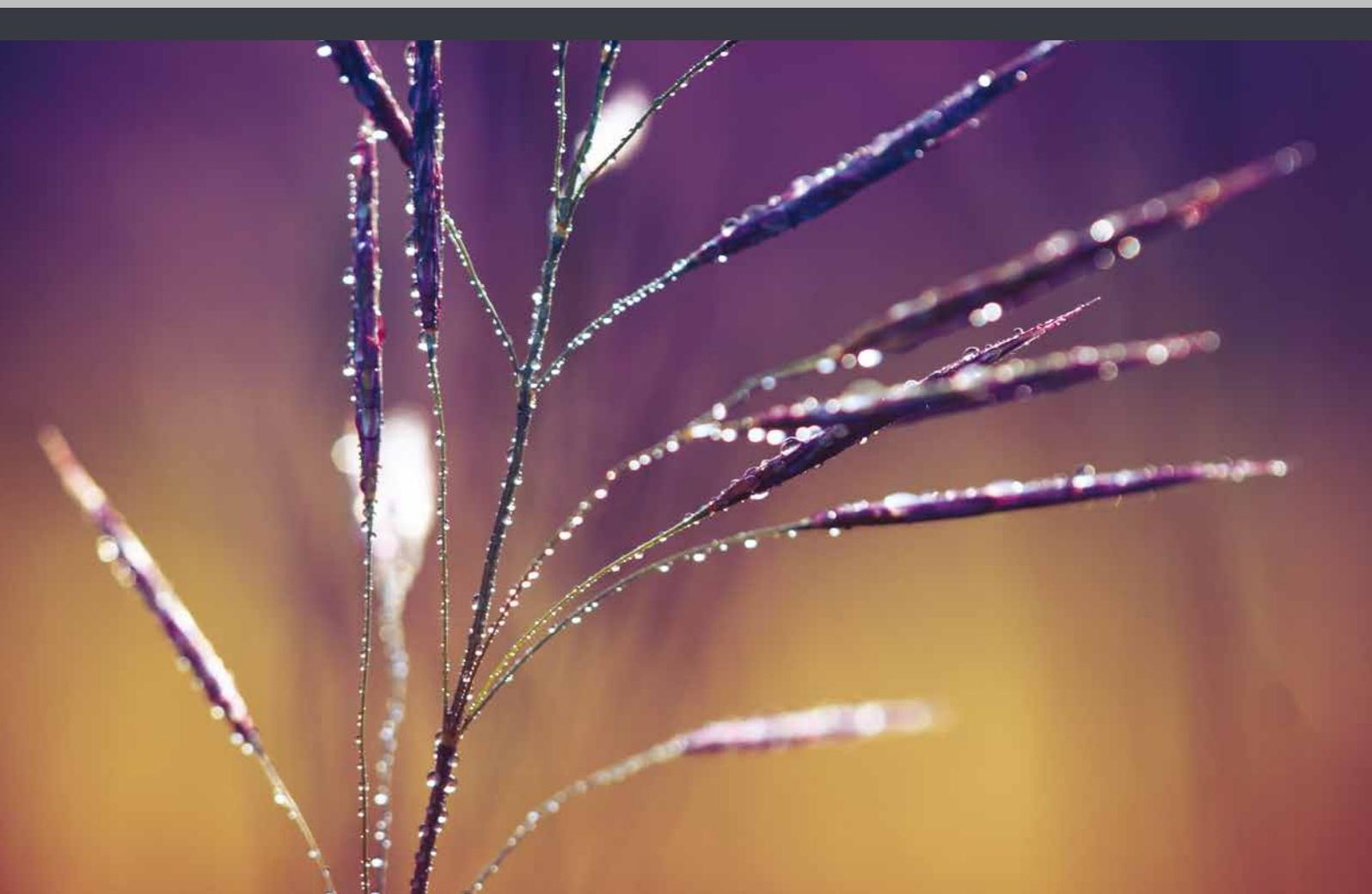




Corporate Social Responsibility Report

2016





The present document is the Corporate Social Responsibility report of the Encevo Group

As part of its strategic development, Enovos International changed its name to Encevo on 3rd October 2016. The purpose of this move was to clearly differentiate between the parent company and its subsidiaries, energy supplier Enovos and grid operator Creos, and as a result, to clarify the group's governance. The perimeter of this report covers the activities of Encevo S.A., Enovos Luxembourg S.A. and Creos Luxembourg S.A. in Luxembourg and Enovos Deutschland S.E., Enovos Energie Deutschland GmbH and Creos Deutschland GmbH in Germany for the year 2015. This report structure is inspired by the GRI Sustainability Reporting Guidelines; it includes "standard disclosures" as well as "sector specific disclosures" related to electric utilities and natural gas. When a paragraph can be linked to a GRI indicator, the indicators' code is mentioned next to the paragraph's title.



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Message from the Executive Committee

G4-1

As Luxembourg's main energy supplier and grid operator, a significant actor on the German business to business market and an emerging actor in France and Belgium, Encevo Group's mission are to produce and deliver energy to households and businesses. Electricity, natural gas and energy services provided are necessary in the daily activities of many people and businesses. The group strives to maintain optimum quality and availability of its products and services at an affordable price, together with a continuous progress towards more sustainability.

The CSR reflexion contributes to help the group define its strategic goals in order to achieve a long term economic growth with sustainable benefits for the economy, the society and the environment. Three years after its first CSR Report, the group continues to develop its communication with stakeholders on topics that matter:

- The first report in 2013 raised internal awareness about the group's CSR initiative in Luxembourg: connecting with internal stakeholders is now easier and brings more results.
- Since 2014, German entities have been included in the report's scope for more transparency and completeness.
- In 2015, the reporting process was reinforced and improved as CSR reporting settles in as an integral part of the group's public communication.
- One of the highlights of the 2016 CSR Reporting cycle is the Encevo and Enovos employees' consultation which has produced interesting results and given insights into the priorities of key internal stakeholders. The results of this study are presented in this report.

KEY POINTS

- Key 2016 highlight: employee consultation
- Pursuit of six commitments as axes of progression
- Group's efforts recognized by the INDR's ESR label
- Report inspired by GRI G4 methodology

The group's effort in terms of CSR Strategy and reporting formally acknowledged by the Luxembourg's National Institute for Sustainable Development and Corporate Social Responsibility - INDR: in November 2015, Enovos International (now Encevo), Enovos Luxembourg, Creos Luxembourg and the group's Luxembourgish Real Estate companies received the INDR's ESR Label ("Entreprise Socialement Responsable" - "Socially Responsible Business"). We are now working on a continuous improvement mode in order to hold this label.

"Strategic goals in order to achieve a long term economic growth with sustainable benefits for the economy, the society and the environment."



*Executive Committee,
Encevo S.A.*

"This 2016 report is inspired by the GRI G4 methodology and will describe the situation in 2016. As per last year and in accordance with the sustainability context in which the group evolves, the six main axes of progression have been kept, under the form of CSR Commitments."

Michel Schaus,

Chief of Operational Support, Member of the Executive Committee of Encevo, in charge of Group CSR Strategy

01 BUSINESS ETHICS AND TRANSPARENCY

The group has a key role to play for its customers and the general public. It needs to be **responsible and reliable**, which includes complying with laws and regulations, service availability and reliability, transparent governance and respect for privacy. The recent progress in terms of sustainable procurement practices (CSR-related criteria, "Sou schmaacht Lëtzebuerg" label...) are also described here.

02 SUSTAINABLE INVESTMENT

Renewable energies remain a central part of the group's development to contribute to **a more sustainable future**. Massive investments in renewable energies and network have been made to achieve increased energy quality, availability and reliability; innovative new services are also continuously being developed. In 2016, grid investments and efforts in the field of electro-mobility have been continued.

03 STAFF EMPLOYABILITY

The group relies on its workforce and does its best to maintain the **highest level of motivation and skill** among its employee. A balanced workforce, with equal opportunities granted to all workers regardless of their gender, origins and beliefs, is the baseline of the group's approach to human resources. The training and development programs in place are regularly challenged for improvement, as well as performance reviews for all employees. Moreover, the group always stays attentive to potential improvements in its HR processes and policies, notably regarding alignment between Luxembourg and Germany. The new welcome day and improved training catalogue have been very well received by the group's employees.

04 HEALTH AND SAFETY

Reducing risks, ensuring safety for the group's employees and for the general public is crucial for Enovos and Creos. To be able to organise relevant trainings, provide employees and external stakeholders with quality information, and improve processes for more safety, we analyse the risks linked to our activities and take action to mitigate them. Improving the security of the workforce is a permanent objective for the group. An ergonomics audit, awareness-raising sessions and security screening patrols are among the main developments in this domain.

05 ENVIRONMENTAL IMPACT

Protecting the environment is a **key concern at a global level**. The group is committed to continue its efforts in this area. Reducing energy consumption and GHG emissions, compensating for what cannot be reduced, preserving biodiversity, using energy more efficiently and improving waste disposal systems are among the main targets in this area. Significant improvements have been made in terms of energy and waste management, reducing the group's environmental impact and improving staff well-being. Obtaining the ISO 50001 certification for Esch-sur-Alzette site in May 2016 demonstrates real progress regarding our energy management system. From a client perspective, innovative energy services continue to be offered to customers to help them find the way towards improved energy efficiency (in line with European regulations), promote responsible mobility, and compensate for GHG emissions. Bringing relevant energy services and solutions to even more businesses and municipalities is the mission of the dedicated "Energy Solutions and Services" teams. An important project undertaken in 2016 is our first large-scale Enolight project with an industrial partner. It covers consulting and guidance, dismantling of current lighting and installation and maintenance of energy-efficient LED lighting.

06 LOCAL COMMUNITIES

Encevo Group is **part of the society as a whole**, and as such does its best to improve the quality of life of its members, as well as to promote promising projects and innovative ideas. It constantly engages with its customers to maintain good relationships, by organising fairs, events and activities. It also promotes its values by supporting projects through patronage and sponsorship, locally and abroad, among others via the Enovos Foundation.

The annual reporting period chosen will allow the group to persistently rethink these axes and to improve the CSR reporting process, in an effort to meet the highest standards and to draw significant conclusions out of this procedure. This third CSR report is the next step in a long-standing journey towards enhanced sustainability.

The Executive Committee

Group profile

SCALE OF THE ORGANISATION

G4 - 3, G4 - 4, G4 - 5, G4 - 6, G4 - 7, G4 - 8, G4 - 9

Encevo Group serves a broad customer mix for natural gas and electricity, which comprises private customers and medium to large industrial customers in Luxembourg, Belgium, France and Germany, as well as local and regional utilities.

Created in 2009 by a three-way merger, it has given the "Greater-Region" a major competitor across all commercial and industrial levels, Encevo Group has the financial base to roll out an ambitious policy of investment in both traditional and renewable energy sources. The group is headed by Encevo S.A., a holding company headquartered in the Grand Duchy of Luxembourg. It coordinates the activities of the various constituent firms. Encevo Group is present, either directly, or through subsidiaries and other holdings, throughout the entire value chain, from production to the final consumer.

Encevo Group totalizes 1,580 employees at the end of 2016, (a 3.5% increase compared to 1,527 in 2015).

The Encevo Group means:

> 300,000

delivery points for electricity and natural gas

> 22,5 TWh

natural gas (except trading)

> 12,8 TWh

electricity (except trading)

9,700 km

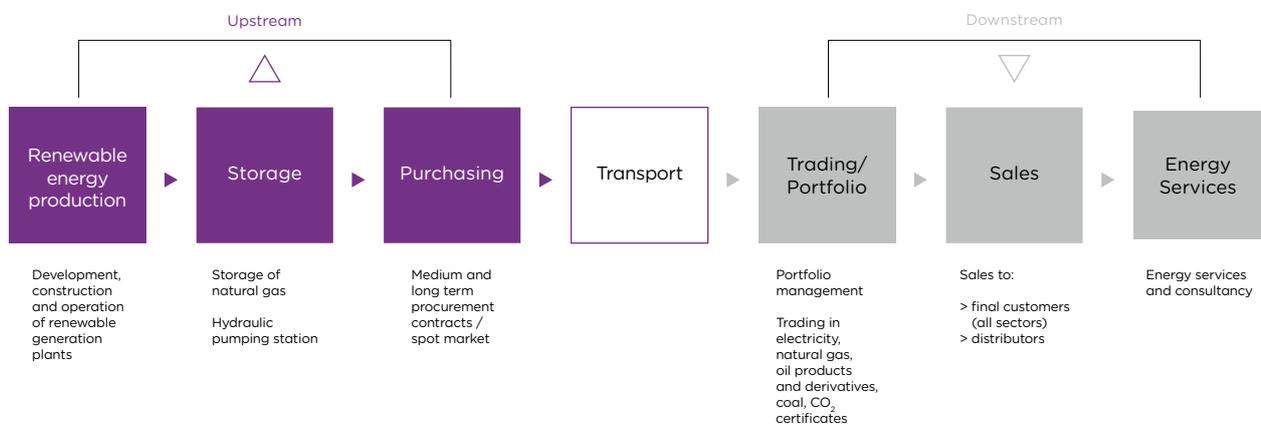
of electricity lines

3,700 km

of gas pipelines (incl. 2000 km in Luxembourg)



Encevo Group value chain (electricity and natural gas)

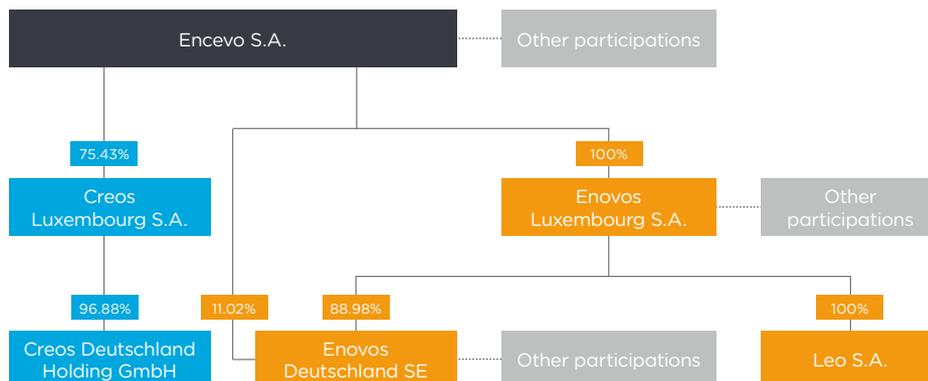


IN LUXEMBOURG, THE ENCEVO GROUP IS MAINLY MADE UP OF 3 ENTITIES REGARDING ITS CORE BUSINESS ACTIVITIES: ENCEVO S.A., ENOVOS LUXEMBOURG S.A. AND CREOS LUXEMBOURG S.A.:

Encevo S.A. is a public limited company under Luxembourgish law with its headquarters at 2, Domaine du Schlassgoard, L-4327 Esch-sur-Alzette. The company was established on 1st July 2009 for an unlimited period of time and was registered with the Luxembourg Trade and Companies' Register under the number B11723. Encevo S.A. is an operative holding company providing management services to its Group companies, mainly in the domains of financial services, information technologies, human resources, legal affairs and insurance, facility management and internal audit. The site of Esch-sur-Alzette has been certified ISO 50001 since May 2016.

Enovos Luxembourg S.A. is a public limited company under Luxembourgish law; its headquarters are at 2, Domaine du Schlassgoard, L-4327 Esch-sur-Alzette. The company is established for an unlimited period of time and is registered at the Luxembourg Trade and Companies Register under the number B 44683. Enovos Luxembourg S.A. is active in the fields of production, purchase and resale of natural gas, electric power and renewable energy sources, as well as energy services. The site of Esch-sur-Alzette has been certified ISO 50001 since May 2016.

Creos Luxembourg S.A. is a public limited company under Luxembourgish law; its headquarters are located at 59-61 rue de Bouillon, L-1248 Luxembourg. The company is established for an unlimited period of time and is registered with the Luxembourg Trade and Companies Register under the number B 4513. The energy network operator Creos Luxembourg S.A. operates in the fields of energy transport, distribution and grid management. Each company, and its subsidiaries, is independent, with its own structure and employees.



IN GERMANY, THE ENCEVO GROUP BRINGS TOGETHER 7 ENTITIES, THE 3 MAIN ONES BEING ENOVOS DEUTSCHLAND SE, ENOVOS ENERGIE DEUTSCHLAND GMBH AND CREOS DEUTSCHLAND GMBH:

Enovos Deutschland SE is a European company with its headquarters at Am Halberg 3, 66121 Saarbrücken, registered in Saarbrücken under the number HRB 100674. Enovos Deutschland SE is an operative holding company providing management services to its Group companies, mainly in the domains of legal affairs, human resources, financial services, marketing and communication, business management, facility management and IT. Enovos Deutschland is certified according to DIN EN ISO 50001.

Enovos Energie Deutschland GmbH is a company with limited liability under German law with its headquarters at Konrad-Adenauer-Ring 33, 65187 Wiesbaden. Enovos Energie Deutschland GmbH is active in sales activities for electricity and gas, as well as energy services aimed at energy efficiency and energy generation. Enovos Energie Deutschland is certified according to DIN EN ISO 9001 and 50001.

Creos Deutschland GmbH is a company with limited liability under German law with its headquarters at Am Halberg 4, 66121 Saarbrücken, registered in Saarbrücken under the number HRB 101115. Creos Deutschland GmbH is responsible for managing natural gas transport and for constructing, operating and maintaining high pressure gas pipelines and the associated technical installations. The company carries natural gas on a high pressure grid almost 1,700 km in length in Germany's Saar and Rhineland-Palatinate regions, supplying natural gas to numerous industrial clients, power station operators and municipal utilities Stadtwerke, and 2.7 million individuals. Creos Deutschland is certified according to DIN EN ISO 9001, DIN EN ISO 14001 and DVGW G 1000.

In this report, the term Encevo Group encompasses all the above-mentioned entities.

SIGNIFICANT CHANGES

G4-13

Changes in shareholding structure

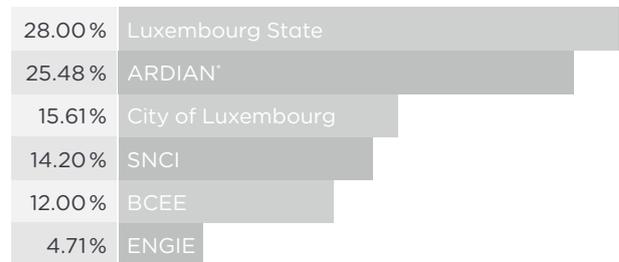
During the first quarter 2016, the sale of the shares of the German energy groups E.ON and RWE in Enovos International S.A. (now Encevo S.A.) was concluded in 2015 and validated by the German competition authorities.

The agreement of December 22, 2015 stipulates that the Luxembourg State, the National Credit and Investment Fund (SNCI) and the City of Luxembourg, as well as the Independent private investment firm Ardian acquire, together with the (BCEE) as a new shareholder, the shares of E.ON and RWE In Enovos International S.A. (now Encevo S.A.).

Validating the definitive transfer of the shares as provided for in the contract of sale, the Signature of the closure protocol by all the parties involved took place on 7 March 2016.

At the end of the ceremony, the Deputy Prime Minister, Minister of the Economy Etienne Schneider declared: "This transaction gives Enovos a stable shareholding with close to 70% of the shares now owned directly or indirectly by the public authorities. The company is therefore well positioned to pursue its policy ensuring the security of supply in Luxembourg, the development of renewable energies and the maintenance of a competitive energy price for the benefit of businesses and households."

Further information regarding structure and ownership can be found in the annual reports of the group companies.



* AXA Redilion ManagementCo S.C.A. **23.48%**
ARDIAN Redilion ManagementCo S.C.A. **2.00%**

"The company is therefore well positioned to pursue its policy ensuring the security of supply in Luxembourg, the development of renewable energies and the maintenance of a competitive energy price."

GOVERNANCE

G4-34, G4 - 56

Detailed information about the corporate governance bodies can be found in the annual reports of each company. Further information is available in the corporate governance report and the corporate governance charter.

A general code of business conduct (updated in 2014), Insider dealing guidelines and a specific code of ethics for energy traders are in place to establish best practices to be respected by the group's personnel. A whistleblowing policy, as well as a reporting procedure are in place to monitor proper application of these policies. In 2016, no alert has been issued through the whistleblowing procedure.

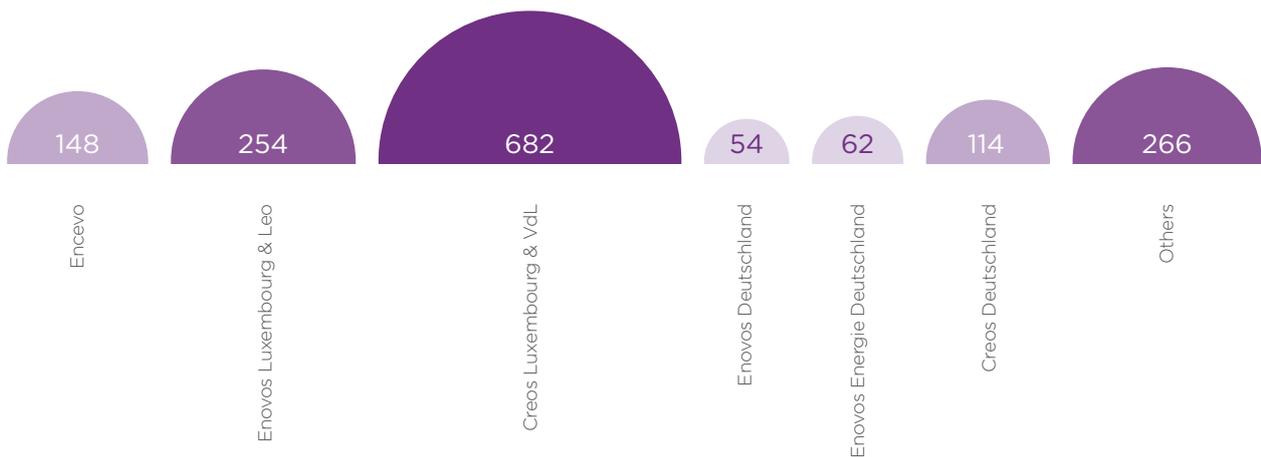
Supply chain

During 2016, all suppliers on long term contracts have been kept. There are no significant changes of the supply chain for strategic materials.

Other

Other significant changes will be tackled under the relevant "commitment" section.

Personnel by entity 2016



MISSIONS AND VALUES

The group's main goal is to provide a reliable energy supply and network at competitive prices and a sustained business growth, while holding itself to a high standard of corporate responsibility. Satisfying the concrete needs of its clients (retail, commercial, industrial or institutional all alike), is a key driver in the managerial decisions of all group companies.

Enovos

By its integrated energy solutions, based on an intelligent combination of energy products and services, Enovos aims at offering a true alternative to its customers. The clients are served by an international team of highly motivated and experienced energy experts, fully dedicated to their customers' needs, with fast response times combined with effective communication.

Creos

The mission of Creos is to organise, in a reliable manner and at competitive prices, the transmission and distribution of energy on the electricity grids as well as natural gas operations. The company carries out this mission in a non-discriminatory manner, in compliance with its public service and environmental protection obligations. Creos acknowledges that certain values are essential to the accomplishment of its mission. Day-to-day activities focus on ensuring commitment, quality, safety and innovation. Creos leverages the skills and efficiency of its employees to reach this objective, while striving to offer them fulfilling professional conditions where their personal safety is guaranteed.

Risk Management

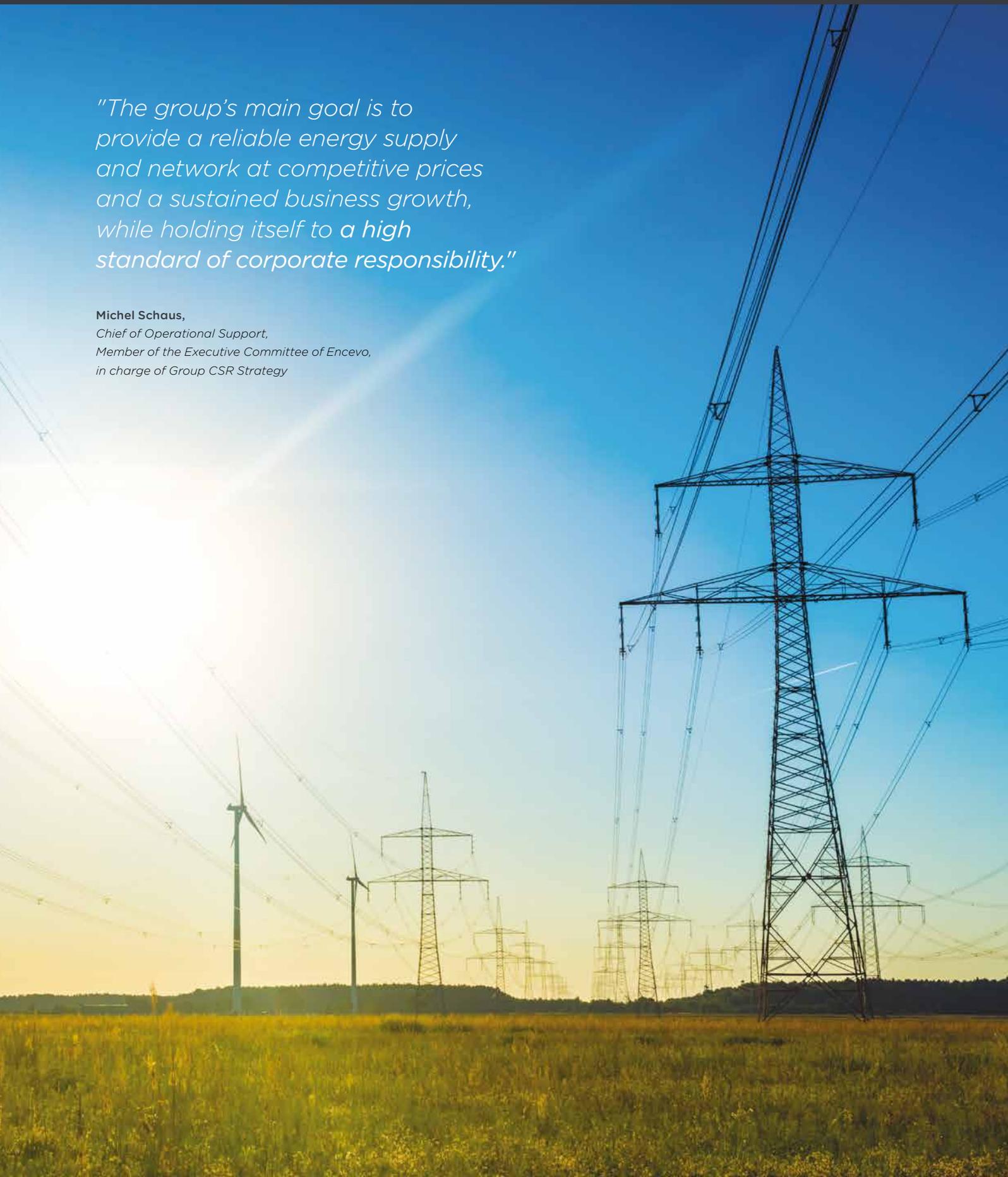
In the field of risk management, the endeavour goes to the promotion of risk awareness, risk identification and appropriate risk reporting group wide. A common software and data base contributes to a uniform and safe risk register of all possible operational and security risks. A particular attention is given to the operations in the Energy Procurement, Asset management, Trading, and Portfolio Management departments.

Health, Safety and Environment

The Encevo Group is committed to a high Health, Safety and Environment (HSE) standard. Dedicated employees are entrusted with the mission to keep the company up to date with the latest economically affordable security technology and processes. Yearly reports are dressed to establish safety and health incidents and accidents, in order to improve processes where possible.

"The group's main goal is to provide a reliable energy supply and network at competitive prices and a sustained business growth, while holding itself to a high standard of corporate responsibility."

Michel Schaus,
*Chief of Operational Support,
Member of the Executive Committee of Encevo,
in charge of Group CSR Strategy*



CSR approach

CSR CONTEXT

As a natural consequence of its activity sectors, the Encevo Group contributes substantially to the economic development of the territories in which it operates and to their **transition to a low-carbon economy**. The group believes in taking the long view and **driving real sustainable progress**, which is why sustainability forms an integral part of its strategy.

As an overarching tool for achieving sustainability on the economic, social and environmental fronts, **transparency is encouraged at all levels** of the

organisation and in the engagement with its external stakeholders. In line with its sustainability reporting efforts dating back to 2013, the group welcomed in 2016 the transposition into the Luxembourgish legislation of the European directive on non-financial reporting (2014/95/EU).

In keeping with the recent international trends Encevo decided to take the United Nations Sustainable Development Goals (“SDGs”) as the guiding thread of its CSR Context analysis.

About the Sustainable Development Goals:

On September 25th 2015, 193 United Nations member countries adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. The European Union has committed to implement the SDGs both in its internal and external policies.

As such, and in accordance with Luxembourg’s Prime Minister Xavier Bettel’s declaration of September 27th 2015, Luxembourg along with the other member countries has to take part in the work towards the achievement of these goals.

Since 2015 various international organisation and corporations decided to publicly declare their own commitments and targets, contributing to the achievement of the SDGs.

Encevo Group has a direct active role to play in six out of the seventeen Sustainable Development Goals:



Encevo Group supports the Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOAL 7 AFFORDABLE AND CLEAN ENERGY:

Reliable, clean and affordable energy supply is the backbone of economic development in advanced as well as emerging markets.

In Europe, both policies and measurable targets have been elaborated in order to assure all citizens are granted access to affordable and clean energy. The European Commission's Energy Union Package brings forward the vision and the strategy vital for progress in terms of Energy security, solidarity and trust. On the other hand the 2020 Climate and Energy Package and the 2030 Climate and Energy Framework help quantifying and measuring progress towards the common goals.

Luxembourg's current energy mix is predominantly based on fossil fuels. **Encevo Group is aware of the crucial role it has to play in putting in place the transition to a future fuelled by clean, reliable energy.**

The group's actions on these topics are described in the:

- 2nd commitment "sustainable investment", p. 37.

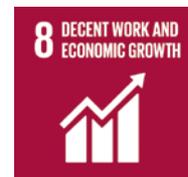
SUSTAINABLE DEVELOPMENT GOAL 8 DECENT WORK AND ECONOMIC GROWTH

The way towards reliable energy supply goes through a sustainable business model and economic growth. The group's ultimate goal being serving customers and creating long-term value for society at large, it regularly adapts and optimises its business model with regard to changing market conditions. As a result, the group initiated a continuous investment policy targeting efficient, high-performance grids and renewable energy sources such as bio-mass, on-shore wind, photovoltaic systems and hydropower.

With over 1500 employees, **Encevo Group is one of the largest employers in the Greater Region and recognises its responsibility in investing into human capital.** Facilitating the on-going professional training of collaborators is at the core of its human resources approach. On the other hand, the group is aware of the growing importance attributed to the responsibility of large companies with regard to the social impacts within their supply chain. As such, it is currently developing a framework regarding how its performance in this field could be improved during the upcoming years.

The group's actions on these topics are described in the:

- 1st commitment "business ethics and transparency", p. 31,
- 3rd commitment "staff employability development", p. 44.





SUSTAINABLE DEVELOPMENT GOAL 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Sustainable Development has been a proven catalyst for innovation in the energy sector and is expected to continue acting as such. Trends such as the electrification of mobility and the digitalization of energy production (smart energy), infrastructure (smart grids) and consumption (smart homes) have all helped to transition to a more efficient, less polluting economy. **Encevo Group takes society's growing ecological awareness to heart: e.g. Enovos supplies its normal-rate customers with green energy at no extra charge. Creos, by maintaining, upgrading and developing the grids, has a very strategic part to play in the development of the regions where the company is active;** enabling distributed generations, blending industrial facilities in the landscapes and ensuring the environment is protected while improving the efficiency of the grids are among the main challenges for the company.

The group's actions on these topics are described in the:

- 2nd commitment "sustainable investment", p. 37,
- 5th commitment "environmental impacts reduction", p. 53.



SUSTAINABLE DEVELOPMENT GOAL 11 SUSTAINABLE CITIES AND COMMUNITIES

Over the past years as part of the development of sustainable cities and communities we observed the decentralisation of energy production and the increasing importance of prosumers, consumers who have become their own producers, generating their own green electricity at near zero marginal cost around the world. More and more, communities feel the need to have a say on the way the energy they consume is produced. **In this changing environment the group needs to appropriately engage with its stakeholders on each level and to enable them to take part in the transition to a low-carbon economy through continuous infrastructure development.**

The group's actions on these topics are described in the:

- 2nd commitment "sustainable investment", p. 37,
- 5th commitment "environmental impacts reduction", p. 53,
- 6th commitment "commitment to local communities", p. 58.

SUSTAINABLE DEVELOPMENT GOAL 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

According to the United Nations, if people worldwide switched to energy efficient light bulbs the world would save US\$120 billion annually.

In Luxembourg, thanks to the continuously increased energy efficiency, a substantial decrease in per capita energy demand is expected for the upcoming decades. However, we expect the total regional energy demand to be impacted to a lesser extent, as a consequence of the forecasted demographic changes: in Luxembourg, a 67% population increase is forecasted by 2050 according to the Eurostat.

At the European level, the full integration of the energy market has been articulated in the Energy Union strategy. **As a consequence the group expects the evolution of the market structures in which it operates during the upcoming years.**

The group's actions on these topics are described in the:

- 2nd commitment "sustainable investment", p. 37,
- 5th commitment "environmental impacts reduction", p. 53.

SUSTAINABLE DEVELOPMENT GOAL 13 CLIMATE CHANGE

The energy sector is the largest single contributor to Green House Gas emissions in Europe. Accordingly, this sector plays a determining role in accomplishing the energy transition. Since the Paris COP21 and Marrakesh COP22 conferences, countries committed to quantifiable targets and the acceleration and globalization of the transition to low-carbon economy has been on track.

The Encevo Group is at the forefront of the energy transition in Luxembourg and the neighbouring Greater Region.

The group's actions on these topics are described in the:

- 5th commitment "environmental impacts reduction", p. 53.

Encevo Group continues to work on its CSR strategy based on the major trends identified above and aspires to engage in initiatives in collaboration with its stakeholders in the spirit of the Sustainable Development Goals.

The current Encevo Group CSR Commitments are kept and are in line with the SDGs. The current report still articulates the group's CSR Strategy according to these 6 commitments.

Most of the SDGs topics are tackled in the "2. sustainable investment", "3. staff employability development" and "5. environmental impacts reduction" commitments. On top of these, the commitments related to "1. business ethics and transparency", "4. health and safety" and "6. local communities" give additional insight on topics that matter to our stakeholders.



DIALOGUE WITH STAKEHOLDERS

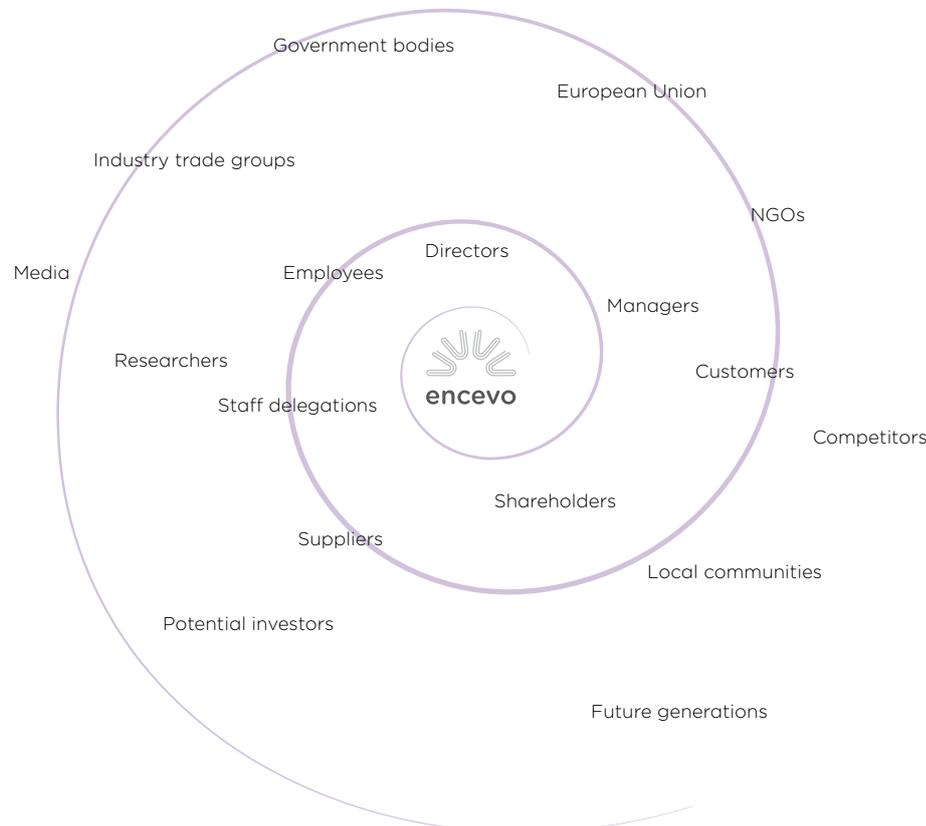
G4-24, G4-25, G4-26, G4-27

Who are the group's stakeholders?

Encevo Group noticed a growing interest from its stakeholders on many critical elements of its activity. By looking from their perspective; the group was able to identify and prioritise the important aspects to report on. These include (but are not limited to) the economic performance and market presence of the group, its procurement and labour practices, its energy efficiency and GHG emissions, its health and safety methods and

training programs and its engagement towards local communities. To date, the group acknowledges the importance of including its stakeholders in this process. It aims at further developing its policies in order to include its stakeholders at all level of the CSR reporting process (identification, prioritisation, validation and review).

Stakeholders Map





An efficient strategy needs to take into account all the stakeholders' interests. On top of the CSR Context and SDGs described in the previous chapter, the group encourages feedback from its stakeholders and engages with them to take their concerns into account in the definition of its CSR Approach. Employees are, of course, at the core of this multilateral communication, but Encevo Group also communicates with customers, suppliers, contractors, investors, local communities...

In order to engage with these stakeholders, the group initiated various techniques:

- Participation in **"Clusters"** with key stakeholders to discuss what really matters to them.
- Building of commitment networks such as **"myclimate"** or **"Lëtzebuerg gëtt Gas"** to connect with those who share the group's values and create opportunities to go further.
- Engagement with local communities, promotion and support of exciting projects via the **"Enovos Foundation"**.
- Participation to **industry associations** such as ENTSO-E ENTSO G, Eurelectric, ILA, FEDIL, IMS, Member of FEDIL "Prix de l'environnement" Jury...
- Investment in cutting-edge technologies and connection with researchers through the **"nova naturstrom fund"**.
- **Internal meetings** to identify relevant topics, concerns or issues.
- Signature of the **mediation charter** (an initiative coming from the "Centre de Médiation Civile et Commerciale" - CMCC), in an effort to favour dialogue where possible, even in the case of a disagreement with a stakeholder.

Internal consultation

In 2016, a new type of stakeholder consultation has been carried out to study the internal stakeholders' perceptions of the main CSR topics through a survey. The results will help the group focus on the CSR topics that matter most to its internal stakeholders, and allocate its efforts accordingly.



The consultation has been done in September 2016 during internal "breakfast meetings" that bring together all employees and managers of Enovos Luxembourg and Encevo.

The survey contained:

Context information:

Why this survey?
Group's 6 CSR commitments (reminder)

Three questions containing multiple choices and a free text field:

- A. In your opinion, which topics matter the most in the context of the group's responsible approach?
- B. What do you consider to be the 3 main benefits of a CSR approach for the Encevo Group?
- C. Would you participate in the group's CSR approach by integrating an upcoming workshop in connection with the group's CSR commitments? If yes on which topics?

Almost

40%

of the

250

attendees responded to the CSR consultation survey. Most of them right after the breakfast meeting.

Survey results

➤ A.

The 5 priority topics identified by Enovos Luxembourg and Encevo employees for the group are:

1. Training and professional development of employees
2. Well-being of collaborators, health and safety at work
3. Dialogue and transparency with the group's stakeholders
4. Innovation and education in the field of energy efficiency, mobility and energy services
5. Social inclusion, equal opportunities and access to employment

Other topics frequently mentioned were:

- Reduction of the group's environmental footprint
- Health and safety of the general public
- Sound and ethical corporate governance practices

➤ B.

Among the main perceived benefits of the group CSR Approach, the most frequent answers were:

- Preserve the group's image and reputation
- Improve the group's overall performance
- Feel part of a responsible company
- Avoid falling behind with current international trends
- Improve internal processes and tools
- Contribute/give a competitive advantage when answering calls for tenders

➤ C.

Half of the respondents would like to participate in the group's CSR approach in the future by integrating a working group in connection with the group's CSR commitments

The topics below were proposed by respondents for future workshops:

- Environmental footprint
- Staff employability development
- Transparency
- Ethics / business ethics
- Equal opportunities

This is positive feedback confirming the employees feeling of involvement is not limited to their duties. Several employees also mentioned that they would be interested in participating in such an initiative, but lack the time to do so.

The Encevo Group still wishes to further develop and improve its communication with stakeholders.

A similar study with Creos employees and German entities is being explored, as well as a supplier consultation.

CSR MATERIAL ASPECTS

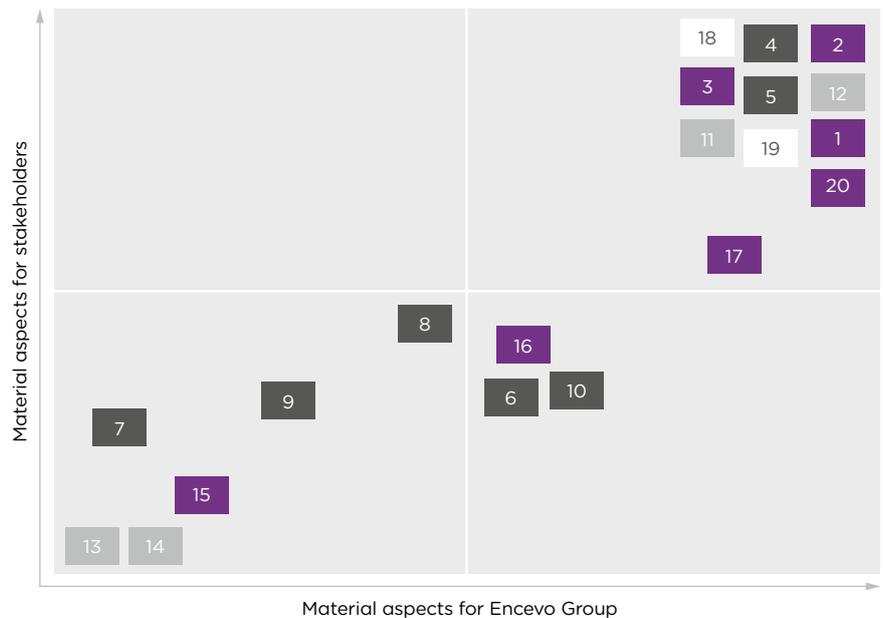
G4-18, G4-19

The current structure of the Encevo Group CSR report has been defined by the CSR steering committee in 2013, considering the elements implied by every activity along the group's supply chain and around its products and services. By examining their direct and indirect impacts on an economic, social and environmental level, and associating it with risk management within the frame of its sustainability context, the Committee defined the material aspects to report on. Then, the material aspects implied by the main concerns and topics raised by the stakeholders have been compared to the material aspects defined by the CSR steering Committee.

The result of this linkage between the group's priorities and its stakeholders' priorities is shown in the following materiality matrix. These material aspects have been validated through further dialogue with stakeholders during CSR meetings early 2014 in Luxembourg and Germany. This led to the identification of the material aspects that will be developed in the present report. Six strategic lines emerged from this materiality matrix. These 6 lines bring together the group's CSR objectives; this system has been used to analyse the relevance of each aspect for each step of the value chain.

The group's materiality matrix is currently being improved notably thanks to the additional feedback received from stakeholders and to the recent developments in the group CSR Context. A significant update is therefore planned for 2017. Until then, the current version below remains applicable:

1. Economic performance
2. Market presence
3. Procurement practices
4. Energy efficiency
5. Emissions
6. Transport
7. Water
8. Materials
9. Biodiversity
10. Effluents and waste
11. Training
12. Health and safety
13. Child labor
14. Forced labor
15. Freedom association
16. Anti-corruption
17. Anti-competitive behavior
18. Product labelling
19. Customer privacy
20. Compliance



- Market & Compliance
- Environment
- Human rights & Employment
- Customers

OUR CSR TEAM

The CSR project coordination Team

This team has a wide role in the process of CSR reporting. The members of this team received the “GRI Certified Training Program”. They are in charge of:

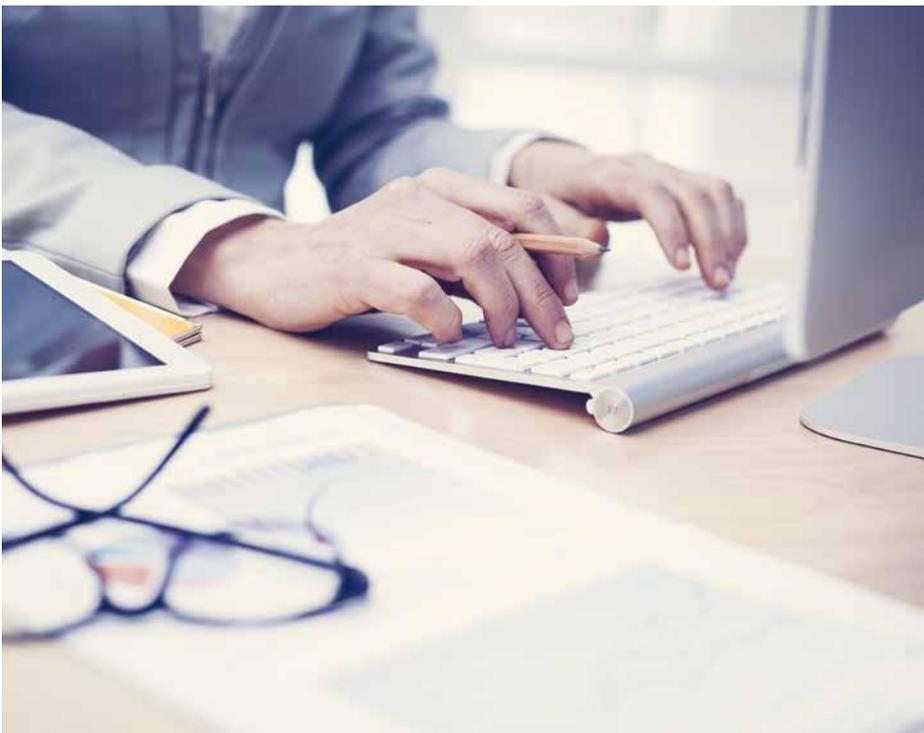
- Coordinating CSR reporting steps
- Proposing CSR material aspects to report
- Collecting data to report from CSR contributors
- Writing the report itself
- Proposing for validation CSR report 2016

Data Experts

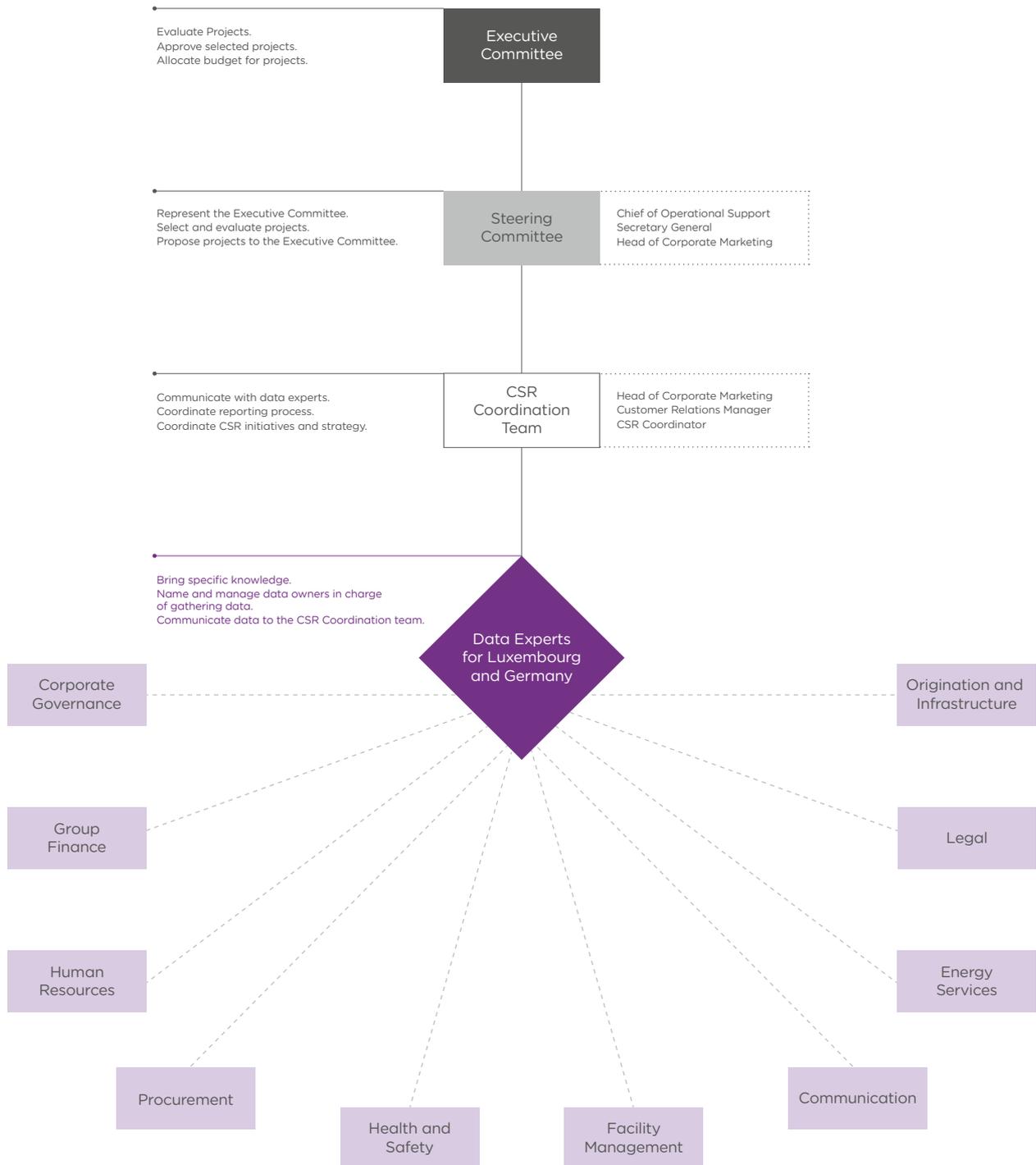
The data experts have been chosen for their **extended knowledge and experience in a given topic**: finance, governance, human resources, product development, and purchasing or facility management. They helped the coordination team in many ways:

- By raising specific issues,
- Participating to the materiality assessment tests,
- Providing accurate information,
- Analysing complex data...

They were the most important interlocutors for every specific topic needing the understanding of an expert. Together, these two teams built a solid framework to assess sustainability practices, which led to the present report. The said framework is an evolving tool that will be improved step by step to gradually allow even more self-knowledge, transparency and control on sustainability matters.



CSR reporting process structure



"Together, these two teams built a solid framework to assess sustainability practices, which led to the present report."

Vincent Robinet,
Group CSR Coordinator



CSR commitments

The following chapters deal with the management approach of the economic, social and environmental impacts implied by the group's activities and its sustainability context. The material aspects have been defined throughout our process of identification, prioritization and validation of CSR topics. From this management approach results a CSR strategy that has been included in the group's corporate strategy and based on 6 engagements, depending on their field. In each one of these fields, a periodic assessment on specific indicators is conducted. In order to report material aspects, where they are material, the data has been structured by associated service when possible.

However, all data is not yet available for all entities, the data collection process is still being improved and streamlined. The group's data experts did their best to disclose the most relevant information in their possession, but some data could not be ready on time for disclosure. This issue is being addressed and Encevo Group aims at improving this report's level of completeness during the next reporting cycles.



COMMITMENT

1

BUSINESS ETHICS
AND TRANSPARENCY



COMMITMENT

2

SUSTAINABLE
INVESTMENT



COMMITMENT

3

STAFF EMPLOYABILITY
DEVELOPMENT



COMMITMENT

4

HEALTH AND
SAFETY



COMMITMENT

5

ENVIRONMENTAL
IMPACTS REDUCTION



COMMITMENT

6

LOCAL COMMUNITIES
COMMITMENT



COMMITMENT 1 BUSINESS ETHICS AND TRANSPARENCY

DMA

The group is committed to guarantee transparency and ethical practices to its internal and external stakeholders. This applies at all levels of the value chain. Being a responsible organisation in terms of business ethics and transparency in the sustainability context of the group includes:

- Ensuring compliance.
- Ensuring service availability and reliability.
- Developing, adopting and promoting sustainable procurement practices.

Compliance

G4-SO7 - SO8 - EN29 - PR2 - PR8 - PR9

In 2016 for Encevo Group (Luxembourg and Germany), there has been no significant, substantial and documented complaint, legal procedure, fine and/or monetary sanction for non-compliance with laws and regulations, including anti-competitive behaviour, anti-trust, monopoly practices, health & safety impact of products and services, provision and use of products and services, environmental laws and regulations and customer privacy.

The group-wide e-learning education programme linked to compliance and started in 2014 has been continued; topics covered include:

- How to handle and avoid questions of potential corruption or fraud
- Competition and consumer rights regulation

On top of this programme, awareness-raising activities are being organised on specific topics to ensure all principles rules and guidelines are well understood and applied. Examples of topics covered are: unbundling rules, public procurement, insider dealing guidelines...

Unbundling

In accordance with the amended laws of 1 August 2007 on the organization of the electricity (Art. 32(2) d)) and natural gas markets (Art. 37(2) d)), any grid operator which is part of a vertically integrated structure must establish a compliance programme including measures to guarantee that any discriminatory conduct with regard to actors in the markets in question (producers, suppliers, network clients and users, etc.) is excluded. As such, a compliance programme has been developed and has been published on the [Creos Luxembourg S.A. website](#).

A person has been appointed in this respect to take responsibility for monitoring the implementation of the compliance programme, known as the "Compliance Programme Officer". The officer makes a report each year which is submitted to the "Institut Luxembourgeois de Régulation". The report is subsequently published by Creos Luxembourg S.A. on its website.

Unbundling also applies to Germany where Creos Deutschland has a "Gleichbehandlungsprogramm" to ensure it is respected, a person responsible for this programme and a yearly report to the German Bundesnetzagentur.

Service availability and reliability

G4-EU28 - EU29

Network reliability

An economic base which is diversifying and developing and a rapidly growing population implies Creos needs to strengthen and expand its networks in order to maintain a high quality infrastructure and guarantee the security of supply at all times. This continues to be the absolute priority for Creos, which is responding to this challenge with a large programme of investment.

To meet Luxembourg's future electricity requirements and to secure its supply, Creos continued with the construction of a 220 kV loop around Luxembourg City. After more than 10 years of planning and three years of construction, the "Luxring" project has finally come to a full circle.

Comprising two high-voltage power lines, Luxring is linking Heisdorf with Itzig/Blooren and Itzig/Blooren with Berchem since October 2016. This project, with a total cost of 80 MEUR, is aimed at ensuring the security of electricity supply in Luxembourg, in particular the centre and south of the country.

To protect the environment, Creos has favoured underground infrastructures, with 18 km of underground electrical cable and 17 km of overhead power lines.

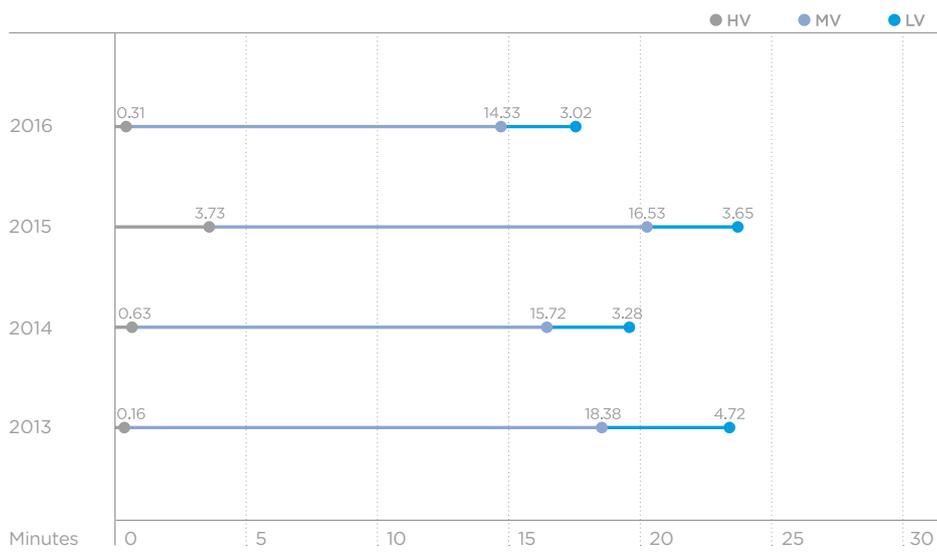
Average annual power outage time

The challenges of the future are to integrate renewable energies and "prosumers": consumers who are also becoming producers. Flows on the grid will become bidirectional, and the network operator will have the responsibility of managing them through the development of a smart grid.

In recent years, Creos has taken first place in a European ranking of average annual downtime of supply to clients connected to the low-voltage grid. Efforts over the course of many years to bury as many lines as possible are bearing fruit today. Underground lines are naturally less exposed to weather conditions, and are less vulnerable as a result.

Creos strives to reduce to a strict minimum the number of incidents on the grid and the interruptions in supply which can result.

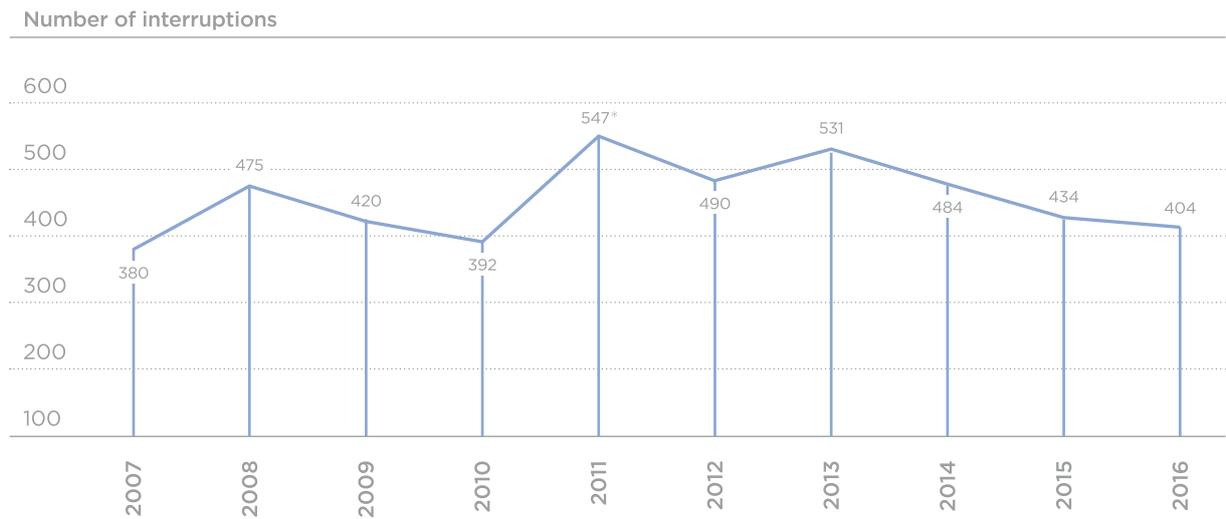
Average annual power outage time within the Creos network (SAIDI)



Source: Creos Annual Report 2016

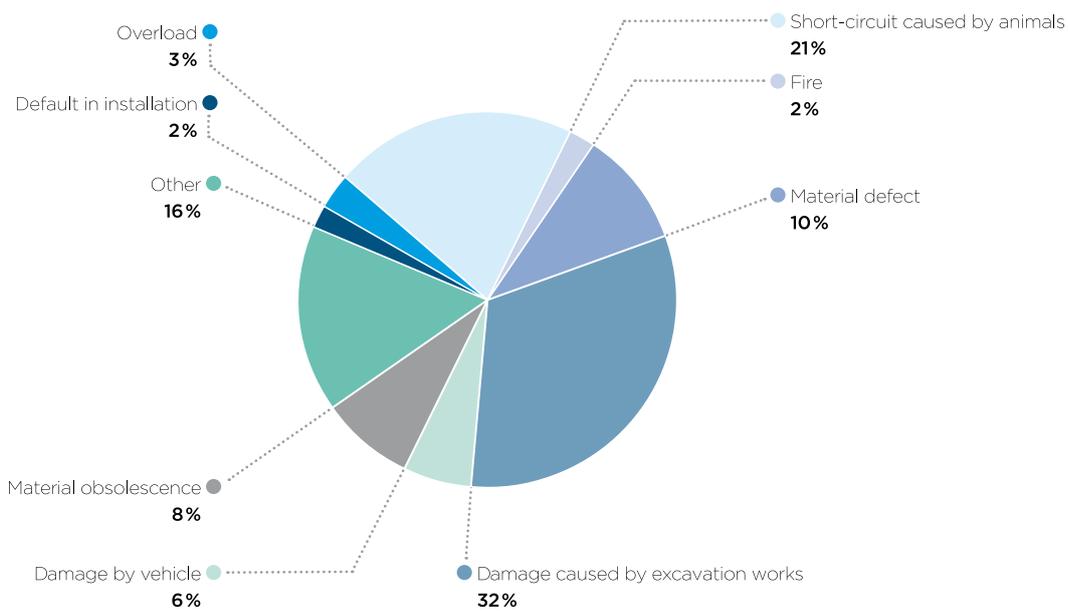


Perceptible LV-interruptions (>3 min) from 2007-2016



* including the electricity network of the City of Luxembourg (as at 01.01.2011)

Causes of LV-interruptions



Source: Creos Annual Report 2016

Procurement practices

G4-EC9

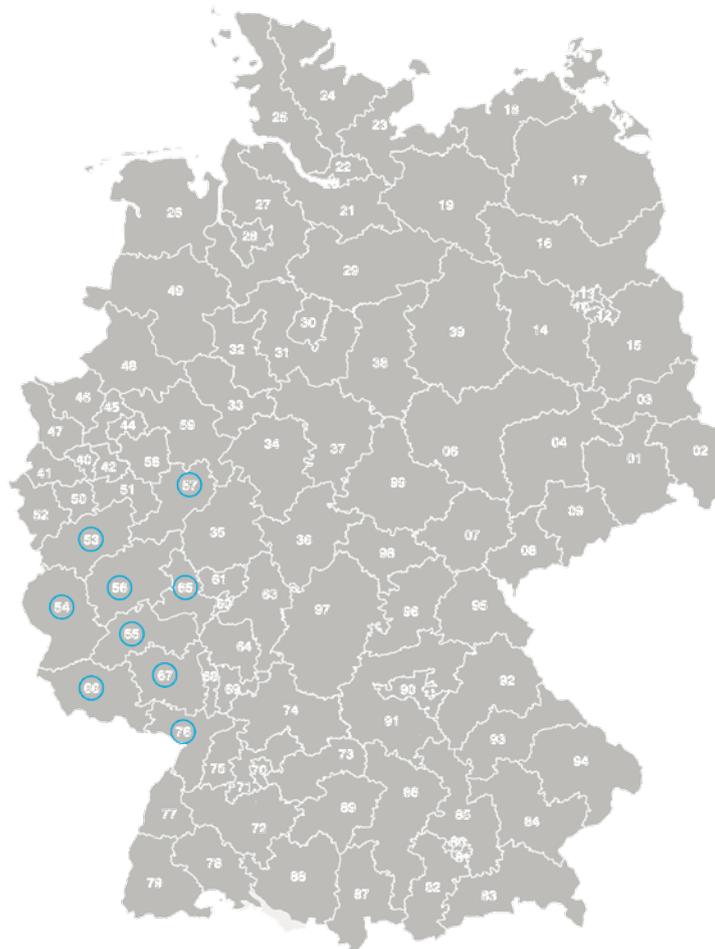
Procurement practices are becoming an increasingly material topic to key stakeholders. The group is currently actively working on procurement workflow improvement and optimisation taking into account the new CSR-related requirements in this field.

Local suppliers

Selecting suppliers and **maintaining a mutually fruitful relationship** is a complex task that has a consequent impact. A “local supplier” for Encevo Group is a supplier with an address within the significant location of operation.

This means for Luxembourgish entities an address in Luxembourg, and for German entities an address in one of the following ZIP-Codes:

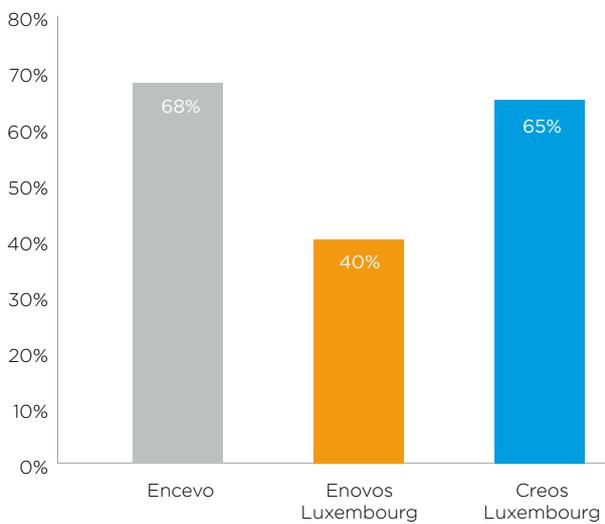
- ## 53 - Bonn
- ## 54 - Trier
- ## 55 - Mainz
- ## 56 - Koblenz
- ## 57 - Siegen
- ## 65 - Wiesbaden
- ## 66 - Saarbrücken
- ## 67 - Kaiserslautern
- ## 76 - Karlsruhe



The group works with many local suppliers, thus actively contributing to the development of the local economy.

The chart below shows the percentage orders placed in Luxembourg by the main Luxembourgish entities:

Percentage of orders placed in Luxembourg



The situation of Creos Deutschland also follows this trend as 75% of the procurement budget is spent on local suppliers.

Figures for Enovos Luxembourg exclude trading and energy sourcing, which account for a significant part of Enovos Luxembourg's purchases. This activity being really specific, a high in-house standard in risk management for energy procurement has been implemented, as well as a dedicated trading policy to regulate the group's relationships with more than 60 wholesale counterparts.

Figures for Enovos Deutschland and Enovos Energie Deutschland were not available at the time of this report.

CSR related criteria

- Compliance with applicable laws and regulations is requested in the group's General Purchase Conditions.
- Energy consumption of the various products is now requested and taken into account for product and supplier selection, especially regarding IT hardware.
- Creos' restaurant in Strassen holds the "Sou schmaacht Lëtzebuerg" label, acknowledging its efforts to develop a purchasing policy centred on local and seasonal products.
- The Ecodesign & Labelling directive has been taken into account when updating the standard requirements specifications of Creos Luxembourg, notably regarding substations: excessive actual no-load and copper losses compared to what was announced in the specifications sheets lead to penalties.

In Germany, companies commissioned by Creos are obliged to:

- apply the environmental requirements of Creos (via written statement before award of contract),
- handle and dispose of the material used to provide the services properly following applicable rules and best practices,
- name a person, who is responsible for the briefing of the relevant employees and the documentation required for MiLoG, AEntG, SGB IV und SGB VII (protection of workforce).



COMMITMENT 2 SUSTAINABLE INVESTMENT

DMA

The group is committed to invest responsibly, in favour of economic growth and improved sustainability. The rapidly-changing context in which the group evolves implies many challenges to deal with: increased demand due to economic and population growth, increasing needs to further protect the environment and to reduce emissions while improving the group's services and providing more energy.

To meet these challenges, a particular attention to strategic investment is given, which takes into account long term planning on economic, environmental and social point of views. That is to say:

- Investing responsibly.
- Further developing renewable energies to improve service and sustainability.
- Making the optimum infrastructure investments.
- Researching and developing new services.

A consistent decision is not to use electricity from nuclear and coal-fired power plants but to promote energy efficiency instead. Its aim is to reduce CO₂ emissions and be ahead of EU guidelines.

Invest responsibly

G4-OG2, G4-OG3, G4-EU1, G4-EU2

Smart Metering

The installation of smart electricity and gas meters beginning on 1 July 2016 among customers required significant investment on Creos' part. It was necessary not only to make IT modifications but also to prepare for the future smart grid by investing in fibre optics, digital security, and communication technologies. Creos' participation in the national e-mobility plan also required corresponding financial and human resources inputs to prepare for implementation of the first public charging stations from 2017.

The smart meters are crucial enablers within the framework of the energy transition. Creos therefore launched a campaign to inform customers, and created a micro-site dedicated to smart meters (smarty.creos.net) which explains in detail their functioning, includes owner's manuals in four languages and gives customers an option to provide feedback.

In total, Creos installed approximately 8,000 smart meters in 2016. Those first months served above all to test the reliability of the suppliers and gather initial reactions from customers. Most of the feedback was quite positive. From a technological point of view, there were no major incidents. Currently, Creos is ready for massive deployment and the deadline of installing 250,000 electricity meters and 50,000 gas meters between now and 2020 will be met.

Renewable Energies

In 2016, Enovos continued its great efforts in the renewable sector:

- Through the joint venture WES Green GmbH in Germany, capacities in the development, planning and construction of solar parks was expanded (20 MW planned and constructed in 2016 by WES Green).
- A further 54.2 MW in onshore wind energy projects were completed in Luxembourg and Germany.
- In Germany construction of the Priesberg wind-park with 12.5 MW was finalised and in Luxembourg, an additional 41.7 MW achieved grid connection in Rulljen-Géisdref, Housen-Pëtschent and Hengischt through the joint venture Soler S.A.

Enovos renewable business will continue to focus on developing sustainable solutions for the growing renewable sourced energy demand.

Enovos continued its positioning in the field of decentralised energy production in 2016 and launched enosolar, an all-inclusive solution for small photovoltaic systems in Luxembourg. This includes the entire photovoltaic equipment and its installation plus a service package for five years for the related installed systems, including supervision, insurance and a production guarantee over that period.

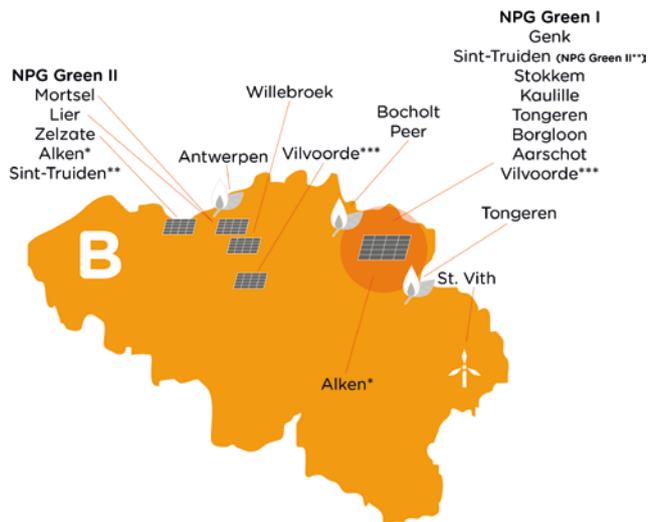
Thanks to our renewable energy production of 649 GWh in 2016 we have been able to provide 162,250 medium sized households totally with renewable energy and avoided by this way the emission of more than 367,000 tons of CO₂ in 2016.

In 2016

649 GWh
renewable energy produced

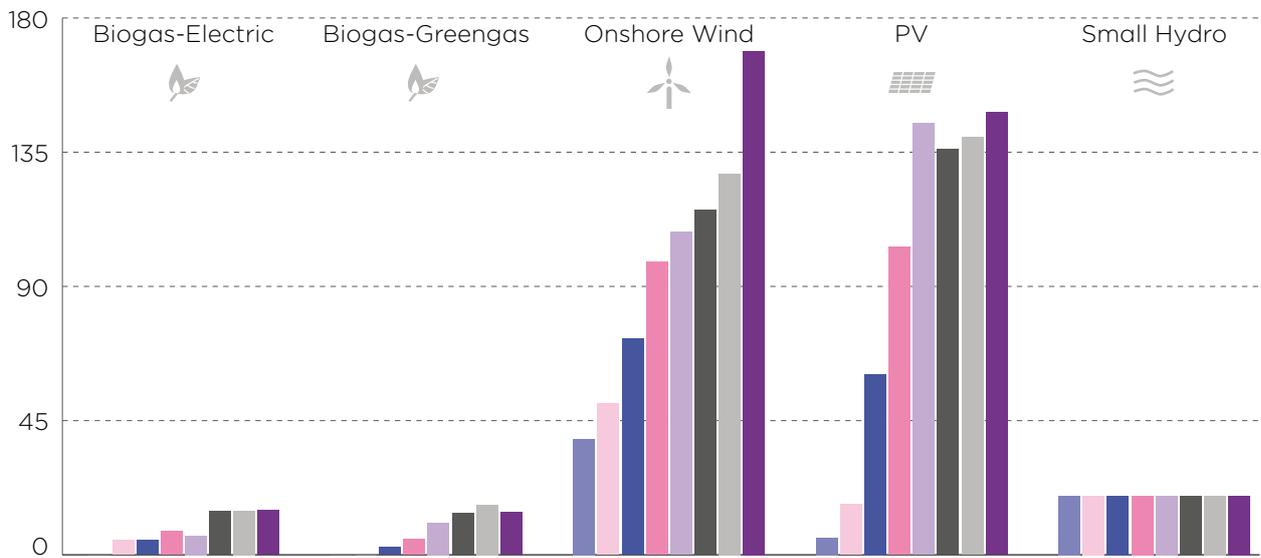
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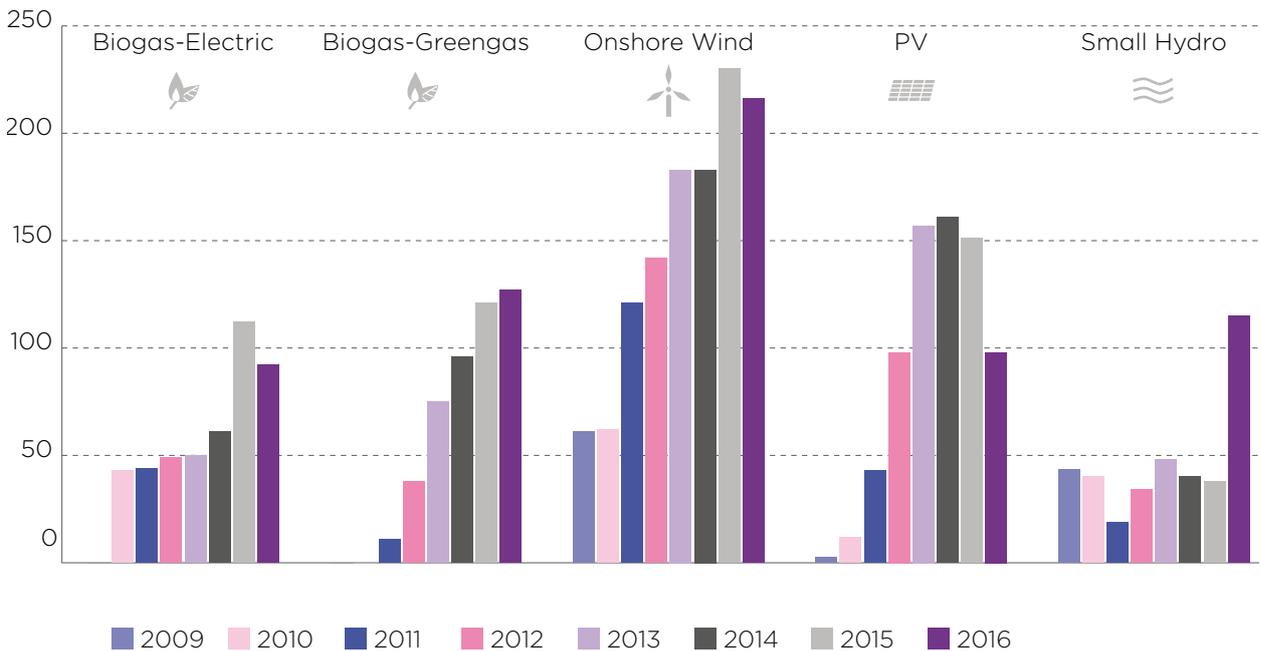


The charts below give more details regarding the installed capacity, energy production and the location of facilities.

Capacity per Year and Technology [MW]



Electrical Production per Year and Technology [MWh]



2009 2010 2011 2012 2013 2014 2015 2016

Ecomobility

Enovos

By exceeding the 600 marks for charging points installed in Luxembourg, **Enovos pursued its growth in electric mobility in 2016**. Enovos broadened its offer by including further intelligent infrastructures with new user-friendly services. The 20 new charging points installed in Esch-Belval, is one of Enovos' many ecomobility projects.

Creos

The publication in the Mémorial in December 2015 of the Grand Ducal regulations on the public infrastructure relating to electromobility, sets out the government's preferred *modus operandi* in this area. Two types of charging station will be installed in Luxembourg, namely 3 kVA "normal" mode charging stations and 22 kVA "rapid" mode charging stations. **Creos will have a total of 749 charging stations in 102 municipalities (communes)**. The first 300 stations are scheduled for roll-out starting in March 2017.

Energy efficient lighting solutions

After successfully completing a pilot project in efficient lighting systems in 2016, Enovos now provides an innovative all-in-one lighting solution based on LED technology for companies. Enolight is a custom-made offer covering all steps. From analysing lighting needs, choosing the adequate solution, planning and installation through to maintenance, Enolight provides the customer with a threefold benefit: comfort, time and money.

Electricity and Gas grids

G4-EU4

Please refer to the Creos Annual Report 2016 for detailed figures and maps on the electricity and gas grids.



Enovos now provides an innovative all-in-one lighting solution based on LED technology for companies.

Power lines underground

G4-EC7

When replacing power lines and installing new systems, Creos makes a special effort to bury networks in local communities and their surrounding areas. This work, which is designed to protect nature, is often carried out in close collaboration with state and municipal authorities.

Creos now has 94.7% (compared to 94.6% in 2015) of its low-voltage power lines and 70.3% (compared to 69.2% in 2016) of its medium-voltage lines underground, representing over 7,700 km (700 km more than in 2016) more than three-quarters of the network, a level of performance which exceeds European standards.

Integration in the environment

Creos has always been concerned that its facilities should be integrated effectively in the environment. Today, for example, new high-voltage transformer stations are all gas-insulated substations. At the leading edge of technology, these are discreet and compact, with a footprint of only one-fifth of the traditional outdoor substations, and are landscaped to blend in with the scenery. Low- and medium-voltage substations within the boundaries of local communities are today constructed exclusively as shielded substations with stone walls, or prefabricated concrete or steel structures, or are directly integrated into a building.

Creos **substations comply with all safety regulations** to ensure optimal protection in the event of fire, unauthorised access or bad weather.

These different initiatives all aim at the rationalisation of energy consumption as well as at an improvement in terms of comfort and efficiency.

Accordingly, sites housing transformers are sound-proofed and have a leak proofed tank to recover the oil in the event of a leak. The substations have surveillance cameras directly connected to Dispatching.

Live working has become an essential approach for meeting the needs of industry, SMEs and individuals as fully as possible, providing a means of optimising network operation and avoiding inconvenient outages for clients. Today, this technique is used for numerous interventions on electrical installations.

Research and Development in new services

Improving existing services and developing new ones are essential to further improve quality and reliability. **The group invests in innovation to be able to improve existing techniques, and develop new services to progress on the field of energy efficiency.** This process will consider two development directions:

- On the power grid level, with the services “Smart Grid” and “Smart Meter”.
- On the market level, with new products and services for a more responsible energy consumption, such as “enosmart” (www.enovos.lu/particuliers/applications-smart/enosmart), “enoheat” (www.enovos.lu/particuliers/production-decentralisee/enoheat-gas), “enosolar” (www.enovos.lu/particuliers/production-decentralisee/enosolar), “enolight” (www.enovos.lu/en/industrial/energy-efficiency/enolight) or the “Learning Factory” (www.learningfactory.lu).

Total length of overhead lines



"Creos has always been concerned that its facilities should be integrated effectively in the environment."

Claude Seywert,
CEO Creos Luxembourg,
Member of the Executive Committee of Encevo





COMMITMENT 3 STAFF EMPLOYABILITY DEVELOPMENT

DMA

Encevo Group supports responsible employment. Having a motivated, skilled and dynamic workforce is not only a matter of ethics and respect; it is also an irreplaceable asset to achieve long-term success in any business. It is essential for the Group to think in a sustainable manner in the field of Human Resources. Strength lies in diversity (Enovos Luxembourg brings together 17 nationalities!); a well trained workforce brings advantages to the individuals and to the organisations, especially if well combined with diversity management to grant equal opportunities to all employees. In this context, Enovos Deutschland signed the German Diversity Charter (“Charta der Vielfalt”, during the German Diversity Day): a written commitment to ban discrimination in the workplace and makes a decision to work towards reflecting the diversity of the society in the workplace.

In line with these principles, Encevo Group:

- Supports diversity and equal opportunity
- Trains, encourages and develops its employees and interns
- Thinks for the future

Diversity and equal opportunities

Employees of the Encevo Group come from many different nationalities and backgrounds. They all bring valuable ideas, cultures and experiences. We believe that the diversity of our workforce is an asset.

Encevo Group policies provide for respect and fair treatment for everyone:

Companies of the Encevo Group do not allow any form of discrimination on the basis of race, color, religion, nationality, gender, sexual orientation, age, health status, disability, marital status, cultural or social background or political or union opinion. Only professional criteria such as qualifications, skills, experience and performance will be used as a basis for employee related decisions such as hiring, dismissal, evaluating, training, compensation and promotion.

Encevo Group, strives to preserve a respectful and comfortable work environment:

Harassment, which covers a wide range of unwelcome verbal or offensive behaviour, cannot be tolerated and after being reported will be thoroughly and confidentially investigated, with the involved employees.

Having a motivated, skilled and dynamic workforce is not only a matter of ethics and respect; it is also an irreplaceable asset to achieve long-term success in any business.

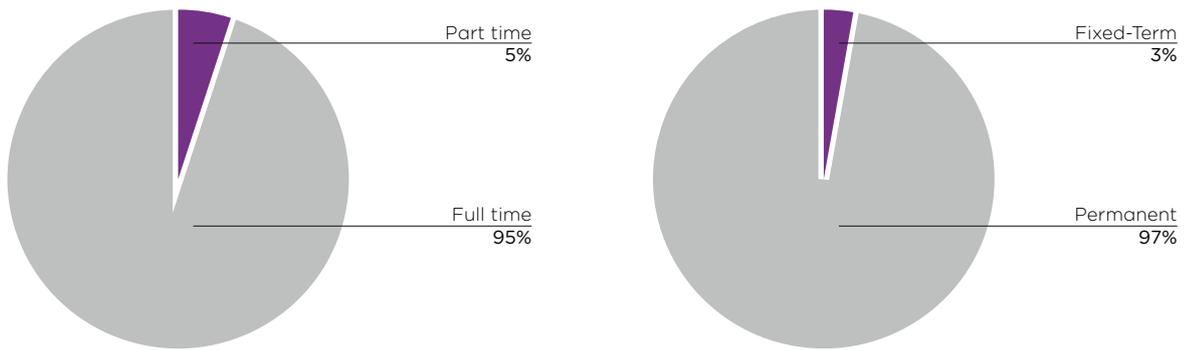
Workforce

G4-10

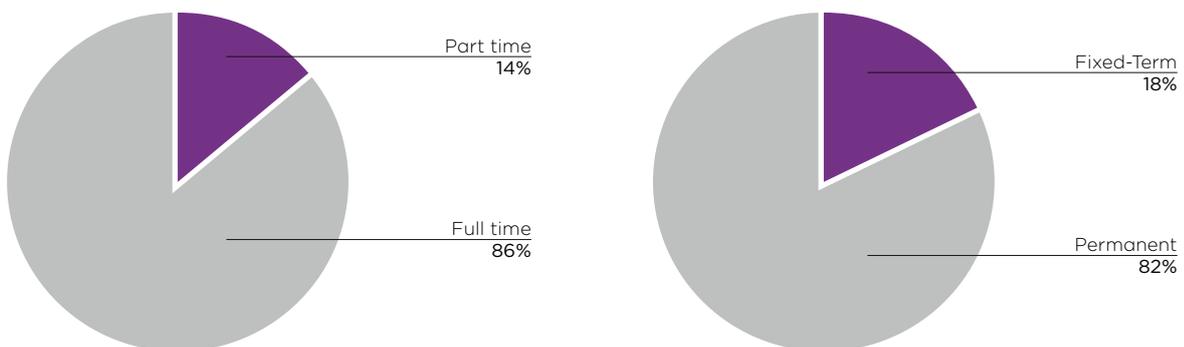
Encevo Group mostly uses full time and permanent term contracts, in line with its will to provide a stable environment to employees. In search for experience, dynamism and commitment to strengthen its workforce, the group always looks for new talents, regardless of their age, gender, or belonging to a minority group.

Contract types

Main entities in Luxembourg

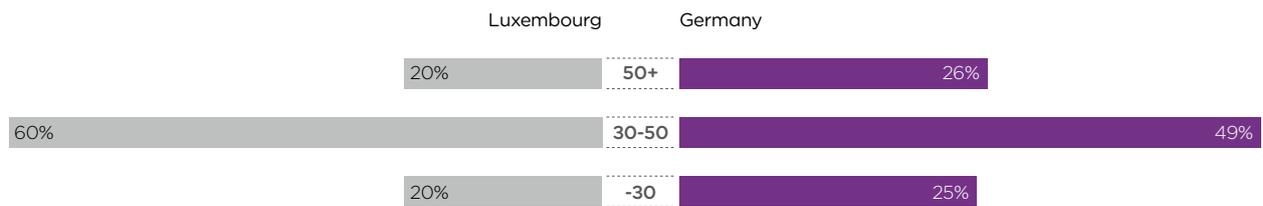


Main entities in Germany





Age pyramid for Encevo Group



Gender repartition by entity

Enovos Luxembourg & Leo



Encevo



Creos Luxembourg & VdL



Enovos Deutschland & Enovos Energie Deutschland



Creos Deutschland



Training and development programs

G4-LA9 - LA10

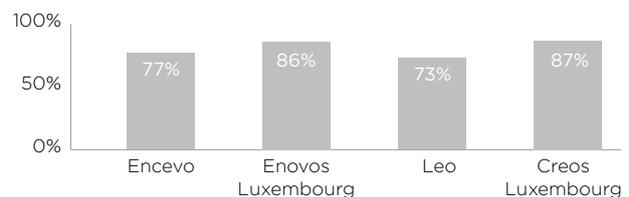
Encevo Group is committed to providing Training & Development opportunities for its employees at all levels and in several languages including French, German and Luxembourgish.

Between 2014 and 2016, 180 managers have successfully completed the Curriculum Management programme (for a total of 5580 hours of training) while the first internal training catalogue was launched offering numerous soft skills trainings like Time Management, Efficient Presentation, Conflict Management.... The first Encevo Group Welcome Days have also been organised toward the end of the year 2016, for 30 new joiners from Enovos, Creos, Encevo and Leo based in Luxembourg. This new event is now organised for new employees every 3 or 4 months in order to ease their integration within the Group and ensure their successful onboarding.

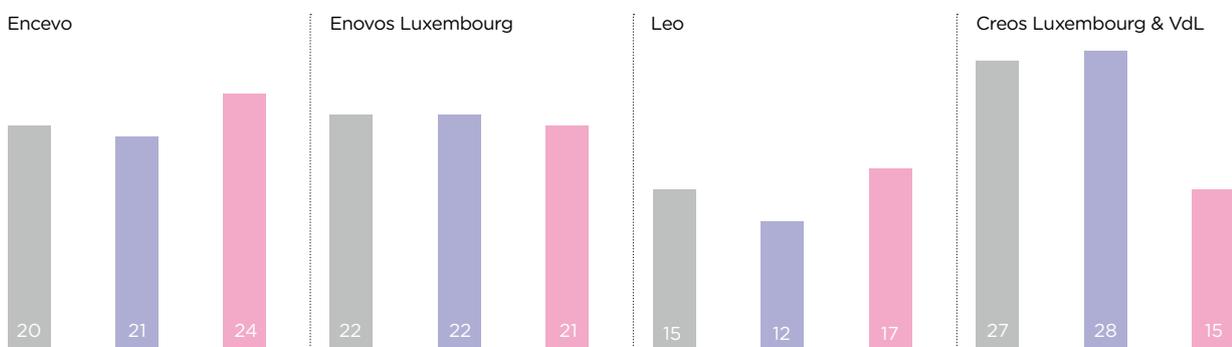
The distance learning offer has also been developed further in 2016 for language courses, but also in Germany for topics such as antitrust laws in B2B markets, antitrust law on the energy market, prevention of corruption and role of the management (508 E-learning modules completed in total).

As a major employer in Luxembourg and the Greater region, Encevo's ambition is to provide the framework for the professional and personal fulfilment of each staff member. The Group encourages internal mobility and the creation of multi-field teams to address specific challenges of an ever-changing market. This comes with motivating career plans, competitive salaries and other benefits that provide added value to professional and personal life. Constantly trying to create the right work-life balance is also essential to the group. On top of that, the group is putting systems in place to facilitate transfer of knowledge; some very specific positions with quality know-how are particularly sensitive and specifically targeted when it comes to transferring skills.

Rate of employees gone through training



Average number of training hours per employee in main entities - Luxembourg



■ Average ■ Males ■ Females

Training incentives

Encevo Group supports the development of its employees in many ways, including the 'Prime d'encouragement à la formation' (article 24 of the Collective Agreement).

Like every year, €500 will be granted to employees who have paid for, attended, successfully completed one or several training(s) of interest to the group in 2016

Quality traineeship

In 2016, Encevo Group endorsed the quality framework for traineeships in the European electricity sector agreed by the Social Partners for the electricity sector.

These standards refer to working conditions of trainees in the individual companies as well as the educational content of the traineeships. They cover key topics such as:

- **Preventing precarious work**

Important aspect and goal of traineeships is to prevent situations that young people end up in precarious work; i.e. a situation that young people have to take up several jobs or work irregular and too many hours to earn a 'living wage'.

- **Compensation**

The traineeship agreement is to stipulate the compensation to be provided pursuant to the relevant collective agreement. The compensation needs to be adequate and responsible.

- **Working hours**

The traineeship agreement is to stipulate the working hours applicable pursuant to the relevant collective agreement. Working hours are defined responsibly and adhered to.

- **Health and Safety**

The training provider undertakes to provide the necessary information and training on health and safety for the trainee as provided for the permanent staff so he or she will work safely.

- **Supervision**

A supervisor should be designated to guide the trainee through the assigned tasks, monitoring and assessing his/her progress. Companies should ensure that the supervisor is trained and skilled to be a mentor. Mentors should be motivated and have the time and resources to do their job.

Staff retention

Creos is known for having one of the lowest personnel turnover rates in the country (3.23%) with average service of around 15 years, and this is not a matter of chance. Besides the range of occupations and career prospects, the company emphasises continuing education and training, whether in safety, quality, or team management.

In 2016, a further step was taken with the launch of a catalogue oriented towards behavioural competencies. 'This ranges from conflict resolution to assertive communication, with time management and evaluation meeting preparation,' explains Rosa De Tommaso, Deputy Head of Group Human Resources. 'Thanks to this catalogue, each staff member can easily find the training that best meets his needs.'

Another significant initiative in 2016 was the **introduction of the onboarding day**. 'Over the course of the day, new employees learn about the company, its vision, its social responsibility policy, and training options, notably in health and safety,' comments Gilles Breuer, Head of Group Human Resources. 'We also show them the Encevo Loisirs sections dedicated to specific sports and the different events that we organise. This extraprofessional aspect is important for our employees, especially young graduates who have just joined us.' 'Contrary to what you might think, they are not just thinking of the salary package,' adds Rosa De Tommaso. 'They also want to work in a company with clear and precise objectives and where they think they can flourish.'

As of the end of 2016, more than 20% of the company's 682 employees were under 30, and of the 47 people recruited last year, 18 were young people without prior job experience. These figures are especially encouraging when you realise that good profiles are very much in demand.

Hires and departures

G4-LA1

Please find below the essential information about new hires and departure. These figures include internal transfers (10).

For a breakdown by entity, gender, age and reasons, please contact the contact point mentioned in the “About Our Report” part of this document.

Collective Agreements

G4-11

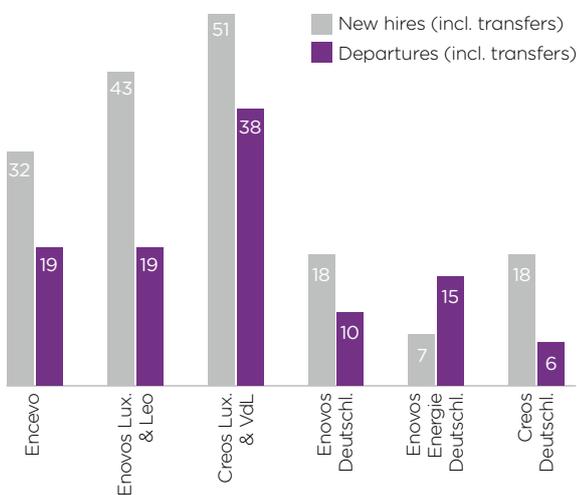
Employees (non-managers) are covered by a collective working agreement. The percentage of total personnel covered is as follows. In 2014, significant efforts have been made to further improve the Group’s Collective Working Agreement on several levels: salary increase, tailor-made health insurance, harmonised pension schemes... Discussions between the parties have been numerous and fruitful, strengthening the collaboration between personnel, unions and management representatives. The discussions with regards to the next iteration of the Collective Working Agreement are ongoing.

Career development reviews

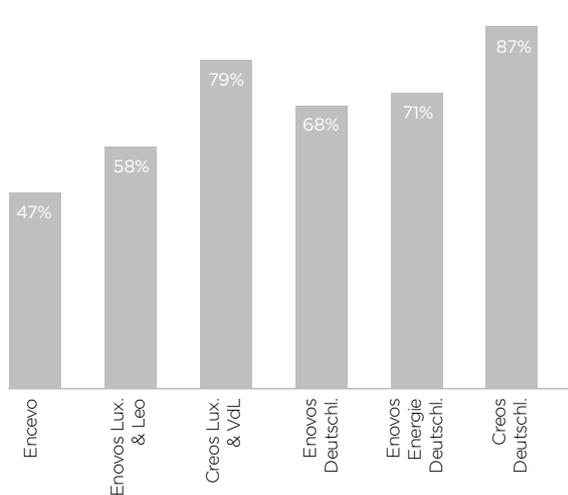
G4-LA11

In Luxembourg, all managers receive regular performance and career development reviews. This strategy has many advantages for the employees, as they can have precise feedback on their work, along with the opportunity to share and discuss possible concerns. This enhances the communication and improves dialogue within the group. Attention is given to the concerns arising from these discussions, as they often reveal new ways of improving processes and working conditions. Regarding employees, performance career development reviews are organised for all employees who finished their trial period. This annual review process is being aligned between Luxembourg and Germany.

Hires and departures



Percentage of employees covered by CWA





COMMITMENT 4 HEALTH AND SAFETY

DMA

Encevo Group is committed to provide a safe working environment and cares about the health of the community.

Electricity and gas are dangerous if not properly handled, for workers and for members of local communities as well. Anticipating the potential dangers to develop methods, trainings, information programs and emergency procedures is a complex matter the company deals with on an everyday basis. Creos' workforce, given the high technicity of some tasks, is particularly exposed and needs to be particularly well trained.

To reduce the number of injuries, the group:

- Organises occupational HSE Programs
- Sets up a tailor-made health insurance
- Monitors the evolution and tendencies in terms of safety
- Provides information to the general public

Statistics

For the statistics below:

- Days of absence are measured in calendar days
- The "lost days" count begins the day after the accident
- Relapses and long term diseases are included.

All 10 accidents recorded at Encevo, Enovos Luxembourg and Leo were travel accidents:

Encevo: 4 travel accidents and no work accident occurred in 2016, leading to less than 5 lost days.

Enovos Luxembourg: 5 travel accidents and no work accident occurred in 2016, including 2 accidents with lost days.

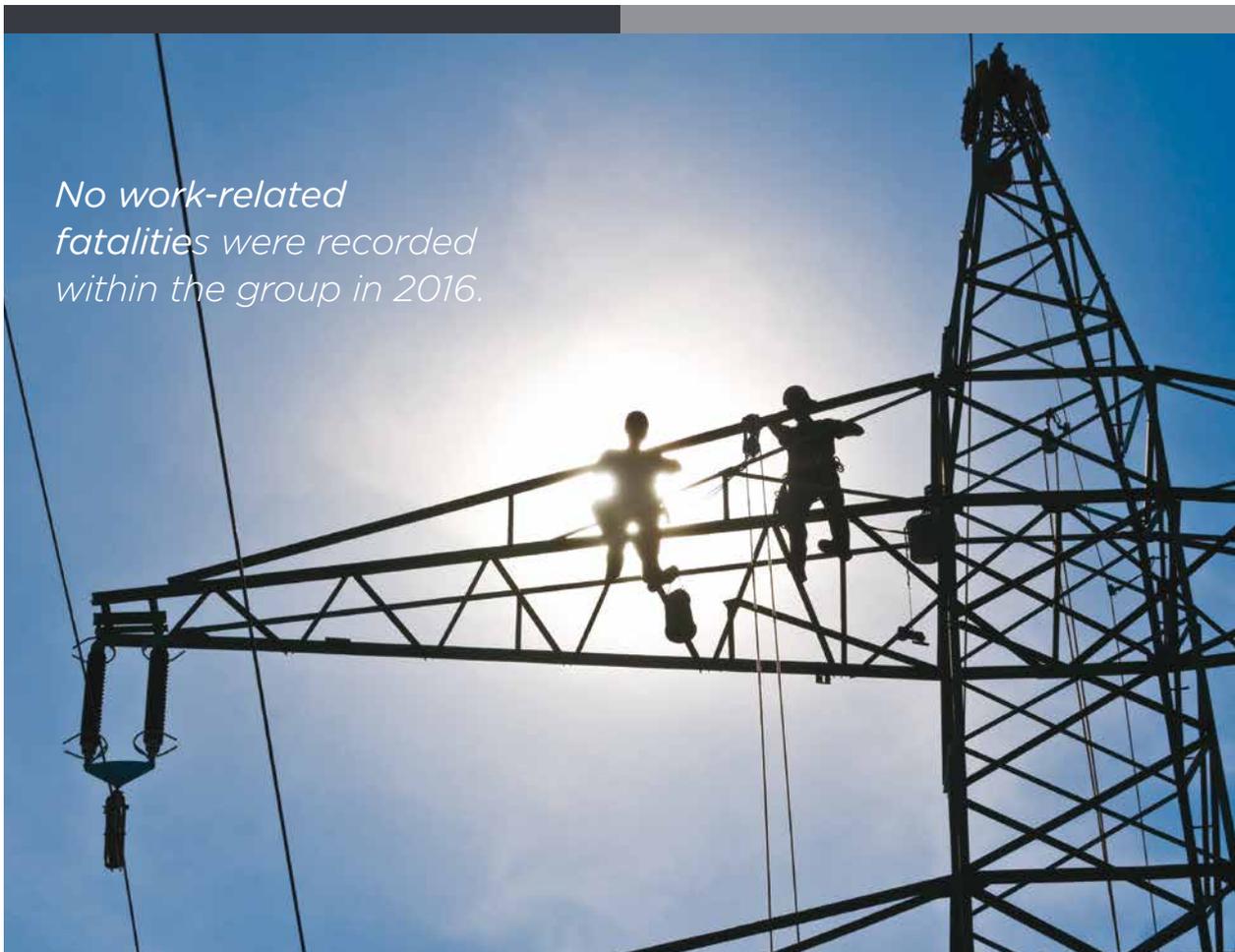
Leo: 1 travel accident (without lost days) and no work accident occurred in 2016.

Creos recorded a total of 52 accidents in 2016 of which 36 were minor and 16 involved more than 3 days of incapacity. Total number of lost days incurred is 527. The main causes were accidents travelling to and from work (38%), falls (15%), and slips and trips (14%).

The rate of serious accidents at Creos is 0.47 in 2016, which is below the maximum goal set of 0.5. The definition of this rate is the ratio of lost calendar days to the total productive (working) hours multiplied by 1,000.

Enovos Deutschland and Enovos Energie Deutschland recorded 4 accidents in total (including 2 accidents with lost days).

Creos Deutschland recorded 43 accidents (including 4 with lost days).



No work-related fatalities were recorded within the group in 2016.

Occupational HSE Programs

There are certain risks involved in the work of electricians and gas installation engineers. **To avoid exposing employees to these risks and potential accidents in the workplace, Creos Luxembourg's Health, Safety and Environment department regularly organises the relevant training courses.** Staff training in general, and for personnel in the field of health and safety at work (HSE) in particular, is fundamental for Creos. Even though there is no such thing as zero risk in the electricity and gas industries, the company strives to optimise its working procedures, and readily employs the latest safety technologies to reduce accidents at work. In 2016, 134 health and safety-related certificates on first-aid, gas and electricity grids and driving vehicles have been successfully delivered to Creos employees. Electrician accreditations are now recognised by the AAA, the "Association d'Assurance Accidents", which confirms the high quality of the training provided.

To reduce the number of accidents recorded in recent years on the journey to or from work, Creos Luxembourg decided in 2012 to take part in the "Trajet, Sécurisons-le" road safety awareness campaign launched by the UEL (Luxembourg Business Association) together with national entities involved in the prevention of traffic accidents. The campaign material is accessible to all entities in Luxembourg through the group Intranet and includes 12 modules handling topics such as distractions, physical state of the driver, speed, dangerous substances, and eco-driving...

In 2016, Creos was part of the first adherence of the national "Vision Zero" occupational health and safety programme.

Psychological stress in the workplace is also taken into account and is the focus of a dedicated training project at Enovos Deutschland.

SGS Label

Encevo holds the “Sécher a Gesond mat System” (SGS) Label. In an effort to help companies implement effective occupational health and safety management, The “Association d’Assurance Accidents” (AAA) created the SGS label to encourage initiatives, provide advice and coach employers regarding risk prevention and occupational health and safety.

Tailor-made health insurance

In 2015, the group set up a tailor-made additional health insurance for employees in Luxembourg in collaboration with the HR Department. This insurance is covered by the employer and allows the employee and his or her family a better healthcare reimbursement.

The main benefits are inpatient and outpatient treatments, vision aids and refractive surgery, alternative therapies, dental treatments, full coverage for outpatient, inpatient hospital costs and repatriation if required for medical reasons.

Information to the general public

G4-EU DMA

Information and prevention are essential to allow a safe use of the group’s services, and the group keeps its clients informed of the different safety measures and procedures needed. The high literacy in Luxembourg and the absence of strong cultural barriers makes it easier to achieve this goal. Nevertheless, the group tries to be as clear and accessible as possible.

A multi-lingual customer support service is always ready to answer questions and to help clients if needed. Most documents are generally published in 2, 3 or 4 languages (French, German, English, Portuguese), including the Group’s websites.

The homepage of www.creos.net has a topic named “Sécurité” where customers, construction companies and other stakeholders can download brochures about the safe use of electricity (2 languages available, topics include security for

fishermen, campers, around gas pipes or under power lines).

A sign language interpreter is present in internal meetings, when necessary, to enable persons with a hearing or speaking disability to fully take part in the meetings.

On the internal “CREOS-Intranet” there is a section HSE where CREOS staff can find a lot of information about safety at work.

On the “ENOVOS-Intranet” the safety at work section also contains advice and information, adapted to the risks encountered. For example, there are explanations on how to avoid musculoskeletal disorders for people working a long time on computers, by adopting the right posture and habits.

In and around facilities

For wind turbines, preparatory meetings with specific rescue departments used to high facilities are organised to be prepared in case of an emergency. All the necessary signs, protection and fences are also in place to warn and reduce the risks.

Dedicated HSE personnel are in place in bio-methanisation facilities to monitor the risks and address the issues before they lead to an accident.

Creos substations comply with all safety regulations to ensure optimal protection in the event of fire, unauthorised access or bad weather. Accordingly, sites housing transformers are soundproofed and have a leak proof tank to recover the oil in the event of a leak. The substations have surveillance cameras directly connected to the Dispatching.

G4-EU25

No injury or fatality to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases was recorded in 2016.

G4-PR2

No incident of non-compliance with regulations concerning the health & safety impacts of products and services during their life cycle was recorded in 2016.



COMMITMENT 5 ENVIRONMENTAL IMPACTS REDUCTION

DMA

Encevo Group is committed to reduce its environmental impact. Selling natural gas implies rejecting CO₂ as it will be burned for heating or for the client's purposes (be they households, professionals or industries). Electricity is also a very important source of GHG emissions, because of its traditional methods of generation using fossil energies (coal, oil, gas...). At the European scale, the rate of GHG emissions arising from energy generation is very high. These traditional activities are therefore highly impacted by regulations.

Encevo Group is committed to reduce its environmental impact.

The group's ambitious investments in renewable energies are mainly made in the areas of biomass, photovoltaic, hydropower and wind power. For the consequent development of renewable energies, Enovos builds on cooperation with energy distributors and public utilities from the region, as well as on partnerships with project developers and plant manufacturers, mainly from Germany, France and Belgium.

Enovos actively shapes the energy production process and further increases its know-how in the areas of technical planning, acquisition and operation. In order to strengthen renewable energy generation in Luxembourg, Enovos' and SEO's renewable energy activities have been tied together. The corporate purpose of the specially created Soler S.A. is the planning, construction and opera-

tion of renewable energy power stations. To complement the existing hydropower plants, Soler S.A. is steadily developing its portfolio of wind power stations in order to meet the EU objectives in terms of renewable energy generation.

Within this context, the group:

- Offers possibilities to combine reduced emissions with mobility.
- Compensates its GHG emissions and offers relevant ways to do it to its customers.
- Protects and maintains biodiversity.
- Improves System Efficiency.
- Recycles its wastes and uses sustainable waste disposal systems.
- Designs with protection and integration in mind.
- Monitors its energy consumption for better control.

Since its creation, Encevo Group emphasises sustainable development through renewable energies.

The Encevo Group implemented a strategy of massive investment on renewable energy, creating a whole new department to further develop this activity. It also chose to help its clients control their energy consumption and carbon footprint by developing a whole range of new services in this domain, such as "Energieberodung", "Energy Audit Industry and Building", "Quick Check Energy", Solar & Thermographic Cadastre, "Bilan Carbone®", Energy Management and Audit for Municipalities, Carbon offsetting (MyClimateLux a.s.b.l.). Moreover, all residential customers in Luxembourg are provided with 100% renewable energy at no extra cost.

Further information on these initiatives and programs are available on the group's website.

Environmental impacts of products and services

G4-EN27

Transplantation of trees

As part of the work in preparation for the construction of its new headquarters on rue Nicolas Bové in Merl, Creos transplanted around 15 large trees. Stored temporarily in a nursery along the property's edge, the trees will be used to add greenery to the pathways for the future building from 2020.

The Creos shielded transformer and distribution substations

Substations are a key component of the electricity grid, performing both transformation and distribution of electricity. They distribute electrical energy at a uniform voltage, before stepping it down so that it can be distributed for consumption by users (homes and businesses).

The technology behind shielded substations has certain advantages over the conventional construction method, as it is compact, reliable and low-maintenance. However, its production cost entails greater investment than conventional technology. In this "GIS" (Gas Isolierte Schaltanlage) installation, the electrical conductors are sheathed in a metal envelope filled with a gas (sulphur hexafluoride - SF₆). This technology thus uses SF₆ gas as insulation instead of the ambient air. Creos is always careful to ensure that its substations are compatible with the local environment, and closely monitors the quality and reliability of its grid, thereby securing supply for its customers. By incorporating appropriate design and construction materials (concrete, wood, metal, etc.), Creos installations blend harmoniously into their local environment. Note that the construction methods used for Creos substations may vary, depending on the different authorities' obligations and regulations.

Between 2014 and 2019, major investments in the 65kV grid involve the installation of such substations in the following locations:

- Windhof,
- Betzdorf,
- Esch/Ehlerange,
- Gasperich,
- Kirchberg/Weimershof,
- Findel/Senningerberg,
- Bettembourg,
- Kirchberg/Europe,
- Hollerich.

In addition to these 65kV installations, finalization work is continuing on the new 220/65kV transformation and distribution substation at Itzig/Blooren.

Administrative offices and facilities

ISO 50001 certification in Esch

After obtaining the HQE and Breeam certification in 2015 for its new building, Encevo and Enovos attained the well-known ISO 50001 certification for the headquarters in Esch-sur-Alzette. While the Breeam and HQE certifications attest the environmental and sustainable quality of the construction of the new building, ISO 50001 certifies that the company makes good use of it. Enovos is among the pioneers in the Grand Duchy and one of the first to achieve the certification, which demonstrates the skills in efficient energy management. This certification was achieved in close collaboration with Global Facilities which, with this pilot project, has developed applications and new know-how that will be put to good use with other clients too.

More efficient power and heat generation in Saarbrücken

Enovos in Saarbrücken was powered and heated by two Combined Heat and Power plants operating since 1990, which needed replacement due to old age. The new CHPs, with an electrical power of 400 kW each and a thermal power of 504 kW are also much more energy-efficient and have advantageously replaced the old systems. The necessary peripherals, such as the ventilation system have also been renewed. One of the two CHPs is already running on top of the existing photovoltaic installations. The second CHP is in standby mode, and guarantees the security of supply for the server systems of Prego and Creos in the event of a network or self-supply failure.

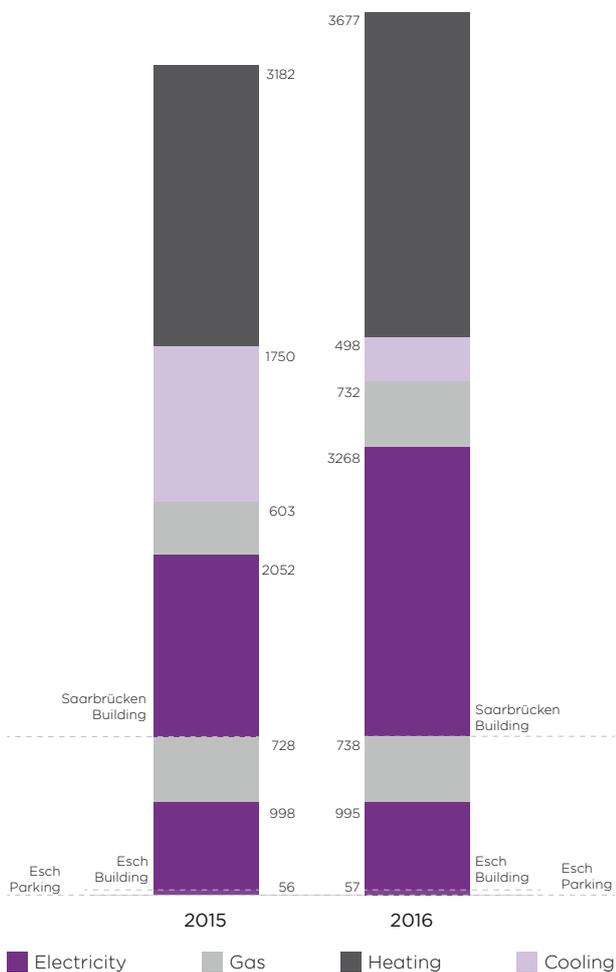
Energy Consumption, buildings and policies

G4-EN3

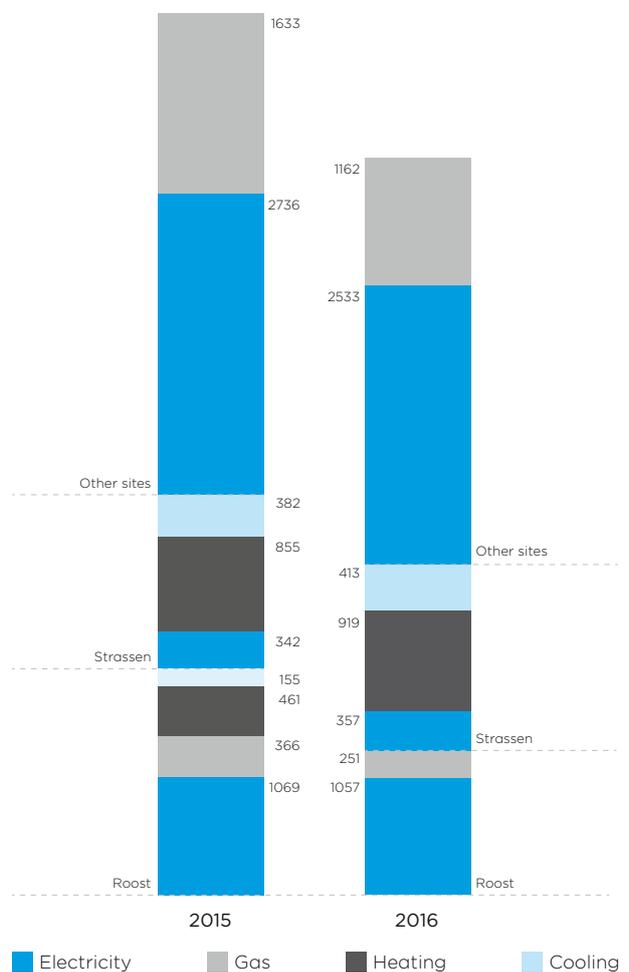
According to 2013 figures, each employee emits in average 12 t CO₂ eq of GHG gaz per year in his or her professional life. It is important to keep in mind that this figure illustrates the transition towards fewer emissions. This indicator will be used to measure progress. To lower that figure, among other initiatives the group already modified its printing policy, amended the car policy, installed hand dry-

ers, raised awareness among the personnel, and implemented a process that allows employees to compensate their carbon footprint through my-Climate... Moreover, the new buildings in Esch-sur-Alzette and Roost are, by design, very efficient in terms of energy consumption. Facility Management contracts for these sites include obligations regarding energy management and energy consumption reductions. The graphs below show a close approximation of the energy consumption per entity and site.

Energy consumption Encevo, Enovos and Enovos Deutschland S.E. (all figures are in MWh)



Energy consumption Creos Luxembourg and VdL (all figures are in MWh)



Waste Management

G4-EN23

The 3R's waste management concept - Reduce, Re-use, Recycle has contributed to a better waste sorting and an overall reduction in waste quantity the group's main sites in Luxembourg:

- **Reduce** is probably the most impactful of the 3 R's. The more we can reduce (consumption, development, etc) the less we will need to reuse and recycle.
- **Re-use:** Instead of throwing things away, try to find ways to use them again!
- **Recycle:** Many of the things we use every day, like paper bags, soda cans, and milk cartons, are made out of materials that can be recycled. Recycled items are put through a process that makes it possible to create new products out of the materials from the old ones.

Encevo and Creos Luxembourg both have been awarded the SuperDrecksKëscht label. This ecological waste management initiative - certified according to DIN EN ISO 14024 - supports and trains companies to achieve recycling, transparent waste transaction and a more sustainable waste management in general.

The workplace has been designed to reduce unnecessary waste. Some examples include:

- Replacing the traditional individual office bin with differentiated waste bins at each floor enables to drastically reduce the quantity of non-recoverable waste.
- The company restaurant's policies aim at reducing food waste to an absolute minimum.
- The choice to reduce storage space per employee from around 10 linear meters (in Strassen building) to 3 linear meters in Esch. This measure has been a real incentive to reduce unnecessary printing of documents. Coupled with the automatic setting of the printers on "recto-verso black & white", more than 3 tons of paper have already been spared since 2012.

- The implementation of a new electronic archiving system built with user-friendliness, safety and reliability in mind, will further contribute to reduce the number of documents that need to be printed.
- Hand dryers replaced paper hand towels, thus saving 558,000 towels per year.

For Enovos Energie Deutschland GmbH:

- No hazardous waste are generated, only ordinary waste such as paper and recyclables. Legal requirements are followed.
- batteries are added to the GRS system
- electronic waste is disposed in cooperation with a service provider

Energy services, emissions and mobility

Regarding the supply of end customers, the group develops energy products and services that support home-produced energy, focusing on decentralised electricity production, energy storage and heating.

Enhancing customer experience

Because the future of energy goes hand in hand with the development of Internet technologies, Enovos is always on the front line when it comes to applying new information and communication technology that can improve the customer experience.

In 2016, Enovos installed its first connected solutions in Luxembourgish homes.

As part of an initial pilot phase, some 50 homes were equipped with smart heating or smart consumption solutions (enosmart Tado and enocoach) to help them to achieve energy savings, while improving their comfort.



Enovos will continue to develop smart solutions which increase the domestic customer comfort by automating management tasks, while improving the energy efficiency of the installations. Thus, the final consumer will, e.g., be able to control his heating system from a distance or even provide different temperatures in his house at different times of the day, improving the way energy is consumed for more control and efficiency. Through the use of new digital technologies in distribution networks, metering systems or new products, the customer will at the same time improve energy efficiency and increase living comfort, respectively safety.

In Luxembourg, Enovos is also closely involved in the development of ecomobility. Partners since 2013, Enovos has now acquired the shares of City Mov', an electric mobility service and offering flexible, ecological and economic electric cars & bikes sharing. Willing to promote eco-mobility in Luxembourg, Enovos and City Mov' have integrated 15 new BMW i3 electric cars into their fleets. Twelve cars will be distributed on the various municipalities that are part of the City Mov' network, and three cars will be integrated in the fleet of vehicles of Enovos to be used by the employees during their professional trips.

GHG compensation

Encevo Group constantly invests and innovates to use energy more efficiently; internally at first, but also by counselling clients through different programs, to help them reach a higher energy efficiency level.

A.s.b.l. myclimate Luxembourg is one of these programs. By collecting data and studying how energy is being used, myclimate identifies where

savings can be made and how to optimize energy consumption. The inevitable GHG emissions are compensated by investments in climate-protection projects. The organisation then reaches climate-neutrality and is awarded the myclimate label.

Biodiversity

In an effort to preserve the biodiversity, the group considers the impact of its actions before building new infrastructure or changing an existing one. Studies have been done first, to assess the impact of new facilities on animals and plants. If it appears that the new facilities risks damaging the local biodiversity, the necessary measures are taken such as changes in design, or compensatory measures. These can include, for example, planting hedges to allow the plants to develop and to provide shelter to animals.

Another essential topic linked to biodiversity is tackled by the biogas technology. This topic is followed very closely by the Renewables department, notably:

- The fact that some plants used for bio-methanisation are also used for human consumption, leading to a competition between these two possible uses with a risk of food price increase. Enovos follows this topic closely and tries to use other base materials (such as waste as for the Anvers production station, or plants that are not used for human consumption).
- Mono-cultures are avoided.
- Neighbours are engaged to insure they do not suffer from the installations. Site visits have been organised, and the group is always ready to answer the questions from residents.



COMMITMENT 6 COMMITMENT TO LOCAL COMMUNITIES

DMA

Encevo Group is committed to engage with local communities in a responsible manner with present and future generations in mind.

The group is willing to build strong and sustainable relationships with customers and partners, based on mutual trust. To achieve this vision, the group:

- Continuously works on improved customer relations.
- Acts for knowledge.
- Supports local communities
- Sponsors initiatives and events such as Luxembourg's 2016 Sustainability Forum organised by IMS, of which Enovos and Creos were both gold partners.
- Participates and organises fairs and events
- Initiates, supports and promotes projects through the "Fondation Enovos"

In Luxembourg

Fondation Enovos

In the field of support of scientific research by the Fondation Enovos, 2016 was marked by the promising results of the "PV-Forecast" project conducted by the Luxembourg Institute of Science and Technology (LIST). The goal was the development of a 72-hour prediction model for PV production. Reliable and accurate forecast of solar power production is becoming more and more important for energy providers in order to plan their supplies and for grid operators for grid stability. "PV Forecast" being completed, 2016 saw the start of a new project called SEcURE articulated around the concept of energy smart cities.

The Fondation Enovos under the aegis of the Fondation de Luxembourg continued its support for social projects and for the enhancement and the development of renewable energy sources in Luxembourg and the Greater Region. The "Prix d'Excellence" rewarding engineering students for their Master's thesis was awarded for the fifth time.

Télévie Challenge on Tour (Saturday, April 23, 2016)

Partnership between Enovos Luxembourg S.A. and RTL Group S.A. for the Télévie Challenge on Tour, a 5-stage cycling tour with departure and arrival at the RTL Group site in Kirchberg. City Mov provided 6 e-bikes for stage 5 (29 km) from Grevenmacher to Kirchberg, and the logo of Enovos and City Mov' were on the outfit that the riders received. Enovos Luxembourg S.A. presented a cheque for €2,000 to the Kiwanis Foundation.

Partnership with the National Museum of the Luxembourg Iron Mines association in Rumelange

Enovos undertakes to invite a minimum of 12 classes of primary and / or secondary education for interactive and / or guided tours, and in return the "Musée National des Mintes" undertakes to display the "nova naturstrom" logo on the battery of its new tourist train locomotive. This agreement, signed in October 2016, will run until end of September 2019.

Partnership with Da Vinci for the "Wëssensatelier"

For this 1-year partnership, Enovos aims to support the activities of the Wëssensatelier Lëtzebuerg by offering a new activity in order to motivate young people to demonstrate a greater interest in training in the field of technologies and sciences.

Partnership signed with the Luxembourg Science Center

Creos is proud to be associated with the Luxembourg Science Center, a recognised private initiative "of national interest" that will open its doors in 2017, at the old ArcelorMittal vocational school in Differdange. This cooperation agreement strengthens Creos's commitment to investing in education in the areas of science and technology

Recycling of old electric meters

With the implementation of smart meters, the circular economy is also becoming a core issue for Creos. Creos has decided to associate itself with the non-profit organisation "Forum pour l'Emploi" to dismantle old electric meters, facilitating resale and re-use of materials such as copper, brass, aluminium, iron and plastic. This partnership mainly covers two objectives, one social, as it provides work for individuals currently unemployed, the other environmental, by facilitating the recycling of raw materials.

Migrant crisis

The migrant crisis in Europe is on everybody's minds. Efforts by the Luxembourg government to steadily increase the number of beds in the Grand Duchy has resulted in the creation, in conjunction with the Mersch municipal administration, of a hostel for asylum seekers (DPI) in the former Creos buildings in Mersch. The site, managed by the Luxembourg Red Cross, is taking up 110 refugees in its first phase, with a total capacity of 320 beds.

Creos is making its site available, while the state has undertaken its renovation at its own cost.

Creos Hëlleft Haiti

Creos also works abroad. After the 2010 earthquake in Haiti, Creos decided to undertake an electrification project in the area around Café Lompré. In joining forces with "Objectif Tiers Monde" (OTM), Creos found a professional, effective partner who has worked exclusively in Haiti since 1985. Today, Creos maintains its commitment by providing cable and electrical supplies. Every year, a team of volunteers arrives on site to make their skills available to this rural community.

Other initiatives

Creos Luxembourg S.A. takes part in many actions to engage with local communities.

1. Being an active and responsible member of the community life

- Creos develops its relationships with the actors and members of professional associations and federations of the energy sector thanks to the "Energie Forum", an annual conference for electricians and installers.
- The underground installation of power lines and the installation of shielded substations also have a positive impact on the quality of life of citizens, is more in harmony with nature and significantly improve the landscape quality.
- Specific protective sheets labelled "Info chantier" are installed on building sites, and public information meetings "Infos chantiers" are organised for residents on these sites.
- Creos switched to digital communication via web, social media (facebook, twitter, linkedin, ...) and a new mobile app giving customer transparency on grid flows.
- An annual open-house is organised in an exploitation centre for the general public to discover and understand Creos professions and back-stage.
- Actions are taken to protect birds around power lines.

2. Helping communities

- Creos financially supports various Luxembourgish charities such as UNICEF, Fondation Autisme, Fondation Raoul Follereau, and SOS Kannerduerf Miersch.
- Various industrial processing works are ordered to the “Institut Saint Joseph de Betzdorf” (ISJB), a therapeutic institute for people with intellectual disability.

3. Acting for knowledge

- Creos financially supports the creation of new training programs (BTS and Certificat Universitaire) at the “Lycée Technique des Arts et Métiers” (LTAM) and the Luxembourg University.
- “Natur & Umwelt” is the name of a Creos initiative publishing a yearly thematic guide on the nature and the environment for the Luxembourgish community. Past topics include apples and pears from Luxembourg, plants in wetland sites...
- Creos sponsors the “Wëssensatelier”

4. Sponsorship

- Gold sponsorship of the 2016 Sustainability Forum organised by IMS.
- Sponsorship during the “Skoda Tour de Luxembourg”, where Creos supports the best young participant during this national cycling event. Energy, engagement and team spirit are among the essential values enhanced during this event.



Partnership signed with the Luxembourg Science Center



With the implementation of smart meters, the circular economy is also becoming a core issue for Creos

In Germany

Support for 'young talents'

Enovos Deutschland SE takes its responsibility towards the generations of today and tomorrow seriously and places **particular emphasis on developing and supporting young, talented individuals.**

Teaming up for the Olympics

The aim of the partnership with Olympiastützpunkt Rheinland-Pfalz/Saarland (OSP) and the Landes-sportverband für das Saarland (LSVS) is to support top young athletes. Enovos, previously trading as Saar Fernglas, has been the **official partner of the OSP and LSVS since 2005.**

Art in the canteen

The partnership with the HKBKsaar - Saarland's university of art and design - allows advanced students to display their work twice a year within Enovos' offices. The exhibition goes under the name of Early Birds. Besides offering space for students to display their works of art, Enovos also provides financial support that enables the printing of an accompanying guide to the exhibition. The rotating exhibitions that are held every spring and autumn give students a chance to gain professional experience exhibiting outside the university and appearing in public before they graduate.



Commitment to children in need

In addition to supporting young artistic and athletic talents, Enovos Deutschland SE is committed to helping children in general and organises a whole **series of initiatives focusing on the younger generation.** One of these is the annual Christmas tree initiative, which involves putting up a tree in which children from a local shelter have hung their Christmas wishes. Employees who want to participate in the initiative can buy specific presents and make these children's dreams come true. The Christmas tree was beautifully adorned with decorations again in 2016.

Run and hike for a cause

The Enovos and Creos running and hiking team is also well-established and was busy raising money again in 2016. Between them, they covered a total distance of 432.6 km, which raised a grand total of €4,326. This money was handed over to the charity 'Kinder von Tschernobyl - Hilfe für Weissrussland e.v.', which helps children in Belarus. The charity provides aid to more than 2000 children from Shitkowitschi, around 180 km north-west of Chernobyl. Today, children here are still suffering from the effects of the nuclear catastrophe that happened in 1986.

Between them, they covered a total distance of 432.6 km, which raised a grand total of €4,326.



About this report

G4-28 - 33

The present report looks at the Encevo Group from a CSR point of view. This is the fourth edition and focuses on the Luxembourgish and German entities of the Encevo Group. This 2016 CSR Report, structured partly drawing inspiration from the international Global Reporting Initiative framework, aims at describing and analysing the current commitments and achievements in order to set up a monitoring and development plan for the future.

REPORT PERIMETER

The perimeter includes all the activities of production and distribution of electricity and natural gas in Luxembourg and Germany. This includes the following associated services:

- Infrastructure and grid management, by Creos Luxembourg S.A. and Creos Deutschland GmbH
- Production, storage and sale of electricity and natural gas and energy services, by Enovos Luxembourg S.A. and Enovos Energie Deutschland GmbH
- Support services, by Encevo S.A. and Enovos Deutschland SE

OTHER INFORMATION

Reporting period

From 01/01/2016 to 31/12/2016

The reporting period is set up to coincide with the financial reporting period.

Most recent previous report

CSR Report 2015

Reporting cycle

Annual

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Publication options

This report, our annual reports and key figures, as well as our corporate governance report are available on the group's websites.

GRI options

This report is inspired by the GRI Sustainability Reporting Guidelines. It includes "standard disclosures" as well as "sector specific disclosures" related to electric utilities and natural gas.

Assurance and verification

This report has been validated by the Encevo Group CSR Steering Committee.

The CSR steering committee would like to thank you, on behalf of the Encevo Group, for reading this report, as well as all those involved in its preparation and publication.



Michel Schaus



Jean-Paul Wagner



Erny Huberty





The Encevo Corporate Social Responsibility Report is published in English.
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