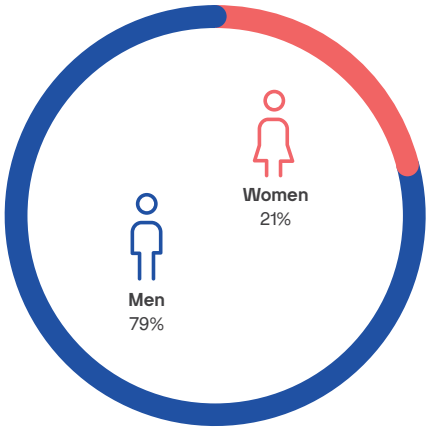
More women in positions of leadership

One of the main objectives of this initiative is to increase the proportion of women in the entire company, especially in management positions. We aim to fill 22% of executive positions with women by 2024. By way of comparison: in 2019, this figure was 15%. One woman is represented on the Executive Board, equating to 16.7% of the Board's membership.

> Axpo employees should benefit from a modern corporate cultureand flexible working models.

As a modern employer, Axpo is committed to gender equality. We set the course for equal opportunities between the sexes in recruitment, communication, talent management and succession planning. Our membership of Advance, Switzerland's leading business association for gender equality, underscores this commitment. Advance promotes the exchange on technical or management topics and employees can build up a valuable professional network outside Axpo. In addition, we promote equality through "Unconscious Bias" training, for example for Human Resources employees, to make them aware of unconscious bias.

Share of women and men, including apprentices at Group level (in FTEs)



Award for equal pay

The company's business principles have also been expanded to encourage diversity. These are part of Axpo's Code of Conduct, which sets out the core values of the company and its commitment to diversity. Decisions on employment, promotion or training are based exclusively on objective, job-related requirements. The company does not tolerate discrimination or harassment.

> Research shows that diversely positioned companies can effectively manage complex tasks and increase innovation, productivity and performance.

One milestone on the road to improved diversity is the "Fair-ON-Pay" certification, which the Axpo Group received in July 2021. As part of "Fair-ON-Pay", Comp-On AG verifies that companies adhere to requirements on equal pay for women and men.

Incidents of discrimination and measures taken

The Axpo Complaints Commission did not have to deal with any complaints in the reporting year. No incidents of discrimination were registered either.

GRI 406-1

Employee development

Key topics of employee communication

Employee performance and motivation are decisive factors for success in the face of competition and in the rapidly changing markets. Axpo maintains regular dialogue with its staff members. A focus during the last twelve months was Axpo's strategy in response to the persistently challenging market environment and the resulting tasks and possible courses of action of each individual. Other key topics were Axpo's activities in the Europe-wide expansion of renewable energies, in particular the strengthening of photovoltaics and wind, as well as the development of hydrogen and batteries, further growth in international markets and the energy turnaround in Switzerland.

Information-sharing and dialogue take place at employee information events at the head offices and other locations, through line management and in electronic form. The intranet enables interactive dialogue and offers employees the opportunity to actively participate in the dialogue. The Executive Board also uses various communication channels to provide regular information about important decisions and the latest core issues.

Employees' concerns are discussed at regular meetings between the CEO of Axpo, the Head of Corporate Human Resources and the employee representative committee (MAV: Staff Councils), from which actions are developed. Each year, the Executive Board holds a half-day dialogue with delegates of the Staff Councils of all Axpo companies.

New feedback dialogue

In the financial year 2021/22, we replaced the traditional performance appraisal process including individual target agreements with the new feedback dialogue. Once or twice a year, the line managers invite their employees to a dialogue about the mutual assessment of strengths, development issues and expectations. Axpo has also defined new collective targets for the Group, the Business Areas and the Divisions. The achievement of these objectives is incorporated into the variable performance component, which is now relevant for all employees. These collective targets not only contain financial KPIs, but are also derived from the strategy and priority business activities.

An organisational feedback tool was also rolled out in 2022. Known as a pulse check, it enables employees to provide ongoing input about topics relevant to their work in the working environment and in the team. In addition to the collective goals, a new "Objectives & Key Results" (OKR) approach will be rolled out step by step in management and leadership teams to implement the strategy. OKR makes it possible to define the focus and ambitions for the coming quarter and makes these objectives transparent across organisations.

Qualification secures success

Given the challenges currently facing the energy sector, employee development at Axpo is an essential and well-planned process. The future challenges are also reflected in the newly developed skills profiles. They apply for both managers and employees. The new skills profiles are incorporated into employee development as well as training and continuing education.

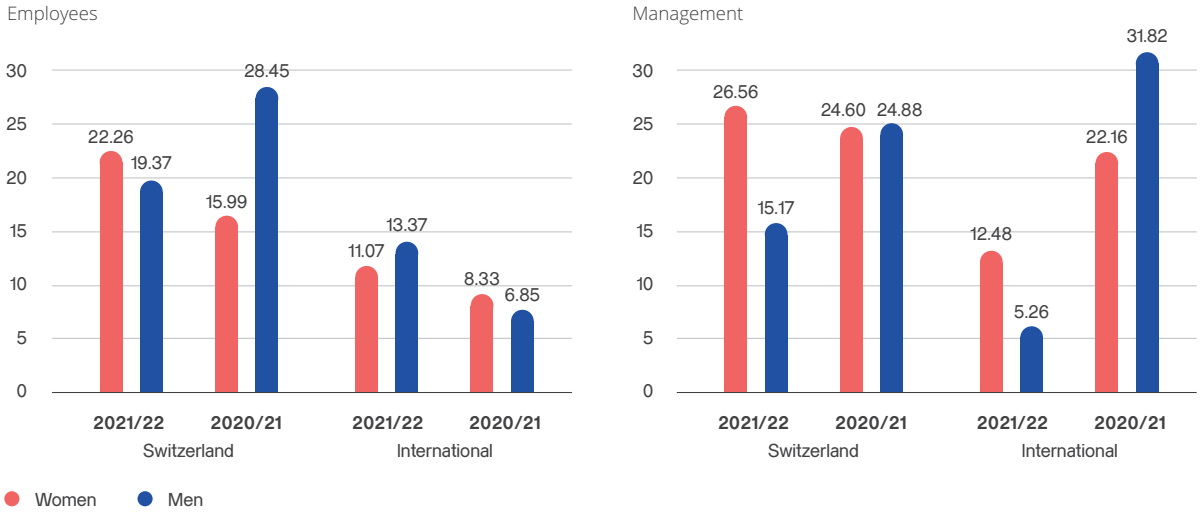
In addition to learning "on the job," the Learning & Development Team offers a wide range of learning and development formats. The offers are intended to support the employees of the Axpo Group in their personal and professional development and to pro-

mote teamwork and cross-divisional collaboration. The offer covers various topics such as leadership, IT user knowledge, project management and specialist topics. Based on the survey on the learning needs analysis carried out in August 2021, we aligned the portfolio of learning opportunities even more closely with the needs of employees in the 2021/22 financial year. We also focused on topics of overriding interest in terms of content. These include, for example, dealing with changes or offers related to our new leadership principles.

> As a major employer, Axpo places great value on the professional training and development of its employees. We offer a stimulating environment that guarantees equal opportunities to all employees, while clear rules protect them from discrimination.

Average hours of training per year for each employee GRI 404-1

	Employees		Management	
	2021/22	2020/21	2021/22	2020/21
Total	**17.79**	**21.27**	**14.70**	**25.87**
Switzerland	19.90	26.18	16.90	24.85
International	12.45	7.46	6.42	30.18



Note: This data is based on permanent employees who earn a monthly salary or an hourly wage. Previous year's figures have been adjusted retroactively.

A broad-based talent review was undertaken in the reporting year with a view to identifying employees with significant development potential. Axpo discussed objectives and ambitions with these employees with the aim of devising and agreeing individual development plans.

Flexible learning formats are gaining ground GRI 404-2

Employees received an average of 17.79 hours, or 14.70 per employee with a management function, for further training. Even after the lifting of the COVID-19 protective measures, our company has increasingly relied on learning formats that are independent of time and place. Many of the courses were held virtually or on a hybrid basis and were recorded so that they could be flexibly integrated into everyday working life and so that employees outside Switzerland could also participate. We aim to further expand our digital and global offering. An important first step in this direction was the introduction of an online language learning platform. This has been available since November 2021. The language learning platform comprises 24 languages and aims to facilitate cooperation in cross-border, multilingual teams. In this financial year, preparations were also made for introducing a new learning platform in the coming year. The new platform offers an improved user experience which includes the mobile app and opens up new technical and methodological possibilities for us. The integrated learning library will complement the existing learning offer with on-demand content and promote a modern learning culture that is independent of time and place and integrated into everyday working life.

For managers, we offer the training "New Ways of Leadership, Remote Leadership" to help them deal with the changes in their day-to-day work.

Attractive social benefits

Even in times of additional cost pressure, the company offers attractive fringe benefits, excellent insurance cover and an attractive occupational pension scheme. Axpo has also harmonised its employment conditions across the Group and supplemented certain benefits such as holiday entitlement for younger employees with holiday purchase options.

In addition to line managers and a professional Human Resources Management team, the employees have access to a competent social counsellor as a point of contact for their concerns. We measure the change in the workforce using key figures such as the fluctuation rate. We derive the measures necessary from this, if necessary.

Attracting talent to ensure competitiveness

Attractive employer

As part of the "Universum Swiss Student Survey", Axpo was named one of the most attractive employers in Switzerland in the fields of Engineering (32nd place, up by three places), Natural Science (56th place, up by 31 places) and IT (65th place, up by 28 places). In the employer ranking in the "Swiss energy sector" category, Axpo took an outstanding second place.

Axpo actively recruits young, well-educated university graduates. That is why our company presents itself in career events for students and graduates. In the reporting year, Axpo was present at a total of nine career fairs, gave six presentations at various universities and took part in online presentations. Axpo also organised an in-house event and invited students to its headquarters in Baden. The commitment to university marketing pays dividends: of the ten Axpo-Switzerland trainees we recruited in the reporting year, we were able to make four of them aware of Axpo through university marketing measures such as presentations and trade fairs. Two more trainees joined us at CKW and two international trainees at Axpo Polska.

To increase its public profile as an employer, Axpo launched media campaigns in early summer 2022 for the first time, which we will continue in the coming year.

Axpo makes it easier to get started

Axpo offers a range of job opportunities for students and university graduates. They can combine theory and practice in their bachelor's or master's thesis or gain their first work experience by completing an internship. Axpo offers the ideal career start through its tailored trainee programme or direct access to a specific specialist area, where trainees can take on responsibility immediately.

Percentage of employees covered by collective agreements bargaining GRI 102-41

in %	2021/22	2020/21
Total	**22.12**	**20.26**
Switzerland	9.61	10.05
International	58.25	53.21

Note: Temporary and fixed-term employees receiving a monthly salary or hourly wage, including apprentices.

Key figures on employees

Total number of employees by employment contract and gender, employment type and region. GRI 102-7, GRI 102-8

	Group as a whole		Switzerland		International	
Number of employees; by gender	**2021/22**	**2020/21**	**2021/22**	**2020/21**	**2021/22**	**2020/21**
Total	**5,936.62**	**5,337.86**	**4,348.42**	**4,027.30**	**1,588.20**	**1,310.56**
Women	1,263.09	1,111.25	655.62	596.15	607.47	515.10
Men	4,673.53	4,226.61	3,692.80	3,431.15	980.73	795.46

	Total for Group		Switzerland		International	
Number of employees; in FTEs	**2021/22**	**2020/21**	**2021/22**	**2020/21**	**2021/22**	**2020/21**
Total	**5,936.62**	**5,334.76**	**4,348.42**	**4,024.20**	**1,588.20**	**1,310.56**
Part-time	659.99	636.76				
Full-time	5,276.63	4,698.00				
Women	**1,263.09**	**1,111.25**	**655.62**	**596.15**	**607.47**	**515.10**
Part-time	278.46	273.25	244.62	249.15	33.84	24.10
Full-time	984.63	838.00	411.00	347.00	573.63	491.00
Men	**4,673.53**	**4,223.51**	**3,692.80**	**3,428.05**	**980.73**	**795.46**
Part-time	381.53	363.51	372.80	354.05	8.73	9.46
Full-time	4,292.00	3,860.00	3,320.00	3,074.00	972.00	786.00

Note: Employees including apprentices on a permanent contract. No significant activities are carried out by workers who are not employees of Axpo. There are no significant seasonal fluctuations. The data is taken from the HR system and collated. Data not available in the HR system is obtained from the companies concerned using Excel templates and consolidated with the other data. No assumptions had to be made.

In the non-academic field, Axpo offers a wide range of apprenticeships, including positions for electricians, electrical designers and planners, chefs, as well as careers in maintenance, information technology, mechanical and electrical engineering, and commercial professions. During the reporting year, 128 apprentices began training in 21 skilled trades. Axpo employed 481 apprentices and 15 trainees at the end of the reporting year. We currently have a total of 412 trainees.

The apprentices make up a significant proportion of the workforce (27%) in the field of building technology in particular. This share will continue to increase significantly in line with the targeted growth in this business.

Axpo offers new employees an induction programme that covers aspects of the entire value chain – from production and trading to grids and sales. The topic of sustainability in electricity production is also covered. The offering is rounded off with special support measures for management trainees and managers under the Talent Management and Management Development umbrella, such as management programmes and development centres. However, we are also increasingly focusing on tailor-made offers for teams, individual advisory services such as coaching, career advice and 360° feedback, as well as support for change processes. This allows us to respond even more effectively to the needs of the organisation and its employees.

Axpo Academy with virtual offer

The Axpo Academy aims to support employees in their work, make them more effective and help them acquire new skills and knowledge. On-the-job training plays a major role here. The Academy also offers a range of internal training and education courses to develop management and key skills, IT, languages and specialist topics. Axpo offers these through long-term partnerships with professional providers. The range of courses offered virtually was considerably expanded due to the lockdown and the measures taken to contain COVID-19. This had the positive side-effect of enabling employees at international locations to access and benefit from Academy courses more easily.

Total number and rate of new hires and employee turnover by age group, gender and region GRI 401-1
Average length of tenure of employees leaving GRI G4 EU-LA1

	Total new hires (people)		Rate of new hires		Total departures (people)		Length of tenure (years)**		Turnover rate*	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Group	**1,038**	**694**	**17.92%**	**13.34%**	**527**	**488**	**6.62**	**6.53**	**9.10%**	**9.38%**
Switzerland	**645**	**402**	**15.40%**	**10.37%**	**376**	**360**	**7.60**	**7.75**	**8.98%**	**9.29%**
Women	**140**	**77**	**18.52%**	**11.42%**	**88**	**91**	**5.00**	**5.98**	**11.64%**	**13.50%**
< 20	2	2	25.00%	25.00%	0	2	0.00	1.50	0.00%	25.00%
20–29	38	18	34.55%	20.22%	17	14	2.05	2.57	15.45%	15.73%
30–39	51	26	25.25%	14.05%	20	24	4.08	3.14	9.90%	12.97%
40–49	34	15	17.62%	8.52%	23	28	5.01	4.70	11.92%	15.91%
50–59	15	12	8.38%	7.27%	8	19	8.82	11.00	4.47%	11.52%
≥ 60	0	4	0.00%	7.84%	20	4	6.90	22.25	31.25%	7.84%
Men	**505**	**325**	**14.71%**	**10.15%**	**288**	**269**	**8.39**	**8.35**	**8.39%**	**8.40%**
< 20	18	3	34.62%	5.08%	0	1	0.00	4.00	0.00%	1.69%
20–29	145	111	26.70%	22.84%	79	64	3.88	4.50	14.55%	13.17%
30–39	167	91	20.27%	12.07%	76	70	5.45	5.29	9.22%	9.28%
40–49	107	76	13.51%	10.20%	48	49	6.00	5.92	6.06%	6.58%
50–59	56	42	6.19%	4.88%	41	50	9.21	10.81	4.54%	5.81%
≥ 60	12	2	3.77%	0.67%	44	35	23.42	21.48	13.84%	11.78%

Note: The data is based on employees with a permanent employment contract who earn a monthly salary or an hourly wage; the rates are based on the number of new hires and departures relative to the total number of employees. *Turnover excluding retirements based on average values. **Average length of tenure.

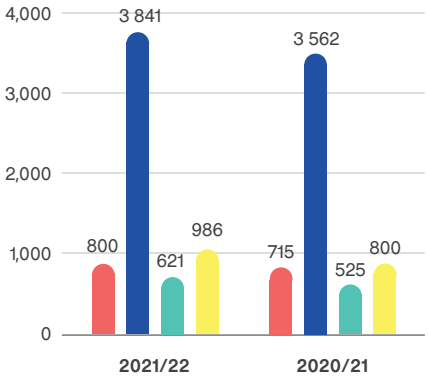
	Total new hires (people)		Rate of new hires		Total departures (people)		Length of tenure (years)**		Turnover rate*	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
International	**393**	**292**	**24.49%**	**22.04%**	**151**	**128**	**4.19**	**3.09**	**9.41%**	**9.66%**
Women	**137**	**122**	**22.06%**	**23.24%**	**52**	**48**	**3.30**	**3.04**	**8.37%**	**9.14%**
< 20	0	0	0.00%	0.00%	0	0	0.00	0.00	0.00%	0.00%
20–29	64	65	38.32%	49.24%	23	19	3.39	1.89	13.77%	14.39%
30–39	51	37	20.08%	17.29%	16	15	2.38	2.36	6.30%	7.01%
40–49	20	14	13.51%	10.77%	6	10	1.67	4.57	4.05%	7.69%
50–59	2	5	4.17%	11.36%	5	3	6.54	9.67	10.42%	6.82%
≥ 60	0	1	0.00%	25.00%	2	1	6.50	0.00	66.67%	25.00%
Men	**256**	**170**	**26.02%**	**21.25%**	**99**	**80**	**4.66**	**3.12**	**10.06%**	**10.00%**
< 20	1	1	50.00%	33.33%	0	0	0.00	0.00	0.00%	0.00%
20–29	138	71	50.74%	36.79%	47	28	2.79	0.92	17.28%	14.51%
30–39	63	65	17.70%	21.67%	35	25	5.54	3.20	9.83%	8.33%
40–49	41	28	15.53%	12.28%	11	20	7.55	5.48	4.17%	8.77%
50–59	13	5	16.46%	7.25%	6	5	8.94	2.00	7.59%	7.25%
≥ 60	0	0	0.00%	0.00%	0	2	0.00	12.00	0.00%	28.57%

Note: The data is based on employees with a permanent employment contract who earn a monthly salary or an hourly wage; the rates are based on the number of new hires and departures relative to the total number of employees. *Turnover excluding retirements based on average values. **Average length of tenure.

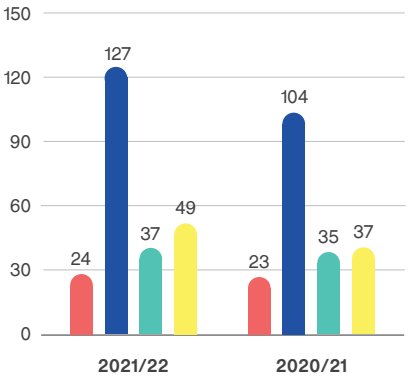
Parental leave GRI 401-3

	Number of employees entitled to parental leave		Number of employees who took parental leave		Number of employees who returned to work after parental leave		Number of employees who were still employed 12 months after returning from parental leave	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Group	**6,248**	**5,602**	**237**	**199**	**223**	**195**	**178**	**163**
Switzerland	4,641	4,277	151	127	149	129	121	108
International	1,607	1,325	86	72	74	66	57	55

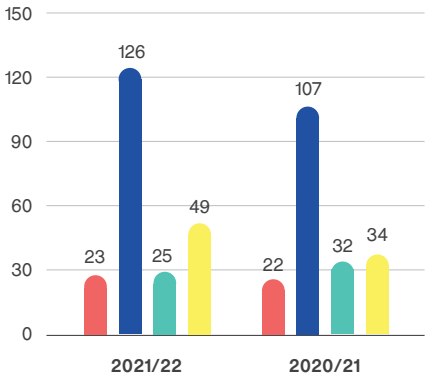
Number of employees entitled to parental leave



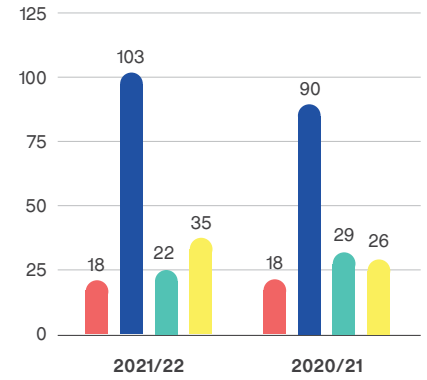
Number of employees who took parental leave



Number of employees who returned to work after parental leave



Number of employees who were still employed 12 months after returning from parental leave



	Return to work rate – Number of employees who returned to work after parental leave returned to working life	Retention rate – Number of employees who were still employed 12 months after returning from parental leave
	2021/22	2021/22
Group	**94.09**	**91.28**
Women	78.69	74.07
Men	99.43	97.87
Switzerland	**98.68**	**93.80**
Women	95.83	81.82
Men	99.21	96.26
International	**86.05**	**86.36**
Women	67.57	68.75
Men	100.00	102.94

Note: Data refer to permanent employees on monthly or hourly wages. The retention rate includes all permanent employees who took maternity or paternity leave in the corresponding reporting period that ended at the end of the fiscal year and who were still employed by the company at the end of the fiscal year as a percentage of all permanent employees on monthly or hourly pay in the previous fiscal year who took maternity or paternity leave in the corresponding period (FY 2020/21).

Employee health and safety GRI 403

Axpo assumes responsibility

As an operator of large-scale power plants and other infrastructure relevant for energy supply, Axpo considers responsibility for people and the environment to be a key task. The emphasis here is on the health and safety of our employees, our external contractors and the wider public.

The overarching objectives, rules of conduct and responsibilities for the protection of employees and third parties are set out in the "Axpo House of Policies." Axpo has established a management system for occupational health and safety.

Axpo's key figures on occupational health and safety are obtained using a calculation method that allows a Switzerland-wide cross-sector comparison. The comparative figures are based on the time series for the occurrence of accidents using Swiss accident statistics. They contain the reported cases in accordance with the Swiss Accident Insurance Act (AIA). These case reports are broken down according to the general classification of economic activities (NOGA 2008 of the Swiss Federal Statistical Office). The data pool for the latest industry comparison figures is the "Energy Supply" industry.

Low rate of occupational accidents

At 28.1, the annual rate of occupational accidents, i.e. the number of occupational accidents per 1,000 full-time employees at Axpo, is significantly lower than the industry average of 36 (accident statistics Switzerland, time series for accidents by industry (NOGA 2008), AIA, OAI, energy supply, business units with 80 or more full-time employees, recognised cases 2020). It should be taken into account that the figures relate to the insured office operations on the one hand and to the electrical installation business on the other. The rarity of occupational accidents at Axpo is the result of a high-level of safety awareness combined with specific prevention.

> The accident figures at Axpo are well below the industry average.

Slight increase in occupational and non-occupational accidents

The low number of occupational and non-occupational accidents is also attributable to the COVID-19 pandemic. In the reporting year, there were a total of 167 occupational accidents (plus 7 per cent) and 441 non-occupational accidents (plus 10 per cent). By way of comparison: the Swiss Accident Insurance Institution Suva also registered an increase of 2021 also registered an increase in occupational accidents of 4 percent and leisure accidents by 2 percent..

At 74.3 per 1,000 FTEs, the number of non-occupational accidents suffered by Axpo employees is significantly lower than the figure of 124 non-occupational accidents per 1,000 FTEs for the energy supply sector as a whole (Swiss accident statistics, time series for accidents by industry (NOGA 2008), AIA, NOAI, energy supply, companies with 80 or more FTEs, recognised cases in 2020). The issue of "safety-compliant behaviour" remains a priority for Axpo, as this also impacts on behaviour during leisure time.

Systematically recorded occupational accidents

In order to avoid occupational accidents, work-related hazards are systematically recorded in 13 hazard categories in accordance with the hazard table of the Swiss Accident Insurance Institute. Injuries with serious consequences could result from all hazard categories. The risks of falling and electrical hazards are particularly relevant for Axpo. If these risks

cannot be sufficiently reduced by means of the "STOP measures" (substitution, technical measures, organisational measures, personal measures), the risk will be examined in detail and further measures defined. Should an occupational accident nevertheless occur, employees report it immediately to their line manager and to Human Resources. Human Resources records the accident report and forwards it to the responsible insurance company. All occupational accidents are analysed as part of an incident investigation and the corresponding measures are initiated. There were no occupational accidents with serious consequences and no work-related deaths of Axpo employees in the reporting year. Axpo's processes and organisation are geared towards maintaining a high level of safety.

The aim is: zero accidents

Two years ago, the Generation & Distribution division launched the vision of "Destination Zero, Zero Accidents." This reflects a world without occupational accidents and work-related illnesses. The top priority is the prevention of fatal and serious occupational accidents and diseases. It is aimed to actively influence the safety culture and the behaviour of employees. Risks cannot be eliminated from everyday working life. However, if they are consciously managed, injuries and illnesses can be avoided and the goal of "zero accidents" can be achieved together.

Cases of illness due to Covid increased

The sickness rate increased by 25.2% compared to the previous year. This increase is mainly due to Covid illnesses between January and April 2022..

The number of days lost due to illness, occupational and non-occupational accidents, including work-related mental illnesses illnesses such as burnout, occupational and non-occupational accidents per full-time employee is 6.5, well below the 7.7 duration of absences due to illness or accident listed by the Federal Statistical Office (FSO) in the "manufacturing industry/energy supply" sector in 2021/22. However, Axpo will continue to monitor the trend in sick leave in the future and will take preventive measures to prevent an increase.

Identifying and preventing risks

The systematic identification of the risks for occupational diseases is central to the prevention of work-related diseases. In particular, the chemical, biological and physical effects on the human body as well as physical exertion are assessed. Where there is substantiated suspicion of an occupational illness, the case is immediately reported to Suva. From an administrative point of view, an occupational illness is treated as an accident. An occupational illness is deemed to have occurred as soon as treatment is given or the employee is unable to work.

Measures based on the "STOP principle" prevent Axpo from carrying out activities that involve a high risk of illness. This also applies to work carried out by third parties on behalf of Axpo. There were no deaths or documented work-related illnesses of Axpo employees during the reporting year. Nor is Axpo aware of any work-related illnesses suffered by employees of subcontractors while working on behalf of Axpo.

Occupational health and safety management system GRI 403-1

System-oriented prevention goes beyond solving individual gaps in security. This is intended to prevent risks from recurring, detect gaps in security in the company and eliminate them in the long term. This generally calls for a combination of systems-related, technical, organisational and FIR measures. The occupational health and safety management system ensures this sustainability for all employees of the Axpo Group. It also brings together the main requirements in terms of occupational health and safety within a single handy tool. As regards implementation, Axpo abides by national directives (EKAS 6508), industry solutions and the occupational health and safety management system in accordance with ISO 45001:2018 "Occupational health and

safety management systems – requirements with guidance for use". Key aspects of the established occupational health and safety management system include:

1. Defining security objectives
2. Operating a safety organisation and setting out responsibilities and competences accordingly within the area of health and safety
3. Systematically identifying hazards and assessing risks with a view to recognising and evaluating actual hazards
4. Establishing and consistently implementing measures for reducing or eliminating the dangers identified
5. Monitoring whether objectives are being achieved

These elements are continuously run through in order to steadily improve safety and health protection. The Swiss Accident Insurance Institution is responsible for monitoring whether the EKAS directive is being properly implemented at Axpo in Switzerland. GRI 403-8

Practical example: Workplace health management of CKW GRI 403-6

CKW operates a workplace health management (WHM) system with a focus on prevention. This includes activities and initiatives on topics such as exercise, performance, well-being at work, safety during leisure time and much more. With the WHM, CKW helps its employees to stay healthy and productive. The aim of occupational health management is to promote health-conscious behaviour and to integrate health aspects into company structures and management processes.

Risk assessment and incident investigation GRI 403-2

Safety officers are appointed in each Axpo company as process managers for the occupational health and safety management system. They give managers support and advice and help them assume their responsibility for occupational health and safety. The safety officer, or occupational safety engineer specialist, is responsible for ensuring that the recommendations they make are technically correct. However, the responsibility for implementing occupational safety remains with the managers. Hazard identification and the planning of measures are at the heart of the occupational safety management system. Hazards are eliminated or reduced according to the "STOP principle."

Employees play an active role in hazard identification and in devising suitable protective or improvement measures. All employees must say STOP in dangerous situations.

All accidents, near misses and property damage are reported, systematically recorded and analysed. A standardised protocol exists for this purpose. The aim of these investigations is to avoid similar events in the future and to improve the operational safety system.

Axpo and its safety officers are in regular contact with Suva. The controls undertaken so far have not revealed any significant complaints.

Technical committee with employee participation GRI 403-4

The safety officers, together with the Staff Council (MAV) and staff representatives (PV), form the Occupational Health and Safety Committee. This represents 100% of the employees. The Staff Council and the staff representatives have a right of co-determination with regard to occupational safety and health protection.

Always up-to-date safety knowledge GRI 403-5

All employees, especially newcomers and trainees, receive training when taking up their jobs, enabling them to take protective measures and to prevent accidents and health hazards on their own responsibility. This knowledge is regularly refreshed in training and further education courses.

The line managers establish the individual training needs of each and every employee and draw up a training plan. Training, instruction and information measures are documented. In addition to classroom and on-site training sessions, training is also provided through e-learning modules.

Support from occupational health services GRI 403-3

Axpo also refers cases showing signs of long-term absences due to illness or accident to a professional case manager as soon as possible. These cases are managed by the daily sickness benefits insurer, whose case managers analyse the situation together with the person who is unfit for work. They decide on the next steps in cooperation with Axpo. Specifically, they coordinate the case and liaise with the general practitioner and other medical professionals involved, the company's medical officer, the relevant social or private insurance schemes, the employee's family and friends, as well as line managers and work colleagues. Axpo's Social Counselling department can also be contacted for support.

For Axpo, one focus of prevention is to avoid cases of burnout. On the one hand, managers are trained to recognise the corresponding symptoms, while on the other hand, employees are offered training courses on how to consciously manage their own performance.

Risk avoidance for business partners GRI 403-7

Axpo imposes a contractual obligation on external contractors and/or subcontractors to take occupational health and safety precautions for the benefit of their employees. Third parties working on behalf of Axpo must ensure that they are protected against accidents and work-related damage to health in accordance with statutory requirements. As the principal, Axpo expressly draws the attention of third parties to the company's occupational safety requirements.

Where employees from several companies are employed at the same workplace, their employers must ensure that the arrangements necessary to maintain occupational safety are made and that the necessary measures are taken. The employees must inform each other and their respective employers about hazards and measures required to eliminate them.

Axpo is not aware of any serious or fatal accidents involving employees working for subcontractors that have occurred while performing activities on our behalf.

Work-related injuries GRI 403-9

	Rate of occupational accidents		Rate of non-occupational accidents (NBU)		Rate of illness		Rate of absence		Rate of injury	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Group	**21.55**	**21.90**	**79.70**	**95.63**	**529.41**	**422.98**	**630.66**	**540.51**	**2.81**	**2.96**
Women	5.62	6.23	32.61	92.66	665.51	474.25	703.73	573.14	1.56	0.79
Men	25.96	26.20	92.72	96.45	491.77	408.91	610.45	531.55	3.16	3.55
Switzerland	**27.01**	**26.97**	**105.88**	**103.13**	**529.62**	**430.19**	**662.50**	**560.29**	**3.39**	**3.68**
Women	4.66	10.47	60.65	50.98	526.84	497.29	592.15	558.74	0.87	1.31
Men	31.11	29.83	114.15	112.15	530.12	418.58	675.38	560.56	3.85	4.09
International	**4.92**	**3.52**		**68.48**	**528.80**	**396.88**	**533.72**	**468.88**	**1.08**	**0.35**
Women	6.73	1.30	0.00	140.98	826.75	447.54	833.48	589.83	2.37	0.19
Men	3.69	5.41	0.00	6.52	325.89	353.59	329.58	365.53	0.23	0.48

Note: The figures relate to temporary and permanent employees paid monthly and hourly wages, including apprentices. Rates expressed as days per 200,000 regular working hours or number of injuries per 200,000 actual working hours. Actual working hours (regular working hours minus accident and illness-related absences) were 11,871,767 hours for the reporting year. The occupational accident rate also includes occupational illness. Minor accidents are included in the rate of injuries. “Work calendar days” are used as the basis for the rate for occupational accidents. The occupational accident rate is counted from the first day.

Governance

In all aspects of governance, Axpo is guided by its responsibility to people, the environment and society. The precautionary principle is of key importance to us. We ensure the safe operation of our grids and production plants, integrity in trade and make a significant contribution to quality of life.

Governance

Axpo is committed to safety. We provide secure facilities and grids, protect the interests of our employees and clients and assume responsibility for nature and society.

Ethical business conduct

The precautionary principle applies GRI 102-11

Axpo is obliged to take a precautionary approach to risks. When it comes to the environment and the population, the safe operation of its production plants is of central importance.

With regard to the safety of its nuclear plants, Axpo undertakes to comply with the international standards of the IAEA Safety Convention (International Atomic Energy Agency) ratified by Switzerland. National and international authorities regularly review nuclear safety. Regular safety checks are very important. They serve as the basis for all measures to maintain and improve safe plant operation. In addition, safety at the nuclear installations is analysed and appraised by WANO (World Association of Nuclear Operators) on a regular basis. WANO is a global association of nuclear power plant operators for the mutual exchange of information.

Since its commissioning, the Beznau nuclear power plant has been regularly refurbished. Safety precautions at the Beznau nuclear plant are thus on a par with those at new power plants. The Beznau nuclear plant has passed all the European stress tests carried out in the wake of the Fukushima disaster. In addition to the safety of its nuclear plants, the safe handling of radioactive waste is also of utmost importance to Axpo.

> Axpo aims to make the nuclear power plants it manages among the most reliable by international standards.

High, neutrally verified safety standards also apply to Axpo's dams. These are constantly monitored and regularly checked. When operating its electricity grids, Axpo ensures that all statutory rules and limits on electrosmog are strictly adhered to (for more on plant and grid safety, see "Safe operation of power plants and grids". GRI 102-11

Compliance

Integrity and compliance with the law

As a corporate group, Axpo is responsible for satisfying the body of legal and regulatory requirements, but also for meeting the high expectations of stakeholders regarding its conduct as a company.

Axpo's understanding of "compliance" includes not only adhering to laws and internal regulations, but also acting with integrity, responsibility and respect when dealing with internal and external partners.

Compliance management system

The compliance management system (CMS) forms the basis for effective and efficient management of Ethics & Compliance (E&C) risks and is based on the objectives, principles and expectations defined by the Board of Directors and the Executive Board.

The Axpo CMS consists of the following seven dimensions:

1. E&C culture:
   The Board of Directors and Executive Board define the values Axpo stands for, which principles are to be observed at Axpo and what behaviour is expected of staff members and governing bodies ("tone at and from the top"). This is the basis for the E&C culture at Axpo.
2. E&C objectives:
   Based on the corporate objectives and strategy and taking into account the E&C culture, the Board of Directors and the Executive Board of Axpo define the objectives to be achieved with the CMS.
3. E&C risks:
   Material risks are identified periodically and systematically and the possible negative consequences are evaluated.
4. E&C programme:
   Based on the risk assessment, principles, processes, policies, controls and other measures are introduced to limit risks and prevent violations.
5. E&C organisation:
   Roles and responsibilities are defined for dealing with risks.
6. E&C communication:
   The Executive Board and Board of Directors, management and staff members are informed about the CMS and compliance issues that affect them. Management and staff members receive training and advice.
7. E&C monitoring and improvement:
   Ethics & Compliance monitors the appropriateness and effectiveness of the CMS as a second line of defence[1]. Opportunities for improvement are implemented.

Code of Conduct updated

We revised our Code of Conduct in June 2021. The Code of Conduct sets out in detail what is permitted and what is not permitted at the Axpo Group. Its rules of conduct also cover Axpo's responsibility towards people, the environment and society. Staff members are familiarised with the Code through training.

1) The three-lines-of-defence model (TLoD) is a model for systematically addressing risks that may occur in companies and organisations. These must be recorded, identified, analysed and evaluated at an early stage and communicated within the company.

The following 13 principles are part of the Code of Conduct and must be observed by all governing bodies and employees of the Axpo Group in their day-to-day work:

1. Integrity in our business operations
2. Safety is a priority, as is protecting people and the environment
3. Protecting personal privacy, such as banning discrimination or harassment
4. Fair competition guarantee
5. Prohibition of corruption and other criminal acts
6. No unlawful exertion of influence through gifts and invitations
7. Disclosure of conflicts of interest
8. Integrity of business partners
9. Observance of confidentiality
10. Professional communication
11. Procedure for dealing with doubt
12. Reporting of breaches of rules
13. Promotion of diversity and equal opportunities in the workplace

Significant information in the reporting year

In addition to the activities in accordance with the CMS, the following E&C tasks are especially worthy of note in this Sustainability Report 2021/22:

- SpeakUp® is a new system for reporting potential breaches of E&C requirements within the Axpo Group. It offers employees, governing bodies and third parties the opportunity to make a statement orally or in writing in numerous languages. Reporting is possible at any time and can also be done anonymously.
- In addition to regular training on the Code of Conduct via e-learning, employees in Switzerland completed a virtual short training course on the topics of bullying, bossing and sexual harassment.
- A systematic, comprehensive risk analysis was carried out with external support with the aim of identifying potential shifts in risk and making the compliance programme even more risk-based.
- In the year under review, E&C began to revise the Code for business partners and expand the regulations to combat corruption and bribery.

Outlook

The following activities are planned in connection with the topic of sustainability.

- The anti-corruption programme will be further developed in the coming financial year.
- E&C will form part of the Axpo team to implement the counterproposal to the Corporate Responsibility Initiative and other international ESG provisions applicable to the Axpo Group.
- Adapting the compliance programme to the new challenges in the energy sector and the expectations of stakeholders will also be a topic of discussion.

Events

- A possible case of corruption was reported in the year under review. Axpo is investigating the incident with external support. The development of the anti-corruption programme was already under way at that time. GRI 205-3
- There were no fines for non-compliance with laws and regulations in the social and economic area during the reporting year. GRI 414-1
- There were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices during the reporting year. GRI 206-1
- In the reporting year, a tax penalty of EUR 100,000 had to be paid in one instance, as the amount of corporation tax prepayments due was underestimated. GRI 419-1

Safe operation of power plants and grids

Committed to risk management

The need to ensure safety in the production plants and the transmission of electricity, and thus also the safety and health of customers, takes first priority. Axpo complies with all national legislation and requirements for power generation plants. We will continue to invest in the safety of our facilities while meeting all regulatory requirements.

Protection against electrosmog

Switzerland is subject to strict official directives with regard to protection against electrosmog. Since the introduction of the Ordinance on Protection against Non-Ionising Radiation (NIR Ordinance) in 2000, places with "sensitive use," for example rooms where people spend a long time, have been much more protected. For the best possible precaution, the threshold value of 1 microtesla (µT) applies. It is therefore significantly stricter than the international norm of 100 µT. The NIR Ordinance stipulates a phase optimisation for the reduction of fields for existing plants. It has already been implemented across the Axpo Group. In the case of new lines, the specifications are always implemented. Axpo therefore strictly complies with all statutory rules on electrosmog for existing and new plants.

Nuclear energy is strictly monitored

In terms of nuclear energy, the emergency safety measures of the Nuclear Energy Ordinance, the Radiological Protection Ordinance and the various ordinances of the Swiss Federal Nuclear Safety Inspectorate (ENSI) are also important. The Swiss nuclear power plants have been built to withstand extreme conditions such as earthquakes, floods and aeroplane crashes. Axpo's facilities meet all the relevant regulatory requirements in Switzerland and are constantly modernised and upgraded.

> To highlight its commitment to nuclear safety and radiation protection, Axpo has adopted a Nuclear Safety Charter.

As Axpo consistently implements all radiological protection regulations, normal operation of the nuclear power plants does not result in any harmful radiation exposure in the vicinity of the nuclear plants. The local dose/local dose rate resulting from external radiation is monitored via the MADUK measurement network in the immediate environment of the nuclear plants and with passive dosimeters both in the immediate environment and at the perimeter fence. In addition, ENSI carries out random quarterly dose rate measurements at the perimeter fence, as well as specific measurement campaigns as required.

Dams protect against flooding

Axpo's dams also meet the most stringent safety standards. They are supervised by the Swiss Federal Office of Energy and are constantly monitored and regularly checked. Dams of a certain category have to be resistant to earthquakes of a magnitude that is only expected once every 10,000 years. Evidence of earthquake resistance has been provided for all 30 Axpo dams.

Axpo's dams are used exclusively for the production of electricity from hydro power. Reservoirs store the large summer outflows for electricity production in winter. The retention volume makes a delayed flood discharge possible. In doing so, Axpo is helping to protect the population from flooding.

Accident and emergency planning

Maintenance of operations

Axpo is responsible for operating large-scale technical facilities for the generation of electricity. A professionally run emergency and crisis management system as a component of business continuity management (BCM)[1] is therefore a fundamental aspect of Axpo's safety culture.

The BCM ensures that critical business functions can be maintained or restored even in the face of internal or external disruptions. The corresponding responsibilities and powers are set out in the Group directive "Crisis management". Alongside business continuity management, Axpo uses risk and issues management to identify early on potential dangers to the Group and take countermeasures.

Axpo ensures that the planned processes are complied with in the event of a crisis by providing training to members of the crisis team and conducting periodic crisis team exercises.

High standard of crisis management

Axpo has set up emergency and crisis organisations to ensure that all events that could have a negative impact on the company, employees, customers, the general public and the environment are managed in an orderly manner. There is a common understanding of crisis management throughout the Group. Each Group company has an emergency or crisis management system. The crisis manager of the Axpo Group is responsible for the Group crisis organisation. The Head of Group Safety is in charge of superordinate coordination and controlling.

Axpo aims to ensure the following in the event of a crisis by means of efficient crisis management:

- Damage limitation or damage prevention (employees, third parties and operations)
- Maintenance of key operations or restoration thereof as quickly as possible
- Timely, active, transparent and reliable internal and external communication geared to the target groups
- Establishment of the prerequisites for efficient recovery of operations to the pre-crisis status

1) Basic principles and standards: ISO 22301 – "Security and resilience – Business continuity management systems – Requirements" and ISO 22313 "Security and resilience – Business continuity management systems – Guidance".

Provisions for the dismantling of nuclear power plants and disposal of nuclear waste

Dismantling must be secured

In particular, the funds for dismantling nuclear power plants and disposing of radioactive waste safely must be guaranteed. As the operator of the Beznau nuclear power plant (KKB), Axpo Power AG is required to decommission the plant at the end of its operational life and dispose of the radioactive waste. The partner plants Kernkraftwerk Leibstadt AG and Kernkraftwerk Gösgen-Däniken AG are responsible for, including financing, the decommissioning and demolition of the plants and the disposal of nuclear waste at the plants themselves.

> The safe operation of power plants and the safe handling of radioactive materials encompasses the entire value chain and the life cycle of nuclear power plants.

Payments to the decommissioning and disposal funds

The operators of nuclear power plants make regular contributions to the funds for the decommissioning and disposal of nuclear power plants (STENFO) to ensure that financial liabilities will be covered even after a nuclear power plant has reached the end of its useful life. Both funds are under the supervision of the Swiss federal government. The fund contributions are calculated based on the five-yearly cost estimates for decommissioning and dismantling nuclear power plants and disposing of nuclear waste in accordance with the Ordinance on the Decommissioning Fund and the Disposal Fund for Nuclear Installations (DDFO). The calculation is based on an operating life of 51 years, which the Beznau nuclear power plant reached at the end of 2021.

Responsible supply chain management

Large partner network

Axpo is involved in all phases of the energy sector value chain: from the construction and operation of energy-related infrastructure, to trading in energy products and customer-specific services and products.

Important business activities and suppliers of Axpo at a glance:

Products and services supplied to the organisation

Important suppliers:

Manufacturers of components (such as generators, transformers, cables, power plant components), fuels (gas, nuclear fuels), operating supplies and -materials

Providers of construction, engineering and other services

Service providers for maintenance work and repairs

Providers of financial and consulting services

Suppliers of energy products and energy services

Acquisition and construction of energy-related infrastructure

Primary activities of Axpo in Switzerland and Europe:

Acquisition/construction (including procurement of services) for:

- Hydro power plants
- New energy plants, including projects
- Electricity grids
- Substations and infrastructural facilities
- Gas infrastructure
- ICT equipment

Operation of energy-related infrastructure

Operation/maintenance/renovation/modernisation (including procurement of raw materials and supplies, components and services) of:

- Hydro power plants
- Nuclear power plants
- Gas-fired combined-cycle power plants
- New energy plants
- Electricity grids
- Gas infrastructure
- ICT equipment

Trading and sales; services

Trading with electricity, gas and other commodities as well as certificates (green, energy performance and CO_2 certificates)

Customer-specific energy products and services for wholesale customers (e.g. cantonal and municipal utilities), redistributors and energy producers

Grid-related services

CO_2 services

Variety of suppliers GRI 102-9

Axpo is active in a wide range of areas within the value chain, both in Switzerland and Europe. A wide range of business partners are involved in the supply chain, from the construction of large hydro power plants or wind farms and the operation of nuclear power plants to trading and sales and the sale of IT services. In total, Axpo has around 27,500 different active suppliers. These include international technology companies such as ABB, Siemens, Westinghouse and GE Power, international trading partners for energy products such as EDF, E.On, GDF Suez (Engie) and Vattenfall, and a large number of international, national and even regional suppliers from very diverse sectors.

The order volume for the procurement of products and services over CHF 100,000 that can be influenced by purchasing totalled around CHF 536 million in Switzerland and around CHF 242 million abroad in the reporting year.

Collaboration only with business partners with principles

Axpo attaches great importance to having business partners who share its values and its principles of compliance and ethics. To ensure a mutually fair, trusting and long-term partnership, Axpo therefore requires its business partners to undertake to adhere to Axpo's guiding principles for sustainable, ethical and law-abiding business conduct.

> Potential new business partners are examined by the Group functions of Compliance, Corporate Risk Management and Sustainability Management with regard to environmental, social and governance criteria, among other things.

Axpo adheres to the following principles when it comes to procurements:

- GATT/WTO calls for tenders to ensure equal treatment of all suppliers above the defined thresholds
- Axpo Code for Business Partners on compliance with the principles of business ethics and minimum social and environmental standards.

Code for Business Partners

Axpo first compiled and published its guiding principles in a Code for Business Partners in 2014. The content of this Code, which applies to all business partners and their employees worldwide, is based around the following conventions and standards:

- Principles of the United Nations Global Compact (UNGC)
- OECD (Organisation for Economic Cooperation) Guidelines for Multinational Enterprises
- Agreements of the International Labour Organisation (ILO)
- ICC (International Chamber of Commerce) Business Charter for Sustainable Development
- SA8000 (standard for corporate social responsibility (CSR) in company management)
- Recommendations of the procurement offices of the Swiss Confederation

Commitment: fair working conditions

A dedicated chapter of the Code lists the requirements for "socially acceptable working conditions". The business partner is obliged to create fair working conditions and to take sufficient account of the following points: occupational health and safety, living wages, acceptable working hours in compliance with local legislation, including regular annual leave, freedom of association (trade unions) and collective bargaining.

The Code also stipulates that business partners must respect human rights and treat their employees with dignity and respect. This includes a ban on child labour, forced labour, discrimination and disciplinary punishment.

Responsibility for people and the environment

The Code also expects business partners to run their business responsibly and in an environmentally compatible manner. They must reduce negative impacts on humans and the environment from their business operations while observing the applicable provisions. This includes using resources efficiently, avoiding and mitigating environmental pollution, dealing safely with hazardous materials and manufacturing environmentally benign products. GRI 308-2

No cooperation without the Code

The Code of Conduct for business partners is binding: It applies to public procurement and forms part of the Axpo Group's General Terms and Conditions of Business. In other business relationships with suppliers of goods and services where the Axpo Group General Terms and Conditions of Business do not apply, the Code must be included as an integral contractual component.

In addition, Axpo expects business partners to make sure that their major suppliers, upstream suppliers and subcontractors also abide by the principles set forth in the Code.

More than 92% of the order volume that can be influenced was awarded to business partners who have accepted the Axpo Code[1].

Controls and audits

The Code contains regulations for controlling compliance: business partners must provide transparent information. On request, the business partner must give Axpo all the information needed for a correct and comprehensive initial assessment in the form of a self-assessment. Axpo reserves the right to check implementation of the Code if there is a suspicion that it may have been violated. As part of fuel procurement, expert visits or audits may be carried out at business partners, their suppliers, upstream suppliers and subcontractors. Axpo reserves the right to demand action in the case of non-compliance with the Code and, if need be, to end the business relationship. No such measures had to be taken in the reporting year. GRI 414-2

Social and environmental assessment of suppliers

It was not possible to obtain information in the reporting year on the percentage of suppliers that are audited. The KPI for the application of the Code for Business Partners relative to order volume is deemed more relevant from a management perspective. This process is currently under development. GRI 308-1, GRI414-1

1) The percentage of the order volume is derived from the share of business partners in Switzerland. Around 92% of the order volume that can be influenced goes to business partners who have signed the Axpo Code. The order volume in other countries is estimated using a conservative approach, as the data cannot yet be fully recorded.

Data protection and data security GRI 418

Data protection takes priority

Data and information security and protection of the privacy and personal data of employees, customers and business partners are high priorities for Axpo. This is anchored in Axpo's Code of Conduct and must be observed as a business principle by all employees of the Axpo Group and its business partners.

Group-wide data protection management

Through Group-wide data protection management, Axpo ensures that the personal data of employees, customers and business partners is handled lawfully and responsibly. This data protection management system is developed on an ongoing basis by the data protection organisation. This consists of the DPO Axpo Group, which reports regularly to the Executive Board and the Board of Directors, a data protection specialist and data protection coordinators in the various Group companies. Axpo takes account of European and Swiss data protection law in particular and follows a risk-based approach. An important part of this data protection management system is the continuous training of all employees, including in the area of customer data.

Sensitised to cybercrime

At all Axpo Group locations, data and information are protected by the IT service provider Aveniq using multi-level security arrangements. Phishing simulations and awareness campaigns are carried out periodically to raise employee awareness of cybercrime. In addition, the organisation prepares itself for possible attacks by means of crisis simulations.

Aveniq's integrated management system includes the implementation of IT processes for service management in accordance with ITIL. It is based to a large extent on the standards ISO/IEC 20000 for a process management system and ISO/IEC 9001 for a quality management system. The requirements governing information security in accordance with ISO/IEC 27001 (certification since 2007), business continuity management in accordance with ISO/IEC 22301 (certification since 2018) and the internal control system (ICS) are also covered.

Updates in the area of data protection

In the reporting period, Axpo launched various initiatives to further secure data protection. For example, the Group-wide data transfer agreement on the regulation of the lawful transfer of data between the Group companies was adapted to the new legal requirements and the EU standard contractual clauses were updated. In addition, transfer impact assessments were carried out for the transfer of personal data to third countries such as the US, Turkey and Singapore. A data protection audit was also carried out for a newly introduced Group-wide HR tool. Preparations are also currently underway to implement the revised Federal Act on Data Protection, which will enter into force on 1 September 2023.

Reaction to customer feedback

Axpo has reviewed and adapted its direct marketing activities for household customers with regard to data protection. This was prompted by customer complaints at Axpo Italy and Goldenergy. As a result, Axpo reviewed its cooperation with the sales agents and terminated a number of cooperation agreements. Check calls have also been introduced to better protect customer data. This ensures that electric-

ity supply contracts for new customers are only activated with their consent.

During the reporting period, two substantiated customer complaints concerning data protection breaches relating to client data were known across the Group as well as two complaints from the authorities. As far as can be seen, there were no complaints from other third parties during the reporting period. The above-mentioned customer complaints at Axpo Italy and Goldenergy originated from previous financial years, some of which were resolved by a court decision; the remaining complaints are still pending before the authorities or courts. As far as is known, data leaks or losses occurred across the entire Axpo Group in a total of 17 minor cases. GRI 418-1

About this report

This report was prepared in accordance with the GRI Standards: "Comprehensive" option. GRI 102-54

In the Sustainability Report 2021/22, Axpo does not report in accordance with the "Comprehensive" option as in the previous year, but only in accordance with the "Core" option. GRI 102-49

The system boundaries for sustainability reporting are formed by the fully consolidated companies (exceptions are voluntarily disclosed emissions). This report presents the information for the Axpo Group (GRI 102-48). For further information, see page 12. Restatements of information are marked at the relevant points in the report. GRI 102-48

The auditing firm EY has subjected the content marked with ✓ to a business audit and issued a limited assurance assessment with regard to the compliance of the reported disclosures with the GRI Standards or ISO Standard 14064. The audit only covers the marked parts of the report.

The Sustainability Report 2021/22 passed the Materiality Disclosures Service audit by GRI Services.

External initiatives GRI 102-12

Axpo applies the following established international standards: International Financial Reporting Standard (IFRS), IAEA Safety Convention, safety indicators according to the World Association of Nuclear Operators (WANO), environmental declarations according to ISO 14025 and certified greenhouse gas inventory according to ISO 14064. Furthermore, Axpo has ISO-9001 (quality), ISO-14001 (environment), ISO-22301 (BCM), ISO-27001 (information security), ISO-45001 and OHSAS-18001 (occupational health and safety) certifiedcompanies, divisions and business units. Axpo constructs its own office buildings in accordance with the Swiss Minergie standard.

Membership of associations

Axpo represents its interests directly or indirectly as a member or in a supporting/advisory function of a large number of associations and organisations. The most important of these are:

Association / organisation
VSE Association of Swiss Electricity Companies
SwissHoldings
Eurelectric The Union of the Electricity Industry
EFET European Federation of Energy Traders
WindEurope
SolarPower Europe
Hydrogen Europe
European Clean Hydrogen Alliance
Energy Charter
RECS Renewable Energy Certificate System

External assurance GRI 102-56

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To the management of
Axpo Holding AG, Baden

Berne, 6 December 2022

Independent assurance report

We have been engaged to perform a limited assurance engagement on the key performance indicators disclosed in Axpo Holding AG's Sustainability Report 2021/22 for the reporting period from 1 October 2021 to 30 September 2022 (hereafter "the KPIs"):

- Materiality analysis on pages 14-15
- Creation and Development of renewable energy capacity on page 29
- Environment on pages 34-35 and 39
- Number of employees with right for parental leave on pages 60-61
- Health and Safety on pages 62-63 and 66

The metrics and information reviewed by us are marked in the Sustainability Report with the following symbol (✓).

Our engagement was limited to the KPIs listed above. We have not assessed the following KPIs, or information disclosed in the Sustainability Report 2021/22:

- Information other than the KPIs indicated above
- KPIs related to previous reporting periods
- Qualitative statements

Applicable criteria
Axpo Holding AG defined as applicable criteria (hereafter "applicable criteria"):

- Selected GRI Sustainability Reporting Standards, a summary of the standards is presented on the GRI homepage.
  - GRI 102-46 and GRI 102-47
  - GRI 302-1, GRI 302-2, GRI 305-1, GRI 305-2 and GRI 305-3
  - GRI 401-3
  - GRI 403-9 and GRI 403-10
- Custom criteria, published in the "Sustainability-Linked Bond Framework" on Axpo Holding AG's webpage.

We believe that these criteria are a suitable basis for our limited assurance engagement.

The quantification of greenhouse gases (GHG) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Responsibility of Axpo Holding AG's management
The management of Axpo Holding AG is responsible for the selection of the applicable criteria and for the preparation and presentation of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.

Independence and quality control
We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our responsibility
Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and with the International Standard on Assurance Engagements (ISAE) 3410 *Greenhouse Gas Statements*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the Sustainability Report are free from material misstatement, whether due to fraud or error.

In accordance with the engagement agreement, our duty of care for this engagement only extends to the management of Axpo Holding AG.

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in above mentioned performance measures. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in scope than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Summary of work performed
Our limited assurance procedures included, amongst others, the following assurance procedures:

- Assessment of the suitability of the underlying criteria and their consistent application
- Inquiries of employees responsible for the collection, consolidation and calculation of the KPIs to assess the process for preparing the Sustainability Report 2021/22, the reporting system, the methods of data collection and processing as well as the internal controls, insofar as they are relevant for the audit review of the information
- Assessment of the KPIs by inspecting the documentation of the systems and processes for collecting, analyzing and aggregating sustainability data and testing such documentation on a sample basis
- Analytical procedures, interviews and sample document inspection for the collection and reporting of quantitative information
- Analytical review of the Sustainability Report 2021/22 for plausibility and consistency with the KPIs

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our conclusion
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Mathias Zeller (Qualified Signature)
Partner

Claude-Aline Dubi (Qualified Signature)
Manager

Independent limited assurance report on selected disclosures in the global overview of the allocation of issue proceeds of Axpo Holding AG

To the Green Bond Committee of Axpo Holding AG, Baden

We have been engaged to perform a limited assurance engagement on selected disclosures in the Global overview of the allocation of issue proceeds published on page 22-24 of the Sustainability Report 2021/2022 of Axpo Holding AG.
Our independent assurance engagement to obtain limited assurance covers the following disclosures for the business year ended 30 September 2022:

- The total amount of net proceeds from Green Bond issues already allocated to the project portfolio ("Total allocated") and the total amount not yet allocated ("Not allocated").
- The breakdown of the allocated net proceeds from Green Bond issues in terms of use ("Type of financing") for new financing and refinancing.
- The invested capital per reported project ("Capital invested").
- The reporting on any allocation adjustments in the Green Bond project portfolio if projects no longer meet the Green Bond asset criteria of this framework

The objective of our engagement is neither an examination of further disclosures not mentioned above nor of prior period disclosures, future-related disclosures, statements from external sources, environmentally sustainable impacts or expert opinions. The assessment of the Green Bond Framework and the compliance of eligible green projects with the criteria defined therein was performed by another service provider. Therefore, our engagement does not include any conclusion on disclosures other than those described in the previous paragraph.
In accordance with Axpo Holding AG's Green Bond Framework and the Green Bond Principles (GBP) published in June 2018 by the International Capital Market Association (ICMA), the allocation of issue proceeds from a Green Bond should be used exclusively for lending and investing activities of green projects. The project evaluation and selection are carried out by Axpo Holding AG as the issuer of the Green Bond, respectively by the Green Bond Committee of Axpo Holding AG. The selection is based on Axpo Holding AG's judgement and general understanding of what qualifies as a green project according to the criteria defined in the Green Bond Framework and how it may contribute positively to environmental objectives. This understanding is described in the Axpo Green Bond Framework. It is therefore possible that the categorization of a project may be interpreted differently by a report reader.

Responsibility of the Green Bond Committee

The Green Bond Committee of Axpo Holding AG is responsible for the preparation of the selected disclosures in accordance with the reporting criteria. The company applies the Green Bond Framework of Axpo Holding AG, published in July 2020, which is in line with the Green Bond Principles published by the ICMA in June 2018, as reporting criteria and publishes the report under the title "Sustainability Report 2021/2022".

This responsibility includes, on the one hand, the selection of the green projects, the application of appropriate methods as well as making assumptions and estimates for individual disclosures that are appropriate under the circumstances. It also includes the design, implementation and maintenance of systems, processes and internal controls to enable the preparation of selected disclosures that are free from material misstatement whether due to fraud or error. In addition, the Green Bond Committee is responsible for establishing the Green Bond Framework and applying the reporting criteria.

Independent Auditor's Responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion, based on our procedures and the evidence obtained, as to whether any matters have come to our attention that cause us to believe that the selected disclosures in the Global overview of the allocation of issue proceeds published on page 22-24 of the Sustainability Report 2021/2022 of Axpo Holding AG have not been prepared, in all material respects, in accordance with the requirements of the Green Bond Framework of Axpo Holding AG.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform the engagement to obtain limited assurance whether the selected disclosures in the Global overview of the allocation of issue proceeds have been prepared, in all material respects, in accordance with the requirements of Axpo Holding AG's Green Bond Framework.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained is substantially lower. The procedures selected depend on the auditor's judgment. Taking into account risk and materiality considerations, we have performed procedures in order to obtain sufficient and appropriate evidence. This included, among others:

Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures.

Inspection of selected internal and external documents to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner.

Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the selected disclosures may occur and not be detected. Our engagement is not designed to detect all weaknesses in internal controls over the preparation of the selected disclosures, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Independence and quality assurance

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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EXPERTsuisse zertifiziertes Unternehmen

Conclusion

Based on the procedures performed and the evidence obtained nothing has come to our attention that causes us to believe that the selected disclosures in the Global overview of the allocation of issue proceeds published on page 22-24 of the "Sustainability Report 2021/22" of Axpo Holding AG for the financial year ended 30 September 2022 are not prepared, in all material respects, in accordance with the requirements of the Green Bond Framework of Axpo Holding AG.

KPMG AG

Silvan Jurt
Licensed audit expert

Nadine Herzog
Licensed audit expert

Zurich, 2 December 2022

GRI content index

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was carried out on the German version of the report.

Universal Standards

GRI Standard	Title	Reference / Page	Assurance	Reason for omission
GRI 101:2016	**Basic principles**			
GRI 102:2016	**General disclosures**			
	Organisational profile			
GRI 102-1	Name of the organisation	Axpo Holding AG		
GRI 102-2	Activities, brands, products, and services	P. 11		
GRI 102-3	Location of headquarters	Baden, Switzerland		
GRI 102-4	Location of operations	P. 11		
GRI 102-5	Ownership and legal form	https://www.axpo.com/ch/en/about-us/portrait/executives-and-directors.html		
GRI 102-6	Markets served	P. 11		
GRI 102-7	Scale of the organisation	P. 56 Finance Report 2021/22 P. 10		
GRI 102-8	Information on employees and other workers	P. 56		
GRI 102-9	Supply chain	P. 76		
GRI 102-10	Significant changes to the organisation and its supply chain	Finance Report 2021/22 P. 133, 124		
GRI 102-11	Precautionary principle or approach	P. 69		
GRI 102-12	External initiatives	P. 82		
GRI 102-13	Membership of associations and interest groups	About this report		

GRI Standard	Title	Reference / Page	Assurance	Reason for omission
	Strategy			
GRI 102-14	Statement from senior decision-maker	P. 3		
	Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	P. 70		
	Governance			
GRI 102-18	Governance structure	https://www.axpo.com/ch/en/about-us/portrait/executives-and-directors.html		
	Stakeholder engagement			
GRI 102-40	List of stakeholder groups	P. 46		
GRI 102-41	Collective bargaining agreements	P. 55		
GRI 102-42	Identifying and selecting stakeholders	P. 46		
GRI 102-43	Approach to stakeholder engagement	P. 46		
GRI 102-44	Important topics and concerns raised	P. 48		
	Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	Finance Report 2021/22 P. 133		
GRI 102-46	Defining report content and topic boundaries	P. 14	X	
GRI 102-47	List of material topics	P. 15	X	
GRI 102-48	Restatements of information	P. 82		
GRI 102-49	Changes in reporting	P. 82		
GRI 102-50	Reporting period	1.10.2021 – 30.9.2022		
GRI 102-51	Date of most recent report	8.12.2021		
GRI 102-52	Reporting cycle	1.10. – 31.9.		
GRI 102-53	Contact point for questions regarding the report	P. 92		
GRI 102-54	Claims of reporting in accordance with the GRI Standards	P. 82		
GRI 102-55	GRI content index	P. 86		
GRI 102-56	External assurance	P. 83		

Topic-specific Standards

GRI Standard	Title	Page	Assurance	Reason for omission
Economy				
GRI 201: 2016	**Economic performance**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 18		
GRI 201-1	Direct economic value generated and distributed	Financial Report 2021/22 P. 10		
GRI 201-2	Financial implications and other risks and opportunities due to climate change	P. 32		
GRI 201-3	Defined benefit plan obligations and other retirement plans	Financial Report 2021/22 P. 114		
GRI 206: 2016	**Anti-competitive behaviour**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 70		
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	P. 72		
	Provisions for the dismantling of nuclear power plants			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 75		
Environment				
GRI 302: 2016	**Energy**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 28		
GRI 302-1	Energy consumption within the organisation	P. 39	X	
GRI 302-2	Energy consumption outside of the organisation	P. 39	X	
GRI 302-4	Reduction of energy consumption	P. 38		
EU1	Installed capacity	P. 32		
EU2	Net energy production	P. 33		
EU4	Length of transmission and distribution lines	P. 33		

GRI Standard	Title	Page	Assurance	Reason for omission
EU11	Generation efficiency of thermal plants	P. 38		
EU12	Transmission and distribution losses	P. 38		
EU28	Power outage frequency	P. 38		
EU29	Average power outage duration	P. 38		
GRI 305: 2016	**Emissions**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 34		
GRI 305-1	Direct (Scope 1) GHG emissions	P. 34	X	
GRI 305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	P. 34	X	
GRI 305-3	Other indirect (Scope 3) GHG emissions	P. 34	X	
GRI 305-4	GHG emissions intensity	P. 3		
GRI 305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	P. 37		
GRI 308: 2016	**Supplier environmental assessment**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 78		
GRI 308-1	New suppliers that were screened using environmental criteria	P. 78		
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	P. 76		
Society				
GRI 401: 2016	**Employment**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 55		
GRI 401-1	Newly hired employees and employee turnover	P. 58		
EU-LA1	Average length of tenure of employees leaving	P. 58		
GRI 401-3	Parental leave	P. 60	X	
GRI 403: 2018	**Occupational health and safety**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 62		
GRI 403-1	Occupational health and safety management system	P. 64		
GRI 403-2	Hazard identification, risk assessment and incident investigation	P. 64		

GRI Standard	Title	Page	Assurance	Reason for omission
GRI 403-3	Occupational health services	P. 65		
GRI 403-4	Employee participation, consultation and communication on occupational health and safety	P. 64		
GRI 403-5	Employee training on occupational health and safety	P. 65		
GRI 403-6	Promotion of employee health	P. 64		
GRI 403-7	Avoidance and minimisation of occupational health and safety impacts directly related to business relationships	P. 65		
GRI 403-8	Workers covered by an occupational health and safety management system	P. 65		
GRI 403-9	Work-related injuries	P. 66	X	
GRI 403-10	Work-related ill health	P. 63	X	
GRI 404: 2016	**Training and education**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 52		
GRI 404-1	Average hours of training per year per employee	P. 53		
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	P. 54		
	Diversity and Inclusion			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 50		
GRI 414: 2016	**Social assessment of suppliers**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 76		
GRI 414-1	New suppliers that were screened using social criteria	P. 78		
GRI 414-2	Negative social impacts in the supply chain and actions taken	P. 78		
	Disaster/emergency planning and response			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 74		

GRI Standard	Title	Page	Assurance	Reason for omission
GRI 418: 2016	**Customer privacy**			
GRI 103: 2016 103-1/103-2/103-3	Management approach disclosures	P. 79		
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