

Corporate Social Responsibility Report 2015

Enovos Group



The present document is the third Corporate Social Responsibility report of the Enovos Group.

Its perimeter covers the activities of Enovos International 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.

Index

Message from the Executive Committee

Group profile

Organisation scale	10
Significant changes	14
Missions and values	15

CSR approach

Sustainability context and challenges	16
Dialogue with stakeholders	19
CSR material aspects	21
Our CSR team	22

CSR commitments

Commitment 1: business ethics and transparency	26
Commitment 2: sustainable investment	29
Commitment 3: staff employability development	36
Commitment 4: health and safety	41
Commitment 5: environmental impacts reduction	43
Commitment 6: commitment to local communities	49

About our report

Report perimeter	54
Other information	54
Materiality questionnaire	57



Message from the Executive Committee

As Luxembourg's main energy supplier and grid operator, and a significant actor on the German business to business market, Enovos Group's mission is 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. Two years after its first CSR Report, the group continues to develop its communication with stakeholders on topics that matters. 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. In 2014, German entities have been included in the report's scope for more transparency and completeness. This year, the reporting process has been reinforced and improved as CSR reporting settles in as an integral part of the group's public communication. 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, Enovos Luxembourg, Creos Luxembourg and the group's Luxembourgish Real Estate companies received the INDR's ESR Label ("Entreprise Socialement Responsable" - "Socially Responsible Business") Working on this third report contributed to comfort the group's CSR strategy, and led to a deeper analysis of sustainability challenges in Luxembourg and Germany. This report is still inspired by the GRI G4 methodology and will describe the situation in 2015. 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":

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.

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. Installed capacity and energy production are still increasing, along with continued grid investments and intensifying efforts in the field of electro-mobility.

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 continuously stays attentive to potential improvements in its HR processes and policies, notably regarding alignment between Luxembourg and Germany. An improved Collective Working Agreement and innovative Training and Development practices are among the highlights of 2015 in this field.

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. The set-up of a tailor-made health insurance, as well as obtaining the SGS label are among the main developments in this domain.

Environmental impact

More than ever in the year of the COP21, 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. 2015 was the first full year of operation for the new energy-efficient buildings in Esch and Roost. Significant improvements have been made in terms of energy and waste management, reducing the group's environmental impact and improving staff well-being. 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.

Local communities

Enovos 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



Jean Lucius
Chairman of the Executive Committee
Chief Executive Officer Enovos Luxembourg S.A.



Claude Seywert
Member of the Executive Committee
Chief Executive Officer Creos Luxembourg S.A.



Marc Reiffers
Member of the Executive Committee
Chief Executive Officer Enovos Luxembourg S.A.



Guy Weicherding
Member of the Executive Committee
Chief Financial Officer, Enovos International S.A.



Michel Schaus
Member of the Executive Committee
Chief of Operational Support, Enovos International S.A.



Group profile

Scale of the organisation

G4 - 3 to 9

Enovos 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, Enovos Group has

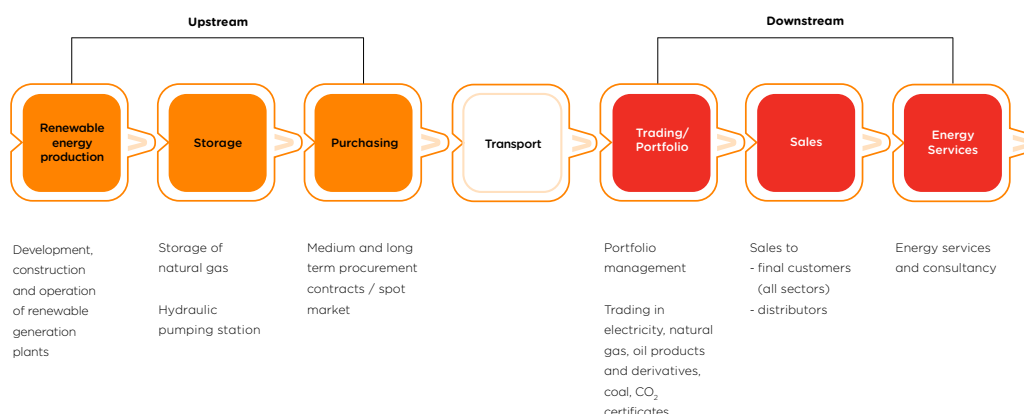
the financial base to roll out an ambitious policy of investment in both traditional and renewable energy sources. The group is headed by Enovos International S.A., a holding company headquartered in the Grand Duchy of Luxembourg. It coordinates the activities of the various constituent firms. Enovos is present, either directly, or through subsidiaries and other holdings, throughout the entire value chain. This reaches from production to the final consumer.

Enovos Group totalizes 1,527 employees at the end of 2015, (a 7.2% increase compared to 1,425 in 2014).

The Enovos Group means:

- > more than **1,500** employees
- > more than **300,000** delivery points (electricity and natural gas)
- > more than **28** TWh natural gas (except trading)
- > more than **17** TWh electricity (except trading)
- > **9,500** km of electricity lines and **3,700** km of gas pipelines

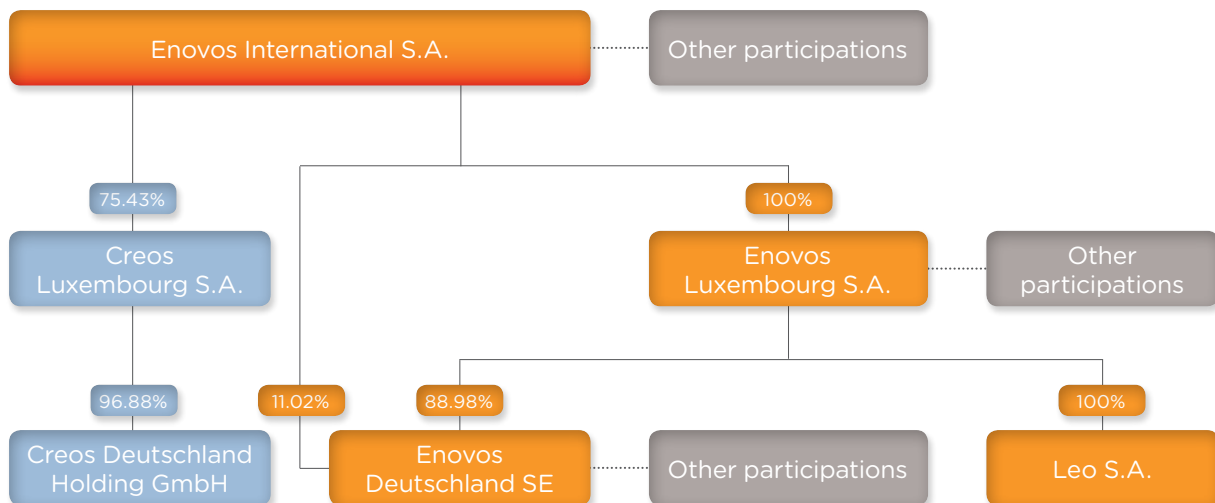
Value chain (electricity and natural gas)



In Luxembourg, the Enovos Group is mainly made up of 3 entities regarding its core business activities: Enovos International S.A., Enovos Luxembourg S.A. and Creos Luxembourg S.A.:

- Enovos International S.A. is a public limited company under Luxembourgish law with its headquarters at 2, Domaine du Schlossgoard, 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. Enovos International 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.

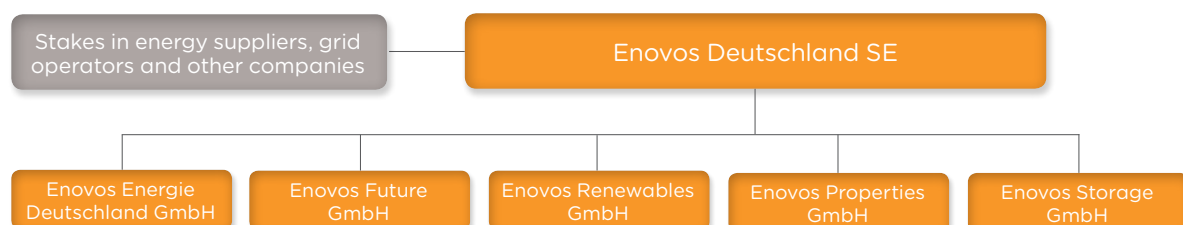


- Enovos Luxembourg S.A. is a public limited company under Luxembourgish law; its headquarters are at 2, Domaine du Schlossgoard, L-4327 Esch-sur-Alzette. The company is established for an unlimited period of time and is registered at the Luxembourg Trade and Companies Register under the number B 44683. 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.
- 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.

The two different names reflect the fact that each company, and its subsidiaries, is independent, with its own structure and employees.

In Germany, the Enovos 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.

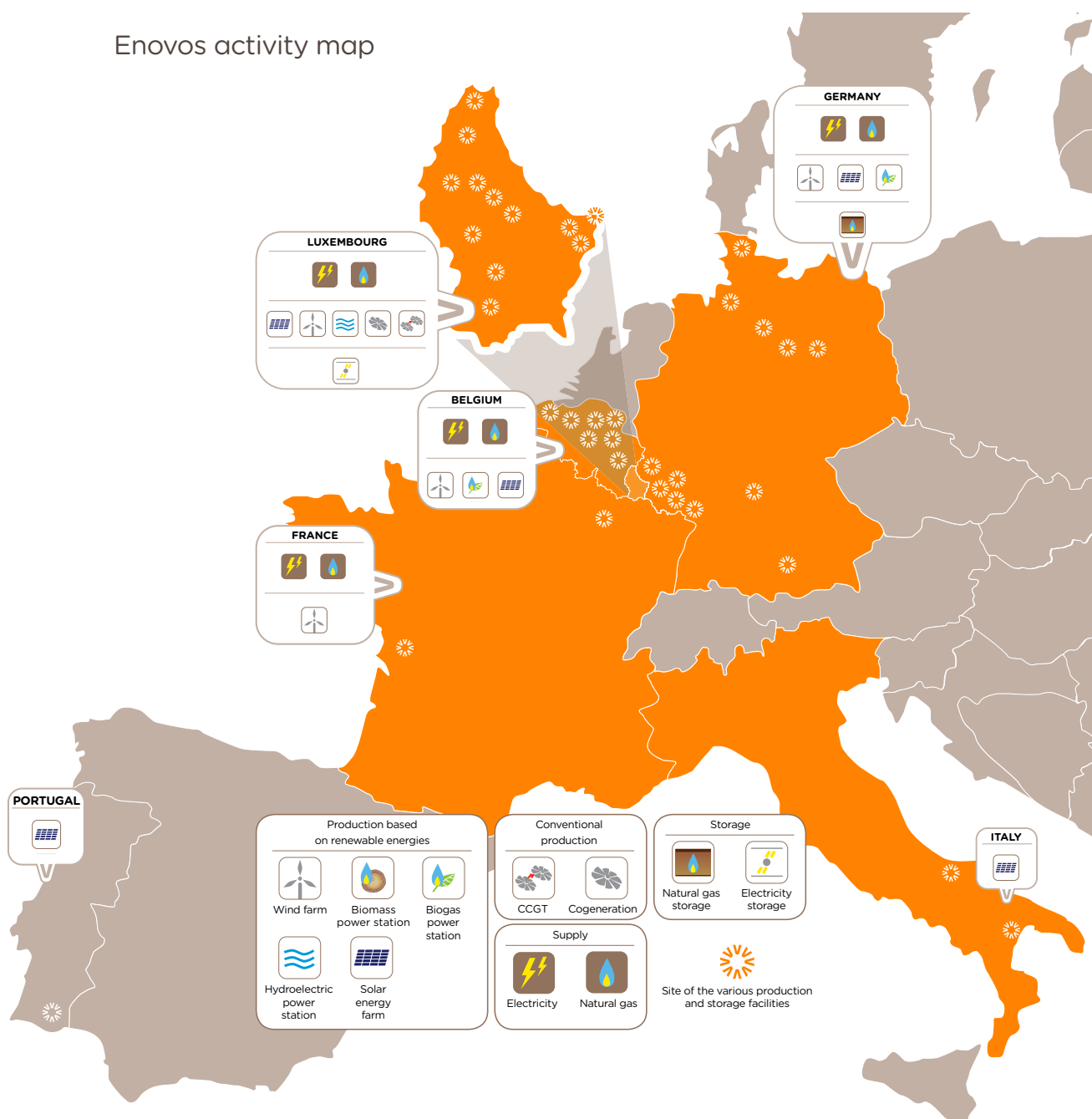


- Enovos Energie Deutschland GmbH is a company with limited liability under German law with its headquarters at Konrad-Adenauer-Ring 33, 65187 Wiesbaden. Enovos Energie Deutschland S.E. is active in sales activities for electricity and gas, as well as energy services aimed at energy efficiency and energy 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.

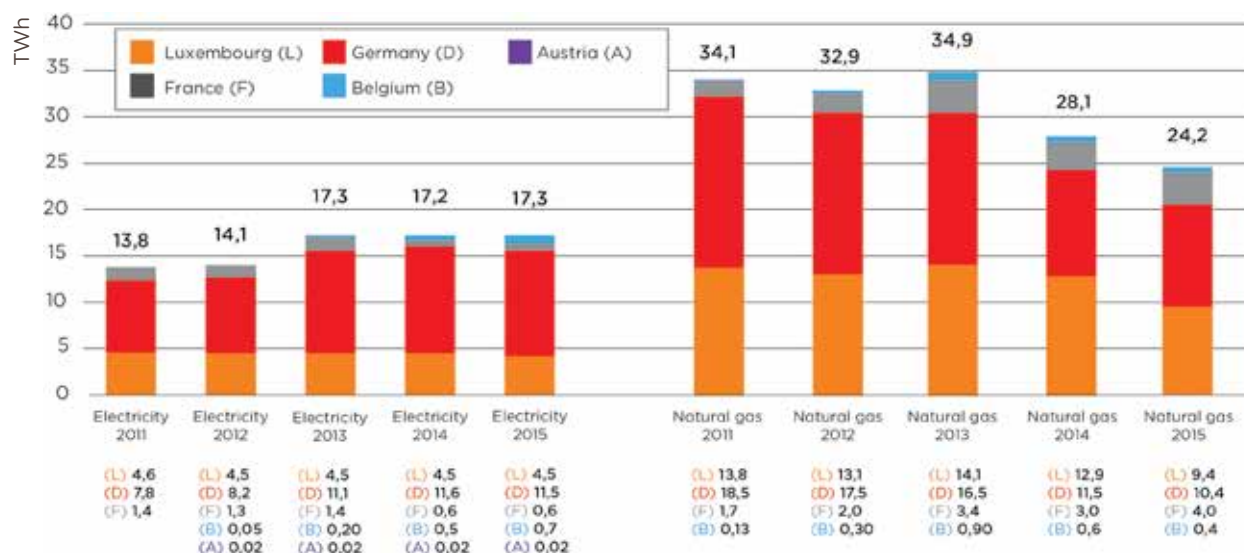
In this report, the term “Enovos Group” encompasses all the above-mentioned entities. Enovos Group “in Luxembourg” or “in Germany” restricts the scope to the entities in a given country.

Enovos activity map



Enovos sales

Consolidated electricity and natural gas sales for 2015:



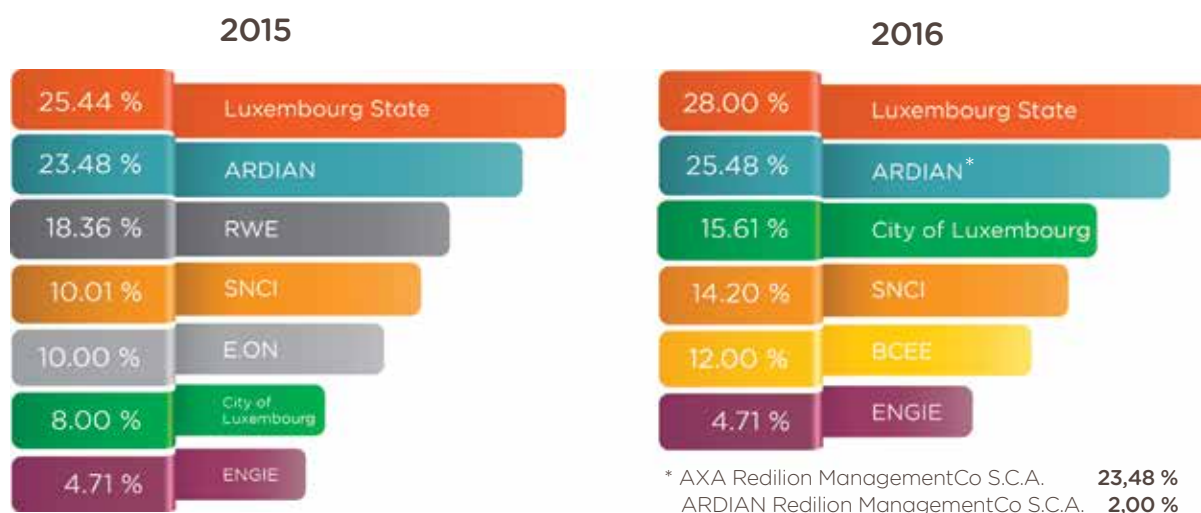
Significant changes

G4-13

Enovos Group size and structure: no significant structural changes in 2015.

Ownership

Changes in ownership have been initiated in 2015 and officialised early 2016. The charts below represent the situation respectively in 2015 and 2016.



The ownership is comprised by public shareholders, namely the State of Luxembourg, the state-owned investment trust SNCI and the City of Luxembourg. Furthermore, ARDIAN, a private equity company, is the second largest stakeholder of the group. The list is completed by major energy groups from neighbouring countries: RWE, E.ON and GDF Suez.

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

Governance

G4-34 - 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 system are in place to monitor proper application of these policies.

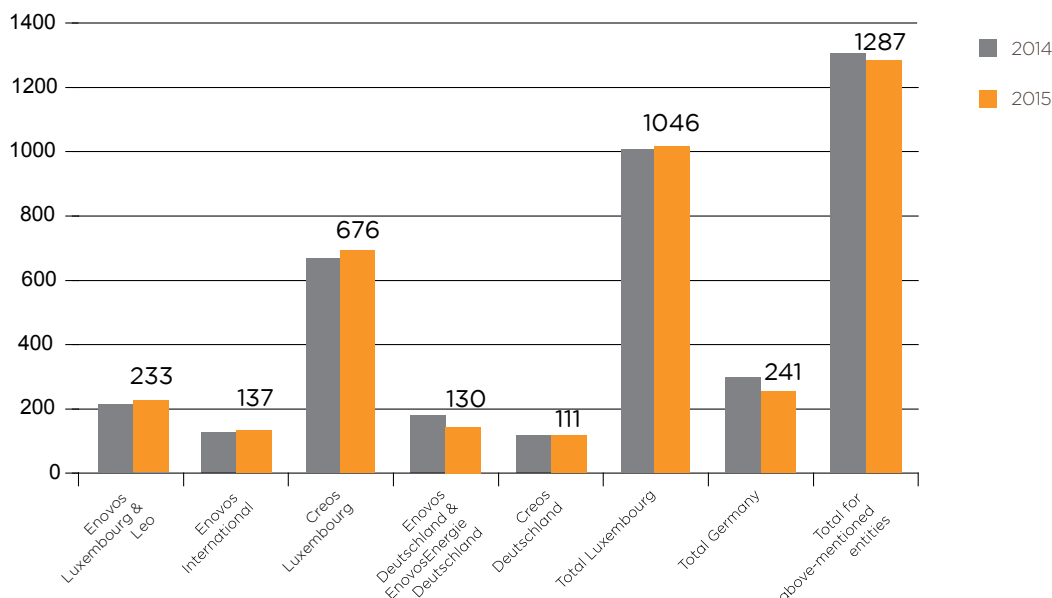
Supply chain

During 2015, 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 2015



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.

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.

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.

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.

The Enovos 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.

CSR approach

Sustainability context

New regulatory requirements
Climate change
Population growth
Competition
Energy poverty



CSR key challenges

Long term profitability
Energy transition
Innovation
New skills development
Social Inclusion

**Energy for today.
Caring for tomorrow.**

The maxim of Enovos is “Energy for today. Caring for tomorrow.” A citizen-centric company, a diversified and secured supply is of the utmost importance. The group pursues sustainable and stable relationships with clients and partners. The group always promotes the principles of transparency as well as healthy corporate governance. Its holding structure, healthy finances and strategic position in an ever-growing market make Enovos a reliable partner in the areas of electricity, natural gas and renewable energies in a transborder region. Enovos takes society’s growing ecological awareness to heart: e.g. it 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.

Enovos’ and Creos’ services are crucial to the development and security of Luxembourg’s economy, and play an important part in Germany where the group is active. This important role implies the necessity to act responsibly and to meet the high expectation levels of many stakeholders. It is therefore indispensable to focus on governance, reliability, fair and competitive prices as well as sustained business growth, but not only: the group also holds itself to a high standard of corporate responsibility by integrating economic, environmental, ethical

and social elements into its operations. Every entity has a key part to play to achieve economic development in a sustainable manner, in order to protect key resources systems, respect and value each individual, and to provide for future generations.

Sustainability context and challenges

In recent years, the energy sector has gone through significant economic, technological and political changes, which pose great challenges for all energy suppliers. In order to be prepared for future developments in an ever-changing environment, Enovos Group has outlined its strategic deliberations: “Vision 20-20” describes the Enovos Group’s strategy until the year 2020.

The key elements of the group’s sustainability context are as follows:

- **New requirements from stakeholders and regulation:**

Stakeholders, be it employees, clients, suppliers, contractors or investors, are increasingly conscious of the need to include detailed and accurate sustainability parameters in tools that monitor and assess the performance of the organisation. The rising expectations of key stakeholders such as investors, or business partners (especially from countries where CSR reporting is already the norm like France or the Netherlands), have been a significant incentive for the group to voluntarily and actively engage in this process. This evolution is not only felt by

stakeholders but also takes place at a global level.

- **The global need for drastically reduced greenhouse gas (CO₂, CH₄, N₂O...) emissions is obvious:**

Nations worldwide have agreed to legally binding reductions in their emissions in the Kyoto protocol. The “climate and energy package” is the EU action plan to honour this commitment. Objectives have been set, known as the “20-20-20” targets. Their goal is to reduce by 20% the emissions of GHG in the EU, raise the share of EU energy consumption produced from renewable resources to 20%, and improve by 20% the EU’s energy efficiency. It is therefore necessary for Enovos Group to act responsibly and to go in the right direction to do its part in the attainment of these objectives.

- **COP21 outcome:**

For the same reason, at the end of the 21st Conference of the Parties (2015 United Nations Climate Change Conference), on 12/12/2015, 195 countries agreed to the Paris Agreement to reduce emissions as part of the method for reducing greenhouse gas. The participants agreed to reduce their carbon output “as soon as possible” and to do their best to keep global warming “to well below 2°C”. Each country that ratifies this agreement will be required to set a voluntary target for emissions reduction. Energy services improving energy efficiency will contribute to the efforts needed to reach these targets.

- **The European commission adopted the directive on the disclosure of non-financial information (2014/95/EU):**

The objective is to increase EU companies’ transparency and performance on environmental and social matters and, therefore, to contribute effectively to long-term economic growth and employment. The directive must be transposed into national law before end of 2016.

- **Luxembourg’s population:**

It is one of the fastest growing in Europe with a population growth rate of 1.8% in 2010, 2.2% of 2011 and 2.5% in 2012 (Europe’s average being approximately 0.21% over the same period, 0.28

for Germany). A growing population will need more energy, which implies growing needs for high-yield and innovative production and transportation techniques. This cannot be achieved without a high consideration for sustainability matters. Indeed, a growing population will have a very strong impact on the activities of the group. It will need to develop its local renewable generation facilities and support services accordingly, to allow more power to be generated and distributed. To meet its sustainability objectives, Enovos will have to continuously innovate to produce top-quality renewable energy in higher quantity. Creos will be equally impacted, as it will need to modify and develop the distribution network accordingly to be able to keep up with the increasing energy quantity going through it and to reach as many municipalities as possible.

- **Energy poverty:**

According to the Energy Poverty Action Initiative of the World Economic Forum (Swiss NPO, Geneva), “Access to energy is fundamental to improving quality of life and is a key imperative for economic development”. Indeed, basic domestic needs such as lighting, cooking, heating or cooling, but also governments and businesses needs are only fulfilled if energy is available and affordable, both in the right quality and quantity. If one of these factors (availability, affordability) is missing, the area is in a situation of “energy poverty”. In accordance with the UN Initiative “Sustainable Energy for All” launched in 2012, the group aims at doing everything that is in its power to ensure a better access to modern energy services, improve energy efficiency and increase the share of renewable energy in the global mix. A concrete action plan for the group is available in the “Enovos Trendwatch 2030” report.

- **Competition:**

The electricity market has been opened to competition in 2007; Enovos Luxembourg is the dominant player and supplier. Switching remains very low which encourages the company in its dedication to the public. Building and maintaining trust between the group and its customers is indispensable. Enovos Luxembourg aims at keeping its leading position on the elec-

tricity and gas markets by continuously innovating in efficient ways to provide all its customers with sustainable quality energy at affordable prices. Energy market organisation provides a strict separation of regulated activities (infrastructure management) and non-regulated activities like production, sale and purchase, open to competition. The principle is that infrastructures should remain a natural monopoly, but be accessible to all suppliers under transparent and non-discriminatory conditions. In the Enovos Group, Creos Luxembourg S.A. is in charge of the network management including planning, building and maintaining electricity and gas infrastructures. Network access is organised and supervised by a regulator, in this case the Luxembourg Institute of Regulation (ILR). It is this independent body which for instance approves network access tariffs, “tolls” invoiced to all users of the grids. The regulator’s task in particular is to ensure non-discrimination, effective competition and the efficient operation of the markets. Being socially responsible in this particular sustainability context implies achieving the following:

Key sustainability challenges

Long term profitability and investment

Profitability and investments are to be planned on the long term, to ensure sustainable economic development, reliability and stability. As a result, the group initiated a continuous investment policy with regard to efficient, high-performance grids and renewable energy sources such as bio-mass, on-shore wind, photovoltaic systems and hydropower. This includes co-operations with essential stakeholders: energy-suppliers, municipal utilities, project developers, plant manufacturers and research institutes.

Energy transition and efficiency

As detailed in the “Enovos Trendwatch 2030” report, action plans and initiatives for energy transition and efficiency are being developed. These include: smart energy (new production and distribution systems allowing energy transition); smart grid – smart meter (for a more efficient way to measure energy consumption); smart home –

smart building (innovative buildings and techniques to improve energy efficiency) and smart mobility (low-impact vehicles).

Large expansion of charging station network

The publication in the Mémorial, December 2015, of the Grand Ducal regulations on the public infrastructure relating to electromobility defined the government’s preferred *modus operandi* in this area. Two types of charging stations will be installed in Luxembourg in the near future, 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. The first 300 stations are scheduled for rollout starting in March 2017.

Creos is actively involved in this project, which constitutes a real challenge in terms of both adapting and enhancing the electricity grid. Simultaneous charging of a large number of electric vehicles (cars, buses, bicycles, etc.) will result in new, decentralised power demands on the distribution grid (consumption peaks), which will have to be properly controlled. The grid will therefore have to be strengthened in places.

Innovation and skills development

Transferring and developing skills efficiently is crucial, as well as always anticipating new trends and innovating in order to stay ahead of the global changes now underway.

Social inclusion

The community matters. The potential impact of the group’s actions involves being accountable to community members. The goal is committed to fighting social exclusion by giving opportunities and resources to society members and local communities. Improved social inclusion will help each individual to participate fully in the economic, social and political life of the society.

But this also covers working towards improved local acceptability of the group’s projects, which notably implies organising information meetings and site visits, offering involvement possibilities to locals (project “Co-ownership of photovoltaic installations in collaboration with communes”), going further than requested by the regulations when it comes to

minimal distance between production facilities and housing...

Dialogue with stakeholders

G4-24 - 27

An efficient strategy needs to take into account all the stakeholders' interests. The group therefore encourages feedback from its stakeholders and tries to engage with them to take their concerns into account. Employees are, of course, at the core of this multilateral communication, but Enovos 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 "my-climate" or "Lëtzebuerg gött 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".

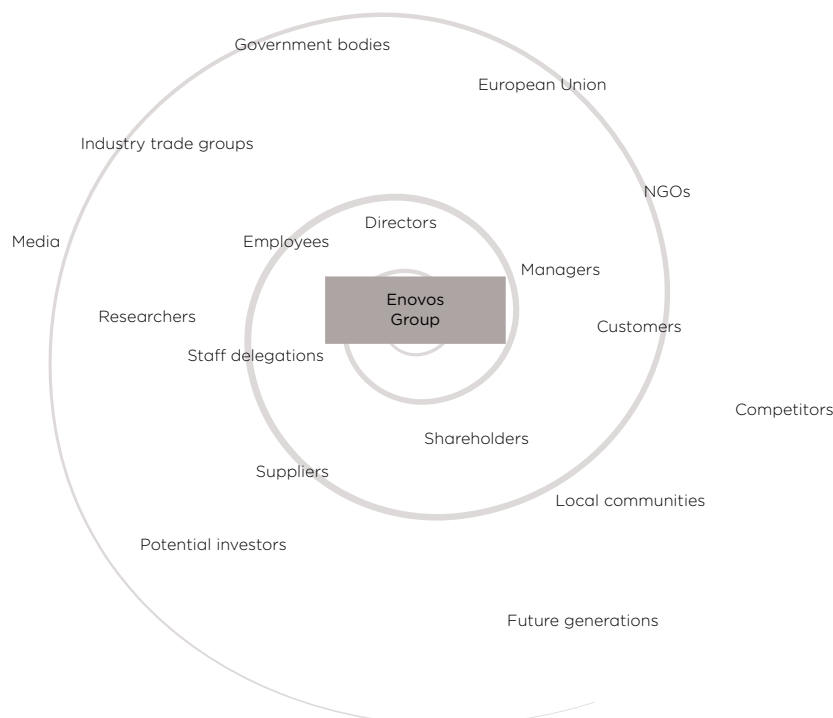
- Internal meetings to identify relevant topics, concerns or issues.
- Signature of the mediation charter (an initiative coming from the "Centre de Médiation Civile et Commerciale" – CMCC), in an effort to favour dialogue where possible, even in the case of a disagreement with a stakeholder.

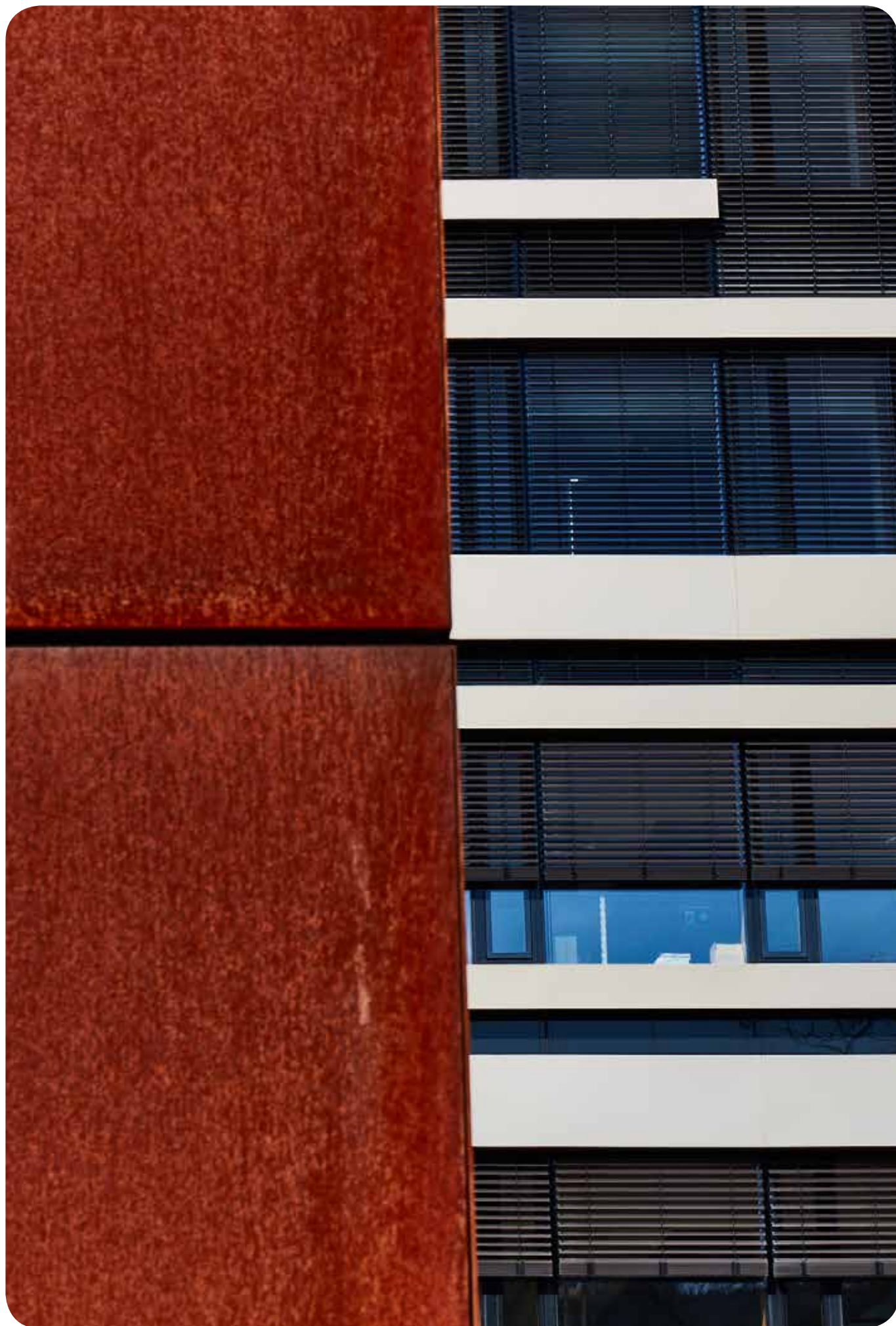
The Enovos Group now wishes to further develop and improve its communication with stakeholders.

Who are the group's stakeholders?

Enovos Group noticed a growing interest from its stakeholders on many critical elements of its activity. By looking from its stakeholders' 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





CSR material aspects

G4-18 - 19

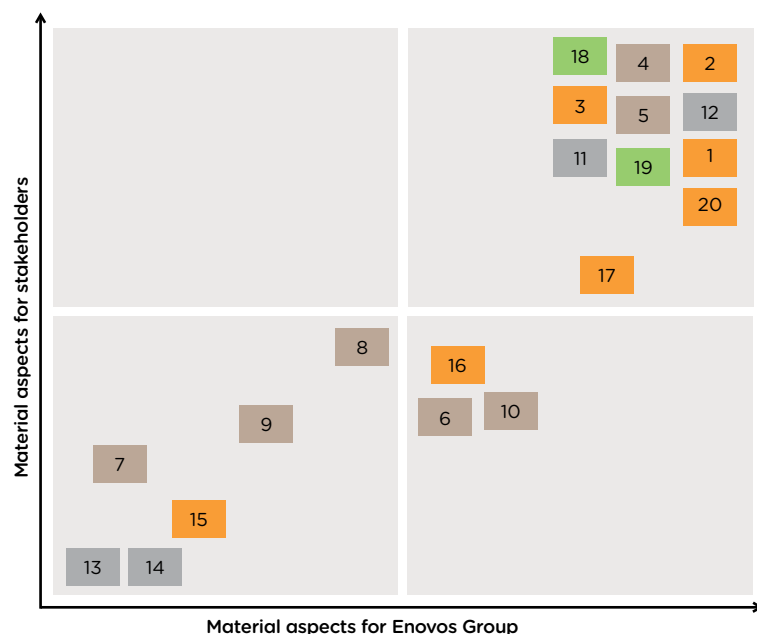
In order to define the content of this first CSR report, the CSR steering committee considered the elements implied by every activity along the group's supply chain and around its products and services. By examining their direct and indirect impacts on an economic, social and environmental level, and associating it with risk management within the frame of its sustainability context, the group 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 group's material aspects defined by the CSR steering committee during the year. 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.

Materiality Matrix

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
- Human rights & Employability

- Environment
- 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 2015

Data Experts

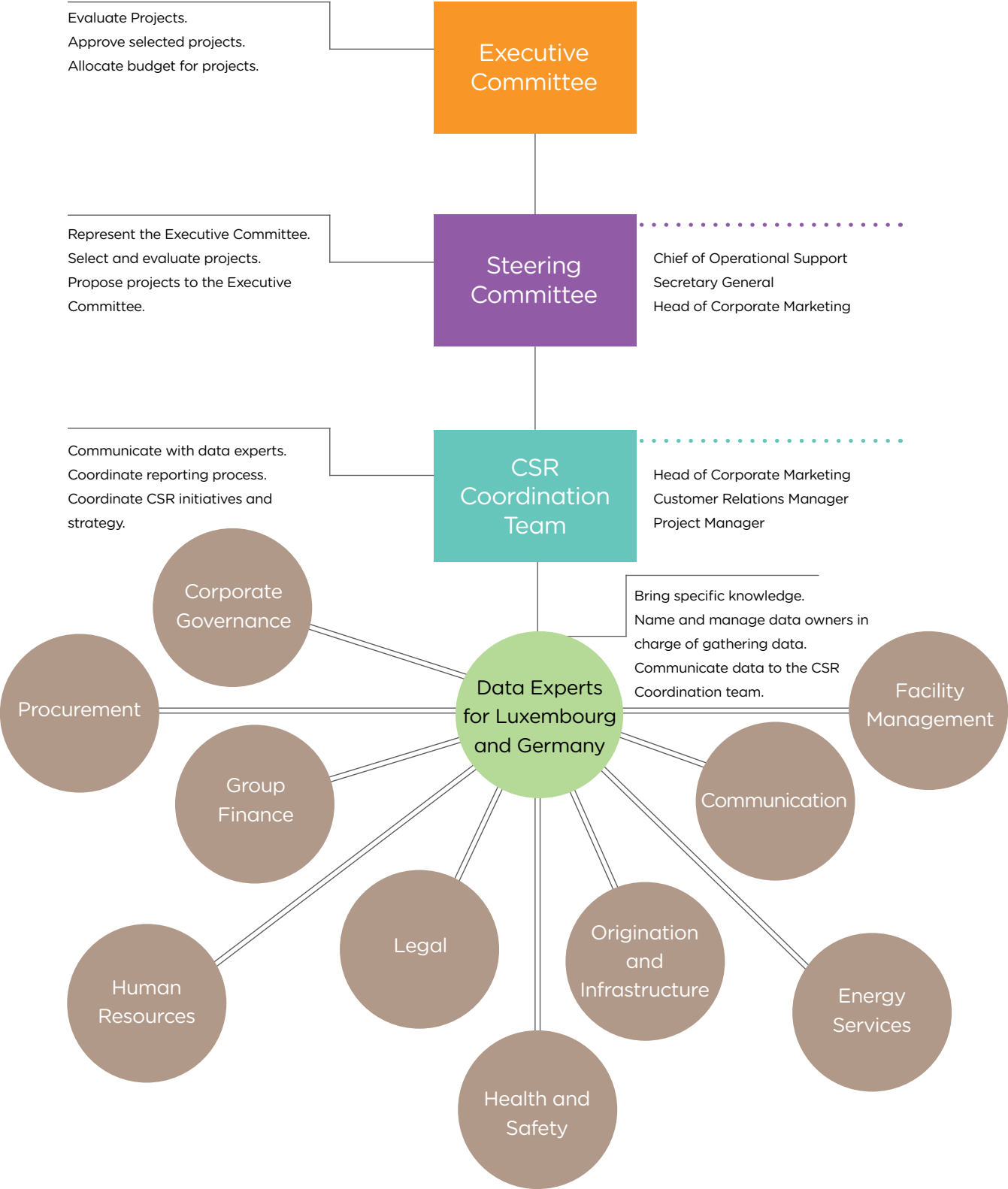
The data experts have been chosen for their extended knowledge and experience in a given topic: finance,

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





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. The stakeholders engaged are internal at this stage. From this management approach results a CSR strategy that has been included in the group's corporate strategy and based on 6 commitments, depending on their field. In each one of these fields, a periodic assessment on specific indicators will

be 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 Enovos Groups aims at improving this report's level of completeness during the next reporting cycles.

CSR commitments

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 community 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 level of the value chain. Being a responsible organisation in terms of business ethics and transparency in the sustainability context of the group includes:

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

Compliance

G4-SO7 – SO8 – EN29 – PR2 – PR8 – PR9

In 2015 for Enovos 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

Dedicated training sessions have been organised by the Legal Department of Creos Luxembourg for all Creos employees to describe, explain and answer questions about the engagement program in place to ensure the application of the unbundling laws. The training covers the different situations to which employees can be confronted and clarify which information can or cannot be shared with energy providers. Similar trainings are being organised for the employees of the shared services at Enovos International that work both for Enovos Luxembourg and Creos Luxembourg.

Service availability and reliability

G4-EU28 – EU29

Luxring

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 in 2015. Comprising two high-voltage power lines linking Heisdorf in the north with Itzig/Blooren in the south-east and Berchem in the south, the Luxring project will cost EUR 80 million and will double the electricity transport capacity between the north and the south. To protect the environment, Creos has favoured underground infrastructures, with 18 km of underground electrical cable and just 17 km of overhead power lines.

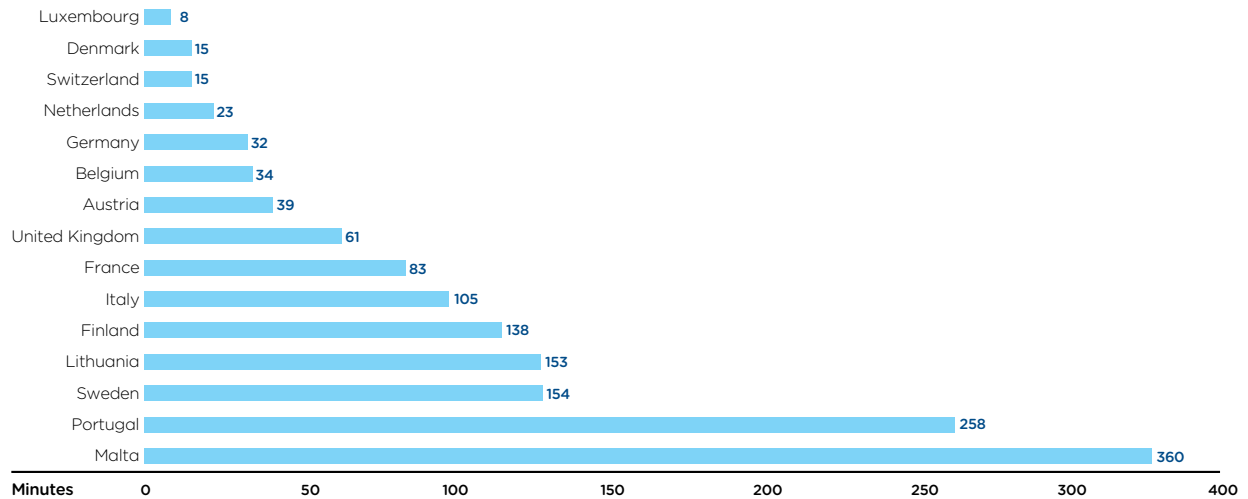
Network reliability

An economic base which is diversifying and developing and a rapidly growing population mean that 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. The Luxring project and the interconnection with Belgium will enable Luxembourg to consolidate its position among the European electricity grids.

The challenges of the future are to integrate renewable energies and consumers who are also becoming suppliers. 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. Underground lines are naturally less exposed to weather conditions, and are less vulnerable as a result.

Average annual power outage time



Source: CEER (Council of European Energy Regulators)

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

Procurement practices

G4-EC9

Local suppliers

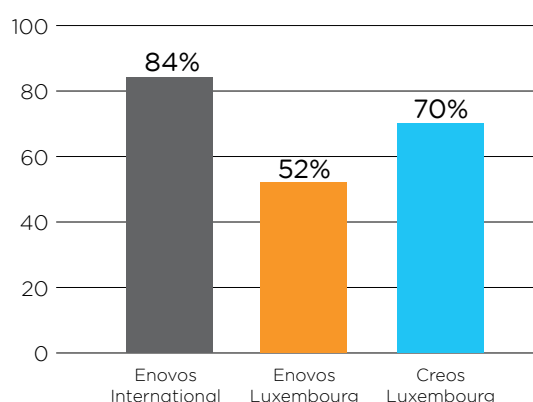
Selecting suppliers and maintaining a mutually fruitful relationship is a complex task that has a consequent impact. A “local supplier” for Enovos Group is a supplier with an address within the significant location of operation. This means for Luxembourgish entities, an address in Luxembourg, and for 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:



The situation of Creos Deutschland also follows this trend as 74,5% of the procurement budget is spent on local suppliers.

The comparatively lower rate for Enovos Luxembourg S.A., is due to the fact that these statistics contain all purchases, including 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. We will work towards their disclosure in a future publication.

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 received 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 requested before contract signature).
- Handle and dispose of the material used to provide the services in accordance with law and following best practices.
- Name a contact person responsible for the briefing of the relevant employees and the documentation.

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

Invest responsibly

G4-OG2 - OG3 - EU1 - EU2

When considering investment opportunities, profitability is taken into account, but not only: the group also ensures the project is safe and considers its sustainability.

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 always be ahead of EU guidelines.

Renewable energies play a central role in Enovos Group's strategy. Main investment areas comprise bio-mass, on-shore wind, photovoltaic systems and hydropower, including measures like co-operations with energy suppliers and municipal utilities in the region, as well as partnerships with project developers, plant manufacturers and research institutes. The initial objective was an increase in net energy production capacity from 30MW in 2009 to at least 170MW in 2015 and a total power generation based on renewable energy reaching at least 500GWh in 2015. These targets have been exceeded as shown in the charts below: the installed capacity rose to 319MW in 2015 and renewable

energy generation reached 651GWh. Thanks to our renewable energy production we have been able to provide 170,000 medium sized households totally with renewable energy and avoided by this way the emission of more than 380,000 tons of CO₂ in 2015.

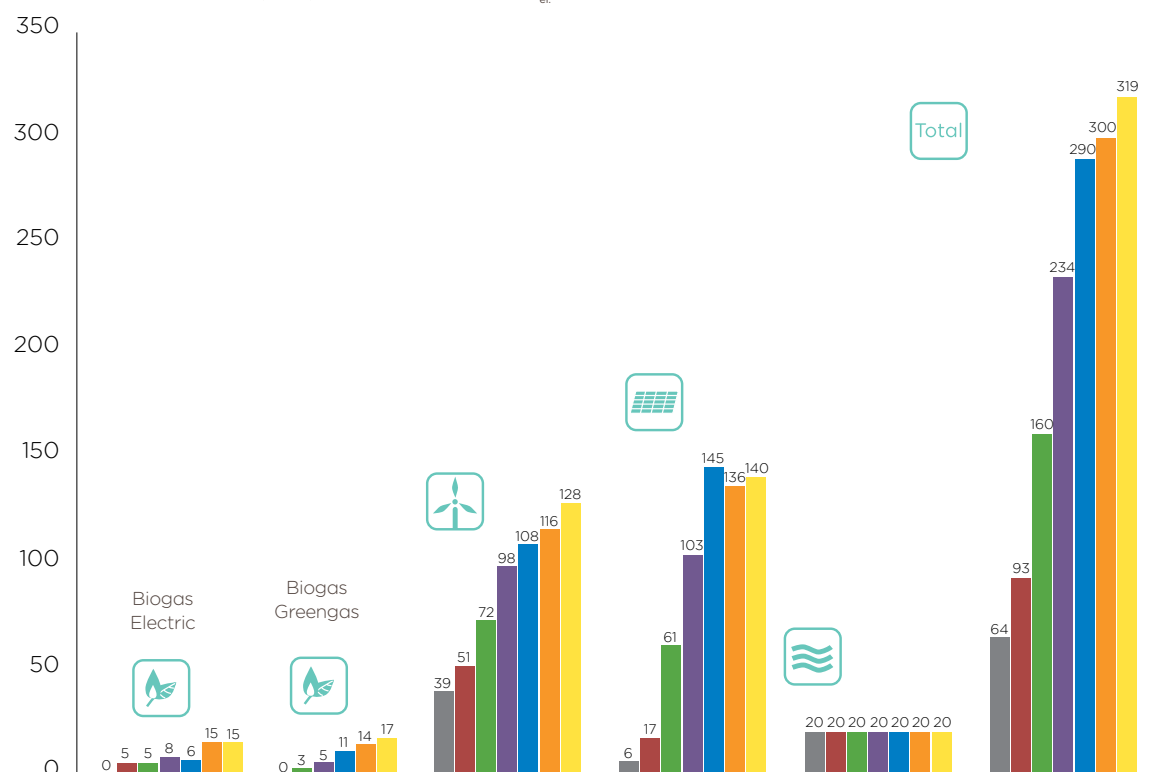
The charts and maps below give more details regarding the installed capacity, energy production and the location of facilities.

Installed capacity and energy production

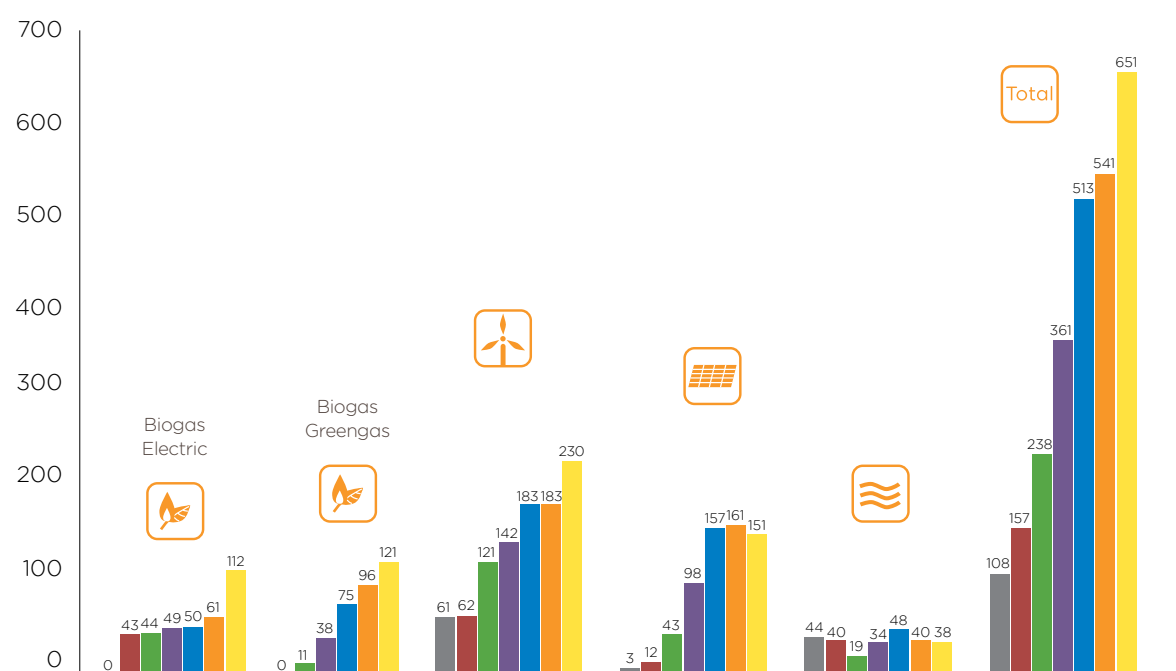
G4-EU1 and G4-EU2

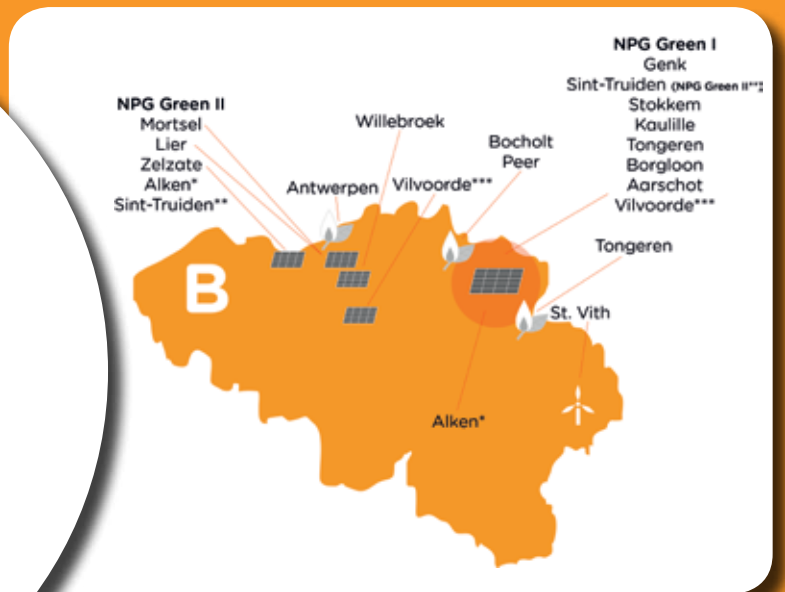
For Enovos Luxembourg S.A.:

Evolution of the installed capacity from 2009-2015 (in MW_{el.})



Evolution of energy production from 2009-2015 (in GWh_{el.})





Electromobility

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.

Electro mobility is strongly promoted by the group.

On top of the installation of charging stations:

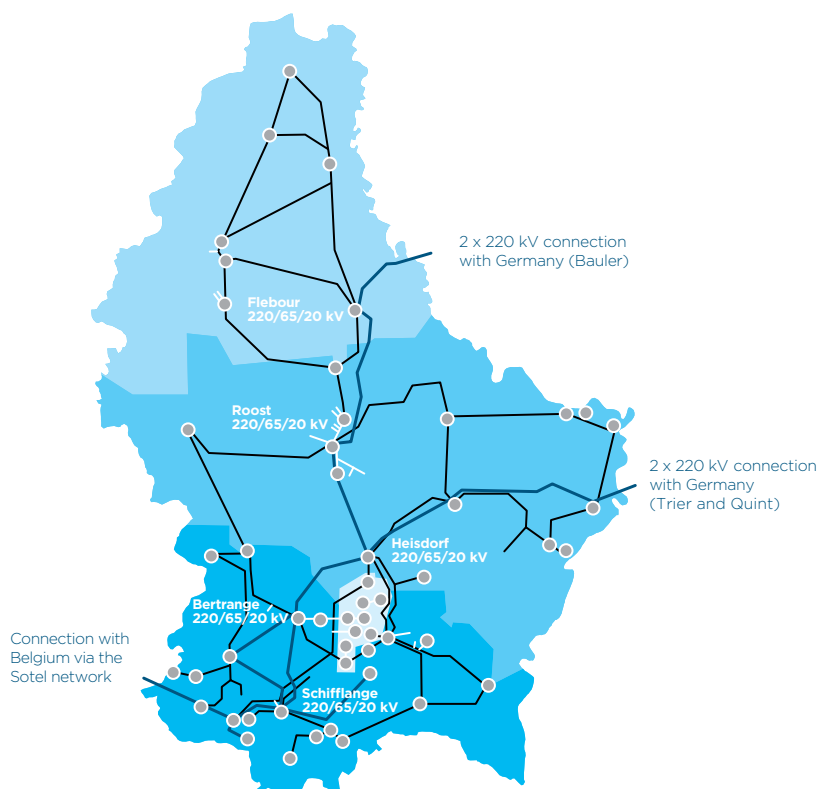
- Electric pool cars are made available to employees for short-distance business trips
- The group's top management expresses a strong interest in technological developments in this field. A member of top management recently switched to a Tesla vehicle, joining the first line of the electromobility movement

Electricity and gas grids

G4-EU4

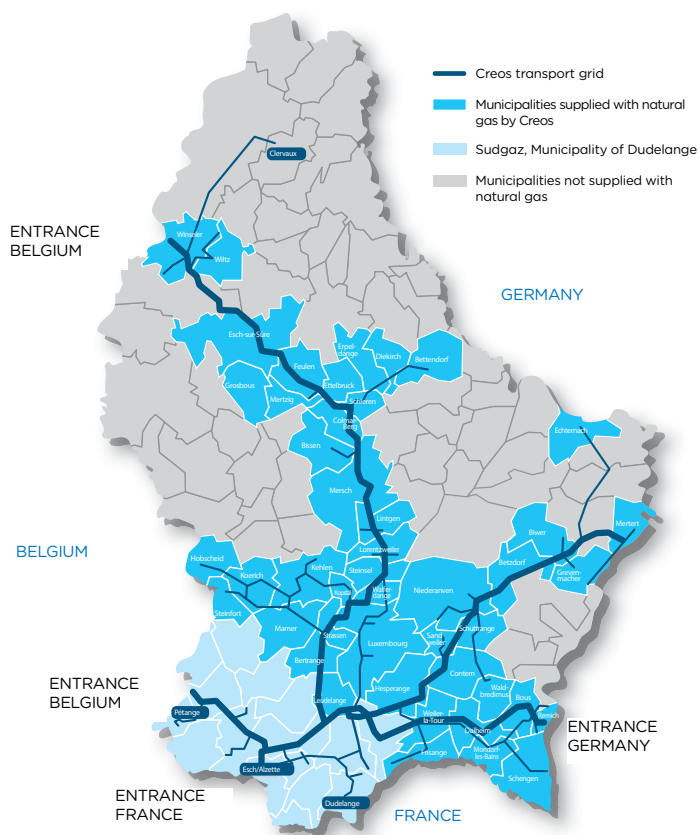
Electricity grid

Length of the electricity grid	9,556.9	km	80.28 %	underground
High Voltage lines (129.5 km 220 kV / 426.1 km 65 kV)	581.2	km	9.54%	underground
Medium Voltage lines	3,430.3	km	69.2 %	underground
Low Voltage lines	5,545.4	km	94.6 %	underground
Number of transformer stations 20,000 to 400/230 V	2,547	units		
Electrical power flow	4,919.4	GWh		
Electrical peak power	786.0	MW		



Natural gas grid

Length of the natural gas grid (Luxembourg)	2,026.7	km
Volume of gas transmitted	9,938	GWh
Gas grid peak	257,945	Nm³/h
Total gas grid capacity	319,000	Nm³/h



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 94.6% of its low-voltage power lines and 69.2% of its medium-voltage lines underground, representing over 7,000 km or more than two-thirds of the network, a level of performance which meets European standards.

Total length of overhead lines	Change from 31 December 1992
End 1992: 2,496 km	n.a.
End 2015: 1,884 km	-612 km

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. Accordingly, sites housing transformers are soundproofed 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” (<http://www.enovos.lu/particuliers/applications-smart/enosmart>), “enoheat” (<http://www.enovos.lu/particuliers/production-decentralisee/enoheat-gas>) or the “Learning Factory” (<http://www.learning-factory.lu/>).

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



Commitment 3: staff employability development

DMA

Enovos 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.

To apply these principles, Enovos Group:

- Supports diversity and equal opportunity
- Trains and develops its employees
- Organises comprehensive performance reviews

In the past year, the HR department has focused on a better and faster integration of personnel by implementing an induction programme, which

every new hire passes through. This enables a more consistent follow-up of the new hire during the trial period. A framework agreement of Matrix organisation and organisational implementation has also been made to allow an ex-change of skills and knowledge between various entities in Luxembourg and Germany.

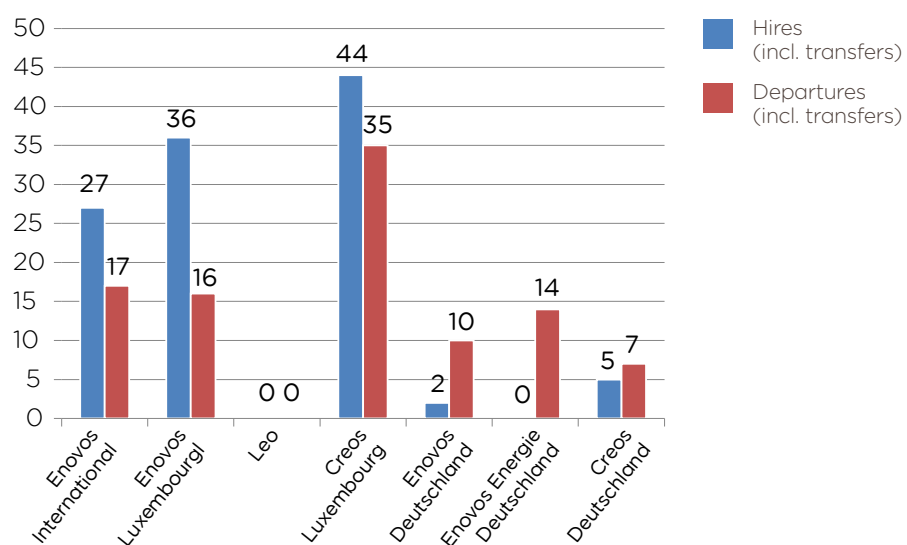
The Compensation & Benefits service implemented HRIS, a tool available for all heads of departments, managers and employees.

The Human Resources also worked to improve job evaluation & organisational design and the annual review process. Recruitment closed over 90% of the internal recruitment requirements: 158 out of 175, which means 500-530 job interviews and 89 new contracts signed in 2015.

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

Career development reviews

G4-LAT1

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 devel-

opment reviews are organised for all employees who finished their trial period. This annual review process is being aligned between Luxembourg and Germany.

Workforce

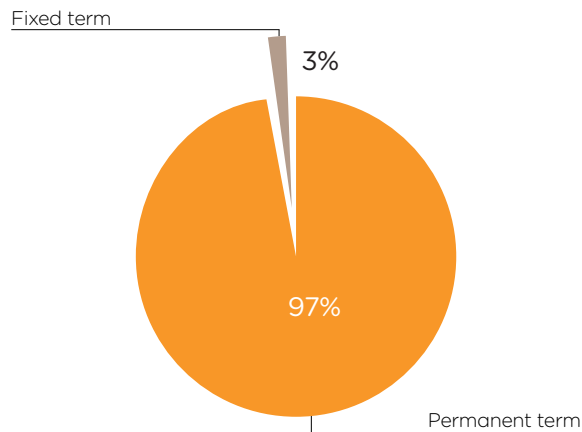
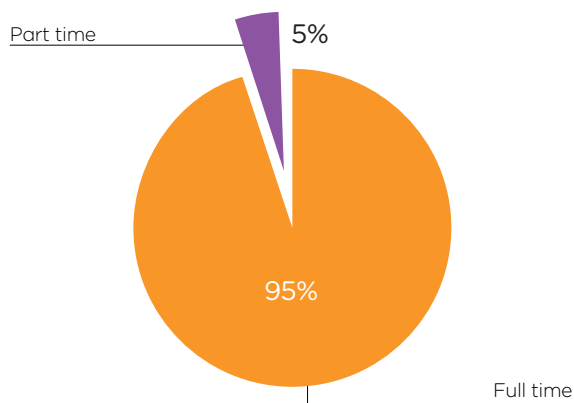
G4-10

Enovos Group mostly uses full time and permanent term contracts, in line with its will to provide a stable environment to employees.

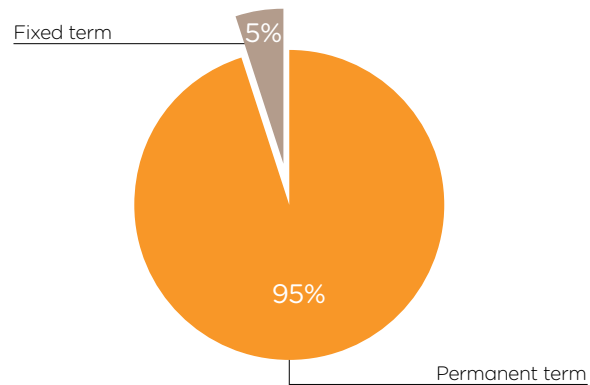
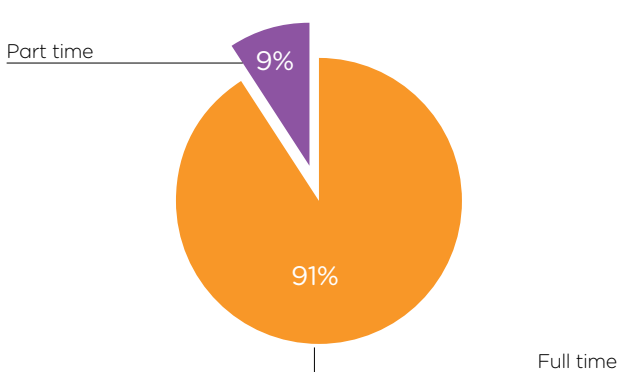
In search for experience, dynamism and commitment to strengthen its workforce, the group always looks for new talents, regardless of their age, gender, or belonging to a minority group.

Contract types

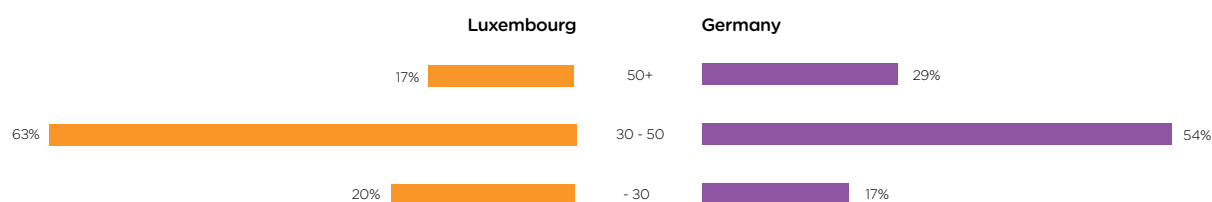
Main entities in Luxembourg



Main entities in Germany

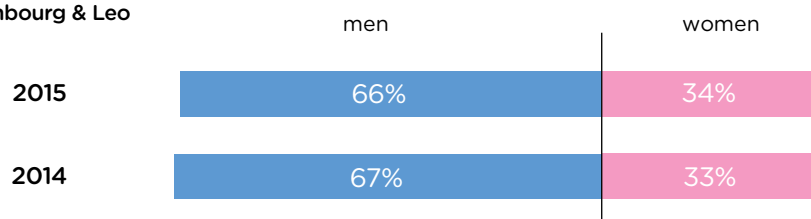


Age pyramid for Enovos Group

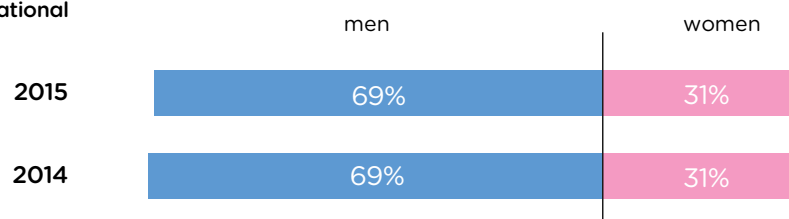


Personnel by number and gender by entity

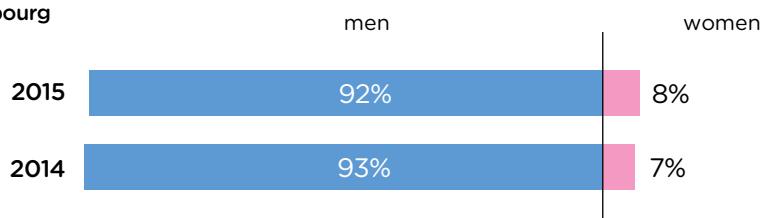
Enovos Luxembourg & Leo



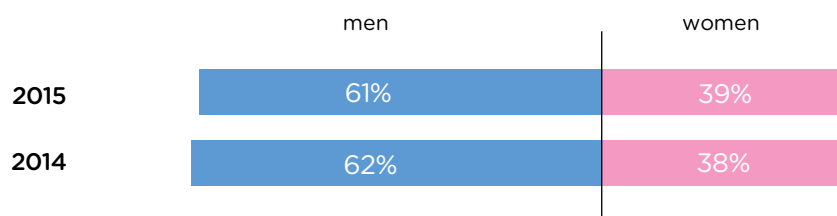
Enovos International



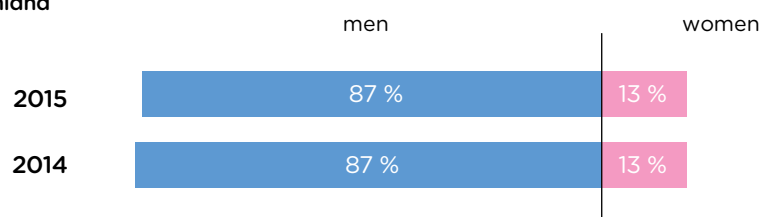
Creos Luxembourg



Enovos Deutschland & Enovos Energie Deutschland

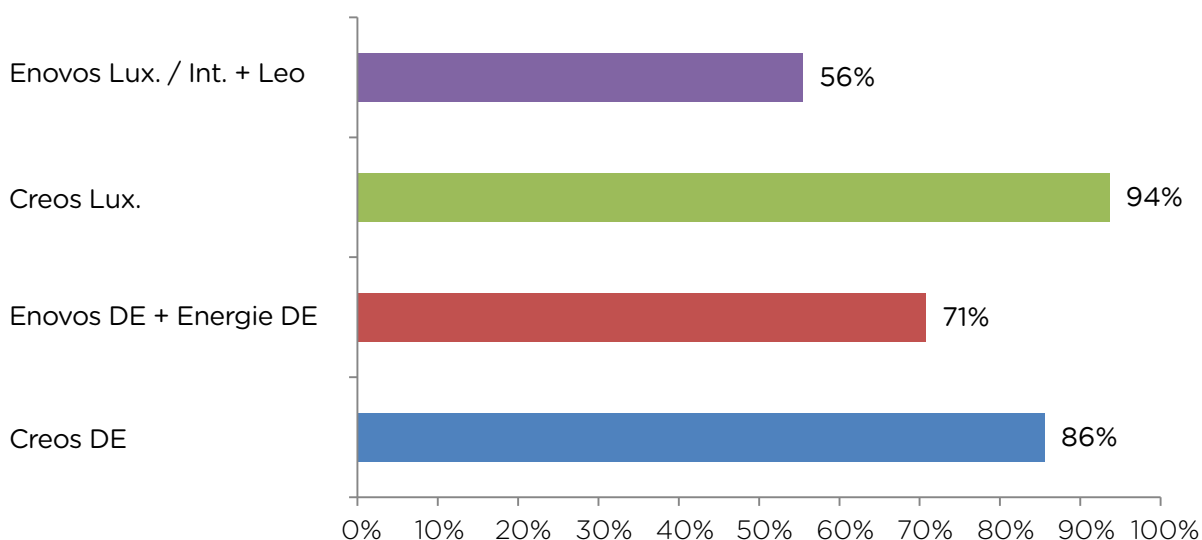


Creos Deutschland



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.

Training and development programs G4-LA9 - LA10

Enovos Group growth and success is driven by the dynamism and competence of its employees. The Training and Development service promotes the development of individuals encourages them to build a career within the group. Training quality has been improved based on the group's needs and various training options such as "Call-Center", "Compliance" or "Language" are offered through a catalogue. The Curriculum Management is based on the development of a middle-management skill-level considering leadership & management, which leads to additional internal training programmes. An integrated one-stop tool managing the booking and reporting of training sessions will be launched this year, improving T&D support to competencies development.

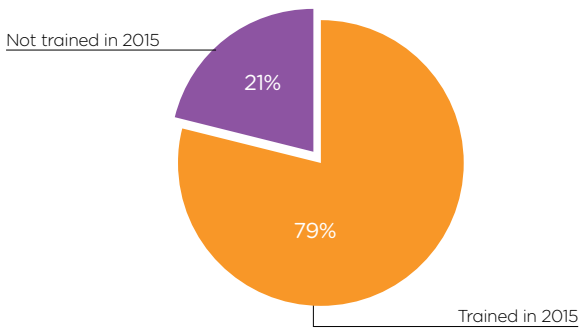
In order to develop employees' skills, Enovos Group is providing courses, seminars and workshops in several fields. Employees can also become members of professional associations (networks).

In Luxembourg the Curriculum Management program continues to be administered to all team leaders, containing 7 modules spread across 31 hours of training and covering all aspects of team leading. 2014 has been the pilot phase of this program, with 35 collaborators participating in the training; around 80 collaborators participated in 2015.

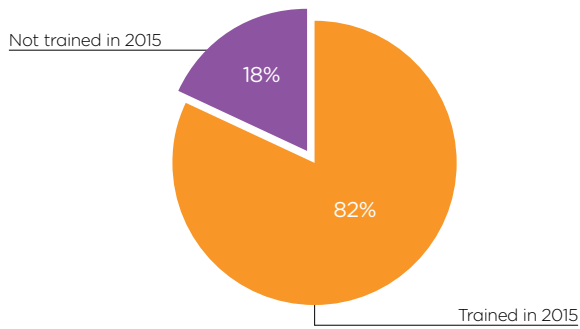
E-learning is being developed further, for topics such as antitrust laws in B2B markets (in Germany), antitrust law on the energy market (in Germany), prevention of corruption, and role of the management. So far, 340 modules of these courses have been studied by 179 collaborators. On top of that, the 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 in 2015

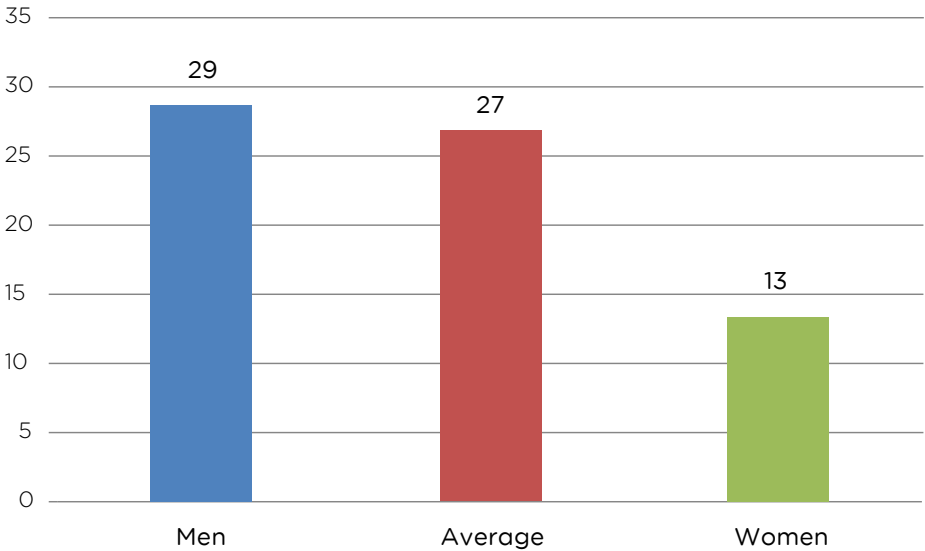
Enovos Lux. / Int. + Leo



Creos Lux. + VdL



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



Commitment 4:

health and safety

DMA

Enovos group is committed to provide a safe working environment and to care 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
- Set up a tailor-made health insurance
- Monitors the evolution and tendencies in terms of safety
- Provides information to the general public

Occupational HSE programmes

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 2015, 464 health and safety-related trainings have been followed by Enovos staff, on topics including electricity, gaz, driving vehicles and first aid. 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...

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

SGS Label

In 2015, Enovos International received the "Sécher a Gesond mat System" (SGS) Label. In an effort to help companies implement effective occupational health and safety management, L'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 our 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.

Current situation and tendencies

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.

For Enovos International S.A., 6 travel accidents and no work accident occurred in 2015, including 3 accidents with lost days (1 <3 lost days, 2 >3 lost days).

For Enovos Luxembourg S.A., 4 travel accidents and 1 work accident occurred in 2015, including 1 accident with lost days (<3 lost days).

For Leo S.A., 1 travel accident and 1 work accident occurred in 2015, including 1 accident with lost days (<3 lost days).

End of autumn/early winter are the seasons when most accidents occur, notably due to the weather conditions making driving more hazardous.

For Creos Luxembourg S.A., 20 travel injuries and 44 work injuries occurred in 2015, leading to 572 lost days. Main causes include handling of material during transport, walking on the public road, handling of tools, working with a knife, and slipping/falling.

No work-related fatalities were recorded within the Group in 2015.

Rate of travel injuries/total injuries

- Creos Luxembourg: 25%
- Enovos Int/Lux + Leo: 90%

In Germany, the injury rate for Enovos Deutschland and Enovos Energie Deutschland is 1.60%, Creos Deutschland has an injury rate of 3.60%.

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.

Production 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.

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 2015.

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 2015.

Commitment 5: environmental impacts reduction

Enovos 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 (31% in 2011).

These traditional activities are therefore highly impacted by regulations (such as the Kyoto protocol) aimed at fighting against global warming. In the year of the COP21, during which the world leaders gathered and have taken position to address this issue, Enovos Group is more than ever willing to take part in the effort.

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 operation 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 objective of obtaining 11% of its energy from renewable sources by the year 2020.

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, Enovos International emphasises sustainable development through renewable energies and made it its motto: "Energy for today. Caring for tomorrow." The Enovos 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.

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

Environmental impacts of products and services

G4-EN27

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.

As part of its corporate social responsibility policy, Creos is careful to ensure that its substations are compatible with the local environment, and closely monitors the quality and reliability of its grid, there by 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 involved the installation of such substations in the following locations: Windhof, Betzdorf, Esch/Ehlerange, Gasperich, Kirchberg/Europe, Findel/Senningerberg, Bettembourg, Kirchberg/Weimershof and Hollerich. In addition to these 65kV installations, finalization work is continuing on the new 220/65kV transformation and distribution substation at Itzig/Blooren.

Energy services, emissions and mobility

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

Enovos will develop smart solutions which will 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.

Another milestone in the reduction of CO₂ emissions is mobility. In Luxembourg, Enovos is closely involved in the development of ecomobility. Moreover, the company is expanding the charging station network for electric vehicles and offering its know-how for solutions such as car sharing:

- With eco.mobility, Enovos supports, contributes and promotes alternative mobility. By providing the necessary infrastructure and the adequate energy, developing a network of natural gas station and charging stations, Enovos is actively taking part in the mobility transmission.
- E.mobility offers tailor-made electric mobility solutions to professionals within Luxembourg. Powered by the sustainable "mobistroum", these new mobility solutions heavily reduce CO₂ emissions. This is promoted by the elektromobilität.lu platform.
- Gas.mobility is the natural gas mobility solution. With 6 stations already delivering natural gas (and more to come), natural-gas based solutions are developing fast. This solution is actively promoted by the A.s.b.l. Lëtzbuerger Gas.
- 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

- Moreover, the group aims at gradually renewing its fleet with more electric and gas-powered vehicles.

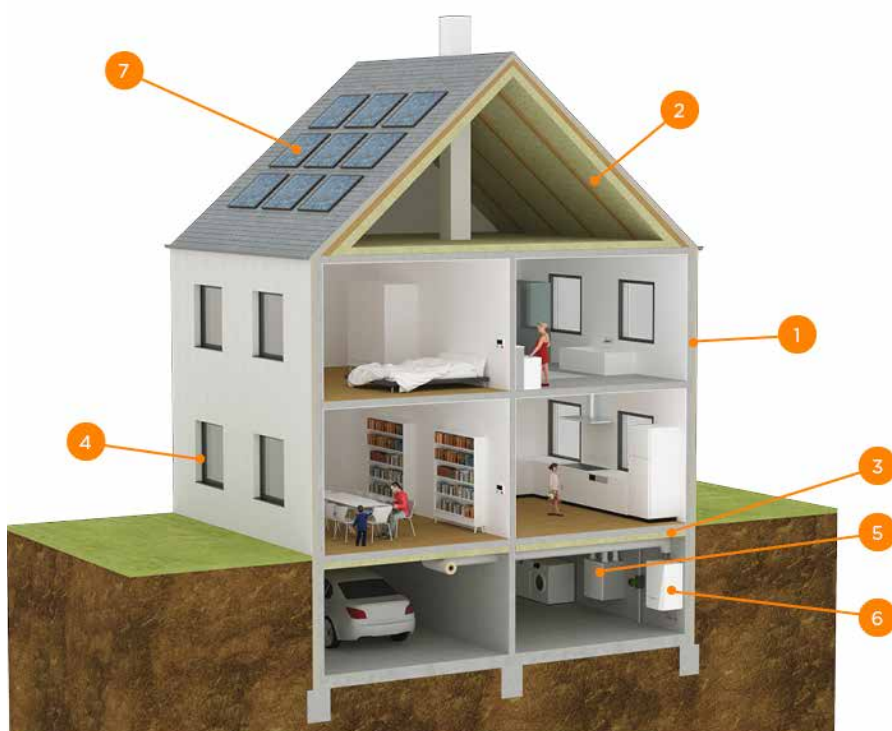


Administrative offices and facilities

Creos has concentrated the former electricity and gas activities of the regional sites of Wiltz, Heisdorf and Contern into this new centre, as well as the central warehouse of Mersch in the new center of Roost. This integration, together with other ongoing efficiency initiatives, enabled Creos to optimise its operational costs and continue to thrive within the regulatory framework. Energy efficiency increase is occurring thanks to this new development. We believe the next Bilan Carbone (precise date

not settled yet) will show a significant improvement, given that the new buildings have been built with energy efficiency in mind (Esch building has already been certified Breeam and HQE (Haute Qualité Environnementale) with the “exceptional” grade). Still, further initiatives are in place to improve the efficiency of the building, an energy management system has been implemented and an ISO 50001 certification is under way (internal audit achieved with support from energieagence in November 2015, external audit scheduled for Q2 2016).

Enovos will be impacted by the European Directive on Energy Efficiency that requires from energy suppliers that they help their clients in using energy more efficiently. The group anticipates the requirements by meeting them before they become compulsory. The “Learning Factory” is part of this initiative and aims at transferring a specific know-how to clients: “how to manage an energy efficiency project?” Enovos and Creos are both engaged in this initiative that teaches how to organise an energy efficient workplace and look for potential energy savings, by showing concrete examples and giving hands-on experience to the participants. Enoprimes (<http://www.enoprimes.lu/>) go in the same direction, by offering incentives to clients undertaking actions to reduce their energy consumption in a list of eligible works.



GHG compensation

Enovos 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. A recent example is the protection of bats around wind turbines. Studies have been done first, to assess the impact of our 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 the debate and, when possible, 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

Waste management

G4-EN23

In Luxembourg:

Enovos International 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 the new building 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 558000 towels per year.

For Enovos Energie Deutschland GmbH:

- No hazardous waste, 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

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.

Below is a brief look at the most important waste management data for Esch and Strassen sites (compared to 2014)

Esch:

- Household waste has been reduced from 51 to 11.5 tons, this is mainly due to the fact that the construction of the building is now over, and waste is now better sorted (thanks to adequate installations and communication in the new building)
- The strict separation of paper and cardboard will allow 21 tons of used paper/cardboard to be recycled in the best conditions.
- About 13 tons of organic waste has been collected separately in 2015 which resulted in a significant reduction in household waste

Strassen:

- Household waste has been reduced from 32 to 26 tons thanks to the help of the group's employees.
- Paper and cardboard boxes amount to a total of 9.3 tons
- 12 tons organic waste has been collected separately and is not mixed with household waste anymore.

In Germany:

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 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 dryers,

raised awareness among the personnel, and implemented a process that allows employees to compensate their carbon footprint through myClimate... 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. A dedicated workshop will be organised end of 2016 to discuss potential further improvements of energy management systems. Moreover, the group is currently reflecting on streamlining measures to optimise processes, thus achieving better performances in a more sustainable way.

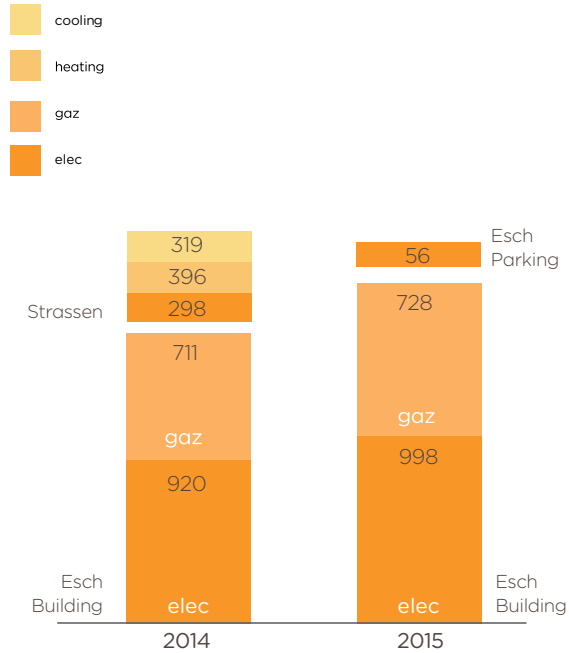
- For example, suppressing down payments for residential gas clients in Luxembourg (using only final accounts) saves 3.6 million sheets of paper per year. This measure was proposed in 2012 following the Bilan Carbone analysis, and implemented in 2015.
- The number of clients subscribing to e.connect (energy services online, e-mail invoicing an energy consumption history, self-meter reading...) has almost doubled in 4 years, from 16,000 in 2012 to 30,000 in 2015.
- An internal campaign "Chaque geste compte" (Every gesture counts) has been carried out to raise awareness on how each employee can help reduce the group's energy consumption and environmental impact.
- The company restaurants strongly favour local and seasonal products, which helps reduce their environmental impact

The group is now looking forward to see the impact of the innovative conceptions of the new buildings on the next carbon footprint calculation that should be organised in 2016.

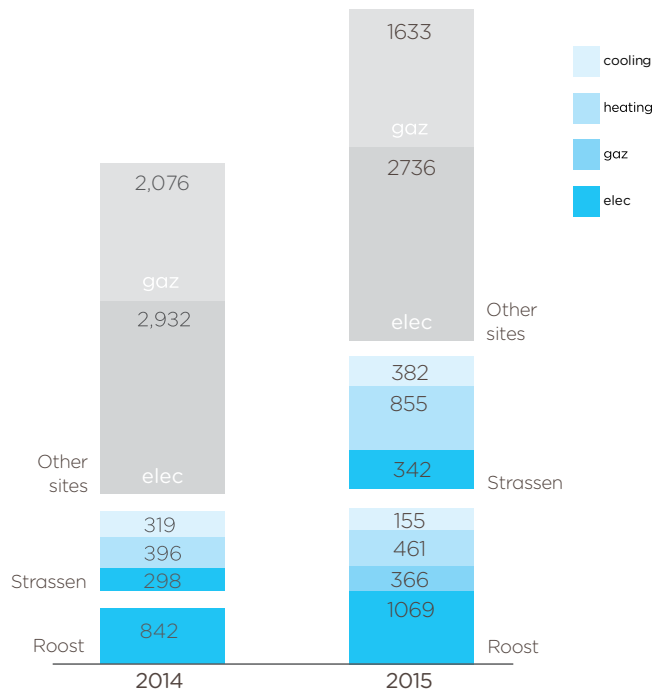
The graphs below show a close approximation of the energy consumption per entity and site.

Energy consumption Enovos

All figures are in MWh



Energy consumption Creos



Commitment 6: commitment to local communities

DMA

Enovos group is committed to engage with local communities in a responsible manner with present and future generations in mind. The group is willing to building 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
- Participates and organises fairs and events
- Initiates, supports and promotes projects through the “Fondation Enovos”
- Uses patronage and sponsorship

In Luxembourg:

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

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.
- Each year, two editions of the “Creos News” magazine are issued to 220,000 households.
- An annual open-house is organised in an exploitation centre for the general public to discover and understand Creos professions and backstage.
- Actions are taken to protect birds around power lines

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.
- Following the 2010 earthquake, 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. Main activities include installing new power lines, bringing power to schools and training centres, and repairing damaged facilities.

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.
- The “Project Street Art” encourages young graffiti artists to paint transformer stations. This gives them a support for expression and embellishes the functional industrial architecture, which otherwise would often be sprayed with lower quality graffiti.
- “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...
- In line with its will to support research and knowledge development, Creos supports the Luxembourg Science Center.



Sponsorship

- 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..

Enovos also acts for local communities, for example by:

Acting for knowledge

The Fondation Enovos, under the aegis of the non-profit foundation “Fondation de Luxembourg”, is committed to furthering the interests of today's and future generations. The founders of Fondation Enovos have decided to support know-how and technologies which promote sustainability. At the same time, the foundation also supports social projects that benefit the weaker members of society. Fondation Enovos supports the following causes:

- Organisation of the third edition of the “Prix d'excellence”. Six students in engineering were awarded this prize which aims at promoting education and professional careers in engineering in Luxembourg.
- Enhancement and development of renewable energy sources in Luxembourg and the Greater Region, e.g.: through the nova naturstrom fund, the Foundation supports renewable energy projects that are especially innovative, worthy of imitation or useful for instructional purposes. Projects can be initiated by private individuals, local authorities, schools, public utilities, non-governmental organisations or companies.
- Support for social projects, e.g.: Enovos supports projects to help children with behavioural problems (Päerdas Atelier a.s.b.l.), young cancer patients and their families (Hëllef fir kribbskrank Kanner a.s.b.l.) and sports people with intellectual disabilities (ALPAPS Special Olympics), to mention only a few.

Taking the opportunity of the move from Strassen to its new headquarters in Esch, Enovos showed its interest and attachment to the historical steel plant site and the industrial heritage of the city: historical research has been commissioned by Enovos to deepen its knowledge of the site and the main elements have been made public on information boards in the park in front of the buildings. The main historical milestones of the facilities are described from the middle ages to the current times, with pictures of the site through the ages. Juxtaposing the new offices, the historical facilities (that were restored and rehabilitated as offices), are a constant reminder of the region's industrial past. This move to the south of the country also shows Enovos' will to come closer to education, training and research thanks of the proximity to the University of Luxembourg – Belval Campus.

Helping communities

- Enovos Luxembourg made a donation for every Christmas card sent by its employees to Unicef in order to help the project “Kannerliicht” helping poor children in Brasil. The amount was rounded up to 5000 €.

In Germany:



Commitment to “Young Talents”

Enovos Deutschland SE is aware of its responsibility towards present and future generations and pays special attention to the successful development and support of “young talents”.

Together for the Olympics

The cooperation with the “Olympiastützpunkt Rheinland-Pfalz/Saarland” (OSP - Olympic Centre Rhineland Palatinate/Saarland]) and the “Landessportverband für das Saarland” (LSVS - Saarland’s Sports Federation]) is aiming at providing young top athletes with targeted support. Since 2005, Enovos – then still registered under the name Saar Ferngas – has been the official partner for OSP and LSVS. In doing so, it provides the Hermann Neuberger Sports School with two natural gas vehicles. These vehicles serve the purpose of transporting these athletes to national and international competitions.

Art in the canteen

The cooperation with the Hochschule der Bildenden Künste Saar (HBKsaar / Saar College of Fine Arts]) enables advanced students of the school of art and design in Saarbrücken, to present their works twice a year in the Enovos administration building. “Early Birds” is the programmatic name of the exhibition series. For this project, Enovos not only provides the space needed but also financially supports the project to enable the print of supporting documentation. The temporary exhibitions, which are shown in the summer and winter, give the students the opportunity to gather professional exhibition experience from outside the university and create a public image and network during their degree.

Help for children in need

In addition to supporting young talents in arts and sports, Enovos Deutschland SE is also committed to helping children and places them in the centre of a series of activities. For example, at the annual Christmas tree campaign. Here, a Christmas tree is filled with the wishes of children from a social

institution and interested employees can choose to buy the individual gifts to make the children's wishes come true. In 2015, the tree was abundantly decorated.

Worth mentioning, is also the dedication of the CSR team at the summer festival of the Kinder-Hospizdienst Saar (children's hospice services) in July 2015. "We want to contribute to the zest of life of children and teenagers because there is still so much to live for", this is the motto of the festival, where the CSR team take care of the physical well-being of the participants and provide entertainment with different games. The motivation behind this event and simultaneously, the goal of the Kinder-Hospizdienst Saar was and is to support and accompany terminally ill children and teenagers as well as their families and to ensure that the living quality of those concerned is supported and maintained as long as possible.

The running and hiking teams of Enovos and Creos are now well established, which once again in 2015 were active "for a good cause". Overall, they covered a distance of 614.9 kilometres that yielded the significant amount of 6,149.0 EUR, which was transferred to the supporting association "Mama/Papa hat Krebs" Kaiserslautern e.V. The association supports families and particularly children, whose lives are coming apart at the seams due to one of the parents being diagnosed with cancer.



About our report

G4-28 - 33

The present report looks at the Enovos Group from a CSR point of view. This is the third edition and focuses on the Luxembourgish and German entities of the Enovos Group. This 2015 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 Enovos International S.A. and Enovos Deutschland SE

Other information

Reporting period

From 01/01/2015 to 31/12/2015

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

Most recent previous report

CSR Report 2014

Reporting cycle

Annual

Contact points

Michel Schaus - Member of the Executive Committee of Enovos International - Chief of Operational Support (COS)

michel.schaus@enovos.eu

Vincent Robinet - CSR Coordinator

vincent.robinet@enovos.eu

Publication options

This report, our annual reports and key figures, as well as our corporate governance report are available on the following websites:

www.enovos.eu/en/enovos-group/enovos-international-s.a/annual-reports-and-key-figures

www.enovos.eu/en/enovos-group/enovos-luxembourg-s.a/annual-reports-and-key-figures

www.creos-net.lu/index.php?id=169

www.enovos.de/ueber-uns/ueber-uns.html

<https://www.enovos.de/gewerbe/ueber-uns/enovos-deutschland>

<http://www.creos-net.de/unternehmen/startseite.html>

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 verified by the sustainability reporting committee and the CSR steering committee.

The CSR steering committee would like to thank you, on behalf of the Enovos Group, for reading this report.



Michel Schaus



Jean-Paul Wagner



Erny Huberty



Materiality questionnaire

Please fill the following questionnaire and send it back to us. (erny.huberty@enovos.eu)

This will help us report on what matters to you in 2016 CSR report.

1. State below to which of Enovos or Creos stakeholders' type you belong.

	Enovos Lux.	Enovos Int.	Creos Lux.		Enovos Lux.	Enovos Int.	Creos Lux.
Employee				Industry trade group			
Manager				Government body			
Director				European Union			
Shareholder				NGO			
Customer				Competitor			
Supplier				Local community member			
Staff delegate				Professional association			
Media				Potential investor			
Researchers							
Other							

2. How did you learn about this report?

Internet	
Conference	
Meeting	
Publication	
Other (please specify)	

3. We list below a number of topics. Choose the 5 aspects that matter the most to you and rank them from: 1 - significant to 5 - crucial.

Economic performance		Training	
Procurement practices		Health and safety	
Market presence		Child labor	
Energy efficiency		Forced labor	
Emissions		Freedom of association	
Transport		Anti-corruption	
Water		Anti-competitive behavior	
Materials		Product labeling	
Biodiversity		Customer privacy	
Effluents and waste		Compliance	

4. Have you identified material aspects that we did not communicate about in this report?

5. How would you rate the transparency level of our CSR strategy, on a scale from 1 - non-transparent to 5 - clearly transparent?

1	2	3	4	5
---	---	---	---	---

6. Would you like to take part in, or to be regularly informed of our CSR progress?

Yes, please send me information to:

No, thank you

(why?)

7. How did you communicate with the Enovos Group in 2015? How often?

<input type="checkbox"/> e-mail	<input type="checkbox"/> phone	<input type="checkbox"/> in person	other (please specify)	<input type="text"/>
<input type="checkbox"/> weekly	<input type="checkbox"/> monthly	<input type="checkbox"/> quarterly	other (please specify)	<input type="text"/>

8. Would you like to add something?

Thank you for your participation.

We would like to thank all those involved in the preparation and publication of this CSR report.

Enovos International S.A.
2, Domaine du Schlassgoard
L-4327 Esch-sur-Alzette

Enovos Deutschland SE
Am Halberg 3,
D-66121 Saarbrücken

Enovos Luxembourg S.A.
2, Domaine du Schlassgoard
L-4327 Esch-sur-Alzette

Enovos Energie Deutschland GmbH
Konrad-Adenauer-Ring 33,
D-65187 Wiesbaden

Creos Luxembourg S.A.
59-61, rue de Bouillon
L-1248 Luxembourg

Creos Deutschland GmbH
Am Halberg, 4,
D-66121 Saarbrücken