



Stadtwerke München

Sustainability Report 2023

The pulse of Munich 



muenchen.de

SWM Infrastruktur

bayerngas

Our commitment to the climate

Our climate targets



From 2025 onwards, we will generate sufficient green electricity in our own plants to cover all of Munich's consumption.



By 2040, we will supply CO₂-neutral district heating to Munich. We will cover the remaining heating demand from other heating solutions such as local heating networks and heat pumps.



We will shape a cost-effective transformation to hydrogen along the value chain.



We will electrify our fleets by 2035.



As a relevant and sustainable buyer, we will also embed our climate-neutrality goals in our supply chain and at our contractual partners.



We will avoid and reduce greenhouse gas emissions to achieve climate neutrality by 2040.



By 2040, we will achieve CO₂-neutral operation of all public pools in Munich.



Read more on our engagement on the pages that follow and on **our website**.



Contents

02–03	Foreword
04 07	Stadtwerke München – a portrait
08 15	Sustainability management
16 31	Essential services and product responsibility
32–47	Operational environmental protection
48 61	Employees
62–71	Corporate governance
72–74	About this report
75 80	GRI content index

Dear readers,

For 125 years, we have reliably supplied Munich with energy and fresh-from-the-source drinking water and have offered mobility that is compatible with the needs of the city. To also ensure reliable essential services for the people in the future, we need to develop solutions for the challenges of the present. This is why we set ourselves the task of driving the energy transition forward in innovative and consistent ways – without compromising the secure supply to Munich's citizens. In 2023, we again made considerable progress.

Thanks to our continuous expansion of renewable energies, we are arithmetically already able to cover significantly more than 90 % of Munich's power consumption with green electricity from our own plants. For a successful energy transition in the heating segment, we intend to achieve CO₂-neutral coverage of all of Munich's district heating requirements by 2040, mainly with the help of geothermal energy. In 2023, we paved the way for the construction of our seventh geothermal plant, which will be the largest inner-city plant in Continental Europe. And we will install hundreds of kilometres of new district heating pipes in the coming years with a view to consolidating and expanding our offers. By 2045, approximately 60 % of Munich's heating demand is to be covered by our district heating services. This makes them a key pillar in the municipal heating plan of the City of Munich. In areas where we cannot offer district heating, we are installing various decentralised solutions.

In addition, we are pressing ahead with the conversion of our bus fleet to battery-electric drive systems to achieve 100 % electromobility in local public transport. Even in the currently challenging financial situation, we plan to continue to strengthen the local public transport system to enable as many people as possible to be mobile in a climate-friendly way.

To enhance the focus of our regional activities for the expansion of renewable energies, we set up the "Regional Energy Transition" division in 2023. SWM's Sustainability Management has also been incorporated into this division. This unit has drawn up a sustainability strategy that summarises and pinpoints our social and environmental goals. This strategy is being refined through the definition of key performance indicators and measures; among other things, we are working on a decarbonisation path. The basis of this is our greenhouse gas inventory, which we improved further in 2023. We have expanded the system



From left to right:
Helge-Uve Braun, Dr Karin Thelen, Dr Florian Bieberbach, Dr Gabriele Jahn, Ingo Wortmann

perimeter and now capture more emission categories than before. At the same time, we succeeded in significantly improving the quality of the data. This allows us to perform more precise analyses and take more effective measures to reduce our impact on the environment. From the 2025 financial year onwards, we will report annually on the progress made and successes achieved in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) that has been adopted by the European Parliament.

With all these activities, SWM's employees contribute to Munich's quality of life and future viability. Their commitment plays a decisive role for our common success on the journey towards a sustainable future. We invite you to read all about our progress, challenges, and goals in the area of sustainability.

Sincerely yours

Dr Florian Bieberbach

Chief Executive Officer

Ingo Wortmann

Director,
Mobility

Helge-Uve Braun

Director,
Technology

Dr Karin Thelen

Director,
Regional Energy
Transition

Dr Gabriele Jahn

Director, Human
Resources, Real Estate,
and Public Pools



Stadtwerke München – a portrait

As one of Germany's largest municipal companies (2023 revenues: approximately EUR 9.7 billion), we are a major contributor to the quality of life of the people in Munich and the metropolitan region. From reliable energy and water supply to state-of-the-art urban mobility and fast Internet to Munich's public swimming pools, we offer award-winning services at fair prices.

We are committed to satisfying our customers with high-quality services and active relationship management. We embrace economic success while protecting natural resources and the environment. We make ambitious investments in supply and infrastructure

facilities while ensuring sustainability. We are fair-minded and act to achieve mutual benefits in our relationships with customers, suppliers, and other business partners. We keep an eye on our independence and exercise due diligence in all of our ventures.

Our business segments

We manage our business across all segments of the value chain: Energy (Generation, Networks, Sales, and Trade), Water, Mobility, Telecommunications, and Public Pools.

Energy



Water



Mobility



Telecommunications



Public Pools



Energy

Generation

We generate energy in Munich and the metropolitan region in more than 80 plants, including wind, hydro-electric, and solar energy plants, energy-efficient combined heat and power (CHP) plants, and geothermal plants. Since 2004, we have also provided district cooling. Here, we use the natural cold temperature of ground water and Munich's underground streams.

In addition, we operate wind parks and solar energy plants throughout Germany and Europe at sites with lots of wind and sunshine. Via our shareholding in Spirit Energy Limited (Spirit Energy), we also engage in gas extraction in Northwestern Europe. In line with our decarbonisation strategy, we have already noticeably reduced our gas production ([see the chapter "Essential services and product responsibility", page 19](#)). On our journey towards a climate-neutral Munich, we intend to gradually replace natural gas with decarbonised gases such as hydrogen. Spirit Energy will also be aligned with the requirements of the energy transition: natural gas production is to gradually dwindle away, and the existing infrastructure is to be used sustainably, e.g. for CO₂ storage or for the production of hydrogen.

Networks

Our essential public services for the Munich metropolitan region include the operation of distribution networks for electricity, gas, district heating and cooling, and water. We operate energy and water grids with a total length of more than 25,000 kilometres. In this task, our goal is to ensure above-average supply quality and reliability despite increasing cost pressure.

Sales

We are the clear market leader in the Munich energy market, which is characterised by keen competition. To maintain our position, we bank on customer relationships that are based on a spirit of partnership, with a positive image and a high level of customer orientation, as well as sustainability and reliability. In these efforts, our tried-and-proven high service quality is a pre-requisite for our customers' loyalty.

Trade

Trade is a key driver of our management and business model for the energy sector. It helps us optimise our energy business and hedge against risks. In Trade, we are engaged in market-driven energy procurement and marketing as well as managing our aggregated market

price risks, especially for electricity, natural gas, coal, and energy-specific certificates. Trade also plans the deployment of our generation plants and the expansion and operation of our virtual power station. Furthermore, Trade gives Energy Generation, Sales, and individual SWM majority shareholdings access to the energy markets.

Water

Our additive-free M-Wasser drinking water is extracted naturally and delivered from the foothills of the Bavarian Alps to Bavaria's capital. M-Wasser ranks among the best drinking waters in Europe and boasts excellent analytical results – significantly better than the statutory limits. Approximately 1.6 million people rely on M-Wasser to satisfy their water demand.

Mobility

Together with our subsidiary Münchner Verkehrsgesellschaft (MVG), we provide state-of-the-art and environmentally benign mobility in Munich. We interlink traditional local public transport services (underground trains, buses, and trams) with personalised solutions such as the MVG Rad rental bike and our partners' e-scooter and carsharing services. These offerings are an integral part of our MVGO app, just like digital ticket purchasing. In addition, we are driving the use of electromobility forward and continue to expand our fleet of vehicles.

Telecommunications

Together with our telecommunications subsidiary M-net Telekomunikations GmbH (M-net), we expand the fibre-optic network in Munich. M-net offers Internet, voice, and transmission services for residential and business customers in large sections of Bavaria, the greater Ulm area, and the Main-Kinzig district in Hesse. Our product portfolio is continuously developed further, ensuring our competitiveness. The services are performed jointly by M-net, SWM Services GmbH (SWM Services), and Stadtwerke München GmbH (SWM).

Public Pools

With 18 indoor and outdoor pools and ten sauna facilities, we offer some of the most modern pool landscapes in Germany, and we also operate two fitness centres and one ice-skating stadium. Approximately 3.5 million guests visit our M-Bäder public pools every year.

[An overview of SWM's affiliated companies and major equity participations can be found in our 2023 Annual Report from page 74 onwards.](#)



Committed to citizens' well-being

As a company wholly owned by the City of Munich, we are ultimately owned by Munich's citizens. We feel committed to their long-term and sustainable wellbeing, and we strive to achieve economic success. Our goal is to distribute a profit of EUR 100 million to our shareholder, the City of Munich, every year.

Stadtwerke München is not merely seeking profit maximisation, but is also committed to creating an optimum outcome for the people in the Munich metropolitan region. We want to preserve and improve their quality of life, maintain the city's attractiveness as a business location, and provide support to the metropolitan region. In these efforts, we assume responsibility for both the environment and society, and cooperative and partnership-oriented action is a key element of our approach. In addition, we see ourselves as a socially responsible company. This is also reflected in many areas that go beyond the responsible operation of our core business: we are one of the largest workplace training organisations in the region, sponsor education, sports, cultural events, and social projects, build company flats, develop digital service offerings, and champion a lively and diverse urban community.

We create added value not only for our customers and our shareholder, but also for society: we offer attractive jobs to approximately 11,000 employees in the SWM Group, most of whom live in the Munich region. In addition, the local economy also benefits from us, as we place orders worth many millions of euros with companies located in the Munich metropolitan region and the city of Munich every year.

For the **2024 – 2028** period, we are currently planning to make investments of more than

EUR 6

billion – mostly in the Munich metropolitan region.

This amount will be allocated as follows:

- ▶ **approximately EUR 2,100 million** to local public transport
- ▶ **approximately EUR 800 million** to the expansion and modernisation of the network and grid infrastructure
- ▶ **approximately EUR 1,450 million** to the renewable energies expansion campaign
- ▶ **approximately EUR 200 million** to the expansion and maintenance of conventional generation plants
- ▶ **approximately EUR 550 million** to geothermal energy for our district heating vision
- ▶ **approximately EUR 350 million** to the company-flat expansion campaign
- ▶ **approximately EUR 100 million** to the expansion of fibre optics for a future-proof Internet
- ▶ **approximately EUR 50 million** to maintenance and modernisation of public pools

EUR 320

million is the average annual order volume we place with companies in the Munich metropolitan region.

EUR 160

million per year goes to companies located in the city of Munich itself.

We operate muenchen.de, the official online portal for the city of Munich. With its broad coverage and many contacts, muenchen.de is one of the most frequently visited service websites in Munich. The muenchen.de central address is the gateway to information and services revolving around Munich's urban life.

Our commitment to the community

Our mission to provide essential public services also includes our commitment to a liveable and future-proof urban community.

Since 2007, our SWM Education Foundation has supported numerous projects aimed at improving the educational opportunities of disadvantaged children and adolescents. With basic foundation assets totalling EUR 20 million, the foundation ranks among the largest organisations of its kind in Germany's educational sector. Every year, it invests approximately EUR 500,000 in the sponsoring of a wide variety of projects. Since 2013, it has moreover awarded a sponsorship prize for outstanding commitment to education. In 2023, the foundation paid out a total of approximately EUR 450,000 to eleven projects. Recipients included the Munich Chess Foundation for its "Feel Welcome With Chess – Chess Integrates" project, the Condrops e.V. addiction counselling service for its "Prep for Technical Training" project, and the Johanniter-Unfall-Hilfe e.V. humanitarian association for its "Study Groups at Dominik-Brunner-Haus" free tutoring project. In the year under review, a total of approximately 600 children and adolescents benefited from funding provided by the SWM Education Foundation.

With our "Stadtwerkeprojekt" initiative, we also help young adults who are socially disadvantaged or suffer from impairments. The project aims to help them get their careers off the ground through suitable qualifications.

We support schools with curriculum-related materials revolving around the topics of energy, water, and communication. In addition, we offer them free career guidance, guided tours, and events.

Low-income households receive free energy counselling from us. Our customer service employees analyse the consumption behaviour of residential customers and give them advice regarding tariffs and all personal concerns. In addition, we offer a monthly energy

consultation hour to Munich's senior citizens on the premises of the Munich Senior Citizens Advisory Council.

"Krisendienst Psychiatrie Oberbayern" offers individual counselling for people in mental distress. We have actively supported this psychiatric crisis hotline for Upper Bavaria since it was established in 2017, e. g. with poster campaigns displayed in the local public transport system.

We support Munich's cultural landscape through initiatives such as an advertising cooperation with the "Tollwood" festival and support for Tierpark Hellabrunn, the first geo-zoo.

In addition, we support recreational and professional sports in Munich. Among other things, we are the namesake of the track-and-field club "Leichtathletik-gemeinschaft Stadtwerke München" and the swimming club "Schwimmstartgemeinschaft Stadtwerke München". Furthermore, we are partners in various sports offerings such as "Münchner Freizeitsport" for recreational sports and the Munich Marathon.

RECORD DONATION FOR "HELFENDE HÄNDE"

Since 2003, we have served fresh-from-the-source drinking water at the Tollwood Summer Festival. Proceeds are donated. In 2023, our donation reached a record level of EUR 23,585. We handed this amount over to the "Helfende Hände" humanitarian association, which provides live-long support to people with severe multiple disabilities through fostering, care, and integration. The association supports approximately 150 children, adolescents, and adults in various facilities in Munich, including special-needs schools, therapeutic day-care centres, sheltered workshops, and residential facilities for adults. In July, "Helfende Hände" opened a new special education centre geared to the needs of 74 pupils with multiple disabilities. Our donation will help fund this centre.





Sustainability management

As a company owned by the City of Munich, our activities are guided by the interests of the city and its inhabitants. Our organisation reflects the diversity of this city – and our sustainability management reflects the standards of our stakeholders, products, and services. Our energy services thus cover essential needs, supplemented by attractive offers, and are based on sustainable and low-emission operations. In drinking water supply, product quality and nature conservation have always gone hand in hand in the regions where we source the water. In our mobility services, we strive for zero emissions and are committed to enhancing accessibility for all passenger groups and harmonious integration into the urban society and landscape. And our public pools are intended to be gathering places with near-natural greenspaces.

The overall responsibility for the topic of sustainability lies with the top executives of our Group, the Management Board of Stadtwerke München GmbH. The Management Board is responsible for adopting relevant decisions on sustainability; concrete examples include the sustainability strategy or SWM's transformation plan for sustainable heating.

The Supervisory Board is involved in sustainability concerns in a topic-adequate manner and verifies the aligned sustainability issues. Established reporting and information formats are used to adequately prepare the Supervisory Board, impart the necessary professional skills, and provide the requisite background information. This enables the Supervisory Board to fulfil its responsibility and monitor sustainability topics in a suitable manner.

In our central organisation, Sustainability Management has been assigned to the Regional Energy Transition division as a staff unit, which acts as an overarching functional link for all sustainability topics in the group. The responsibilities of the central Sustainability Management focus on designing and ensuring the implementation of the sustainability strategy and group-wide sustainability topics. In addition, we have set

up decentralised sustainability management in our subsidiaries. The Management Board delegates this task to specialists where this makes sense, e.g. in energy or environmental management or corporate health management. Group executives develop our strategic orientation in terms of energy consumption, emissions, and other environmental issues; the business segments then implement the associated measures, [see the chapter "Operational environmental protection", page 33](#). Our guideposts in these efforts are external and internal quality standards that also cover the areas of occupational health and safety. New and extensive topics, such as the preparation for new statutory requirements, are developed in projects. This ensures an efficient flow of information. In addition, the parties responsible for the topic of sustainability in the organisation exchange their knowledge formally and informally. Executives are regularly informed in "jour fixe" meetings. The Management Board is involved in a situation-related and topic-adequate manner.

In January 2023, the EU's Corporate Sustainability Reporting Directive (CSRD) entered into force. It aims at enhancing non-financial reporting and elevating it to the same level as financial reporting. Under the CSRD, many companies – including SWM – will have to fulfil extensive reporting obligations regarding their sustainability activities in the coming years. Based on the current information, 2025 will be the first financial year on which we will have to report in compliance with CSRD rules in 2026. We are already preparing for this in an internal cross-divisional project. Among other things, we are adjusting our ESG due-diligence processes and are updating our materiality analysis according to the finally adopted and mandatory European Sustainability Reporting Standards (ESRS). The results of the materiality analysis are the basis for further CSRD preparation. After all, they define the data points that will be included in the future report. The CSRD will also impose far-reaching reporting obligations in both the social area and environmental protection, especially on the topic of climate change. We have already begun to address these obligations.



SWM sustainability strategy

In 2023, the central Sustainability Management of Stadtwerke München developed a comprehensive sustainability strategy. This strategy combines our initiatives in the key areas of “Climate and Environment”, “Future-proof Corporate Culture”, and “Sustainable Supply Chain and Products” and follows the accepted ESG logic (E = environmental, S = social, G = good governance). The sustainability strategy was designed in alignment with the group strategy, because sustainability is the central goal of our actions. The strategy not only sharpens our focus, but also ensures compliance with the relevant statutory requirements.

Within the framework of this strategy, six key and binding goals were defined that contribute to our group goals “environmentally friendly”, “dynamic”, “entrepreneurial”, and “reliable”:

1. Reduction and avoidance of greenhouse gas emissions with a view to achieving climate neutrality by 2040¹⁾, [see the chapter “Operational environmental protection”, page 35.](#)
2. Proactive preparation for the impacts of climate change and responsible use of water resources.
3. Diversity and an inclusive corporate culture.

¹⁾ We will remain a reliable partner of our customers beyond the year 2040 and will continue to offer them gas products to the extent to which this is legally permissible. As long as no final legal definition of the term “climate neutrality” exists, we will rely on the net zero approach of the Science Based Targets Initiative. In line with this approach, we plan to cut at least 90 % of the greenhouse gases measured in CO₂e through avoidance or reduction and neutralise only a maximum of approximately 10 % of residual emissions with certificates.

4. Employee orientation to strengthen SWM’s economic efficiency and innovative strength.
5. Assumption of social and environmental responsibility in the supply chain; work with sustainability-promoting and innovative products, services, and technologies.
6. Responsible use of resources throughout the entire product lifecycle; ensuring a functioning circular economy.

The sustainability strategy is now being refined through definition of key performance indicators (KPIs) and specific measures in a joint project aimed at preparing for and embedding the CSRD. These measures are being developed and implemented in cooperation with the business segments and are being supported by accompanying change management processes with a view to optimising their organisational integration and implementation.

Materiality analysis

SWM’s sustainability reporting is based on a materiality analysis, which we carried out as follows during the preparation of our first report in 2019. First, we developed the list of topics based on an analysis of pertinent expert information. The sources we used included national and international frameworks such as the “National Action Plan for Business and Human Rights” (NAP) and the United Nations’ “Sustainable Development Goals” (SDGs) as well as the recognised Global Reporting Initiative Standards (GRI Standards), the German Sustainability Code (DNK), and ISO 26000.

This resulted in slightly under 200 topics that we pooled into 28 clusters. Next, our specialist departments assessed these clusters on the basis of two dimensions: impact on the environment and society, and significance for stakeholder decisions. Lastly, the SWM Management Board assessed the topics in terms of their business relevance.

Based on this materiality analysis, we derived 16 material topics, which we have grouped into five action areas:

- ▶ Society
- ▶ Products and services
- ▶ Environment
- ▶ Employees
- ▶ Corporate governance

Every year, we check the material topics to determine whether there is any need for adjustment, and we also did so in 2023. No adjustments were necessary in the year under review. The identified material topics thus remain the focus of our Sustainability Report. In preparation for the CSRD, we are updating the materiality analysis in accordance with the requirements of the ESRS.

A SOCIETY

- A.1 Social responsibility

B PRODUCTS AND SERVICES

- B.1 Provision of essential services
- B.2 Product responsibility

C ENVIRONMENT

- C.1 Energy
- C.2 Emissions
- C.3 Raw materials and supplies
- C.4 Water

D EMPLOYEES

- D.1 Working conditions
- D.2 Training and education
- D.3 Occupational health and safety
- D.4 Diversity and equal opportunities

E CORPORATE GOVERNANCE

- E.1 Value creation
- E.2 Compliance
- E.3 Data protection
- E.4 Competition
- E.5 Political engagement

Materiality matrix





Stakeholder management

Numerous stakeholder groups shape our actions, and our operations impact many people. These interactions are relevant for us; after all, it is our goal to do the best possible justice to all our stakeholders. To this end, our efforts are based on target-group-aligned, transparent, and regular exchanges.

Our customers are crucial stakeholders. In the chapter "Essential services and product responsibility", we describe how we want to fulfil the expectations they place on us, [see the chapter "Essential services and product responsibility", page 16 et seqq.](#) The City of Munich, in its capacity of shareholder, and the citizens of Munich are also important stakeholders. We make a broad range of contributions to urban life – not just as a relevant employer, but also in the form of sponsorships and cooperations, [see the chapter "SWM – a portrait", page 6 et seq.](#)

Our employees are also a top priority. They are essential contributors to the provision of SWM's services; in addition, they themselves are customers for our offerings and usually live in the Munich region, which means they are part of the (urban) society we address. Our business success strongly depends on our ability to find highly qualified, motivated, and loyal people – they are the ones who shape SWM and its corporate development.

As a utility offering essential public services, we operate in a highly regulated environment and are subject to special accountability. As legislation can have a significant impact on our business activities, we also engage in political debates at various levels, [see the chapter "Corporate governance", page 69 et seq.](#)

Stakeholder	Topics	Dialogue platforms
Lenders and development banks	<ul style="list-style-type: none"> – Promotional loans and sustainable finance – Risk management – Compliance – Targets and target achievement – Product innovations 	<ul style="list-style-type: none"> – Personal conversations – Conferences
Customers	<ul style="list-style-type: none"> – Services (energy, mobility, telecommunications, drinking water, public pools) – Product quality and safety – Environmental protection – Innovation and technologies 	<ul style="list-style-type: none"> – Personal conversations (Customer Centre, visits at customer locations) – Direct dialogue by phone, by e-mail, letter, and through social media – Customer magazine and newsletter – Fairs and events – Customer surveys – Market research
Suppliers	<ul style="list-style-type: none"> – Product quality and safety – Environmental protection – Compliance 	<ul style="list-style-type: none"> – Supplier portal – Personal conversations (by phone and on site) – Questionnaires – Market surveys – Audits
Local stakeholders	<ul style="list-style-type: none"> – Infrastructure quality – Economic strength – Environmental protection – Location development – SWM, the employer – Social engagement – Innovation and technologies 	<ul style="list-style-type: none"> – Personal conversations – Information events – On-site visits and facility tours – Construction site communications (information sheets, construction site map, press)
Media	<ul style="list-style-type: none"> – Innovation and technologies – Location development – Finances – SWM, the employer – Social engagement – Services (energy, mobility, telecommunications, drinking water, public pools) 	<ul style="list-style-type: none"> – Press releases – Facility tours – Information events – Interviews
Employees	<ul style="list-style-type: none"> – Health and safety – Career and professional development – Diversity and equal opportunities – Co-determination – Work/life balance – Corporate development and corporate strategy – Company and task-relevant information – Improvement and change processes 	<ul style="list-style-type: none"> – Internal media (intranet, employee magazine, etc.) – Employee surveys – Idea management – Internal events – On-site visits – Staff meetings
Networks and associations	<ul style="list-style-type: none"> – Energy and transport policy targets – Environmental protection – Political framework conditions and regulations – Technology development and promotion 	<ul style="list-style-type: none"> – Attendance of conferences and meetings – Contact maintenance
Policymakers and authorities	<ul style="list-style-type: none"> – Energy and transport policy targets – Environmental protection – Political framework conditions and regulations – Location development – Technology development and promotion 	<ul style="list-style-type: none"> – Personal conversations – On-site visits and facility tours – Information events – City council newsletter

Sustainable development: SWM supports the United Nations' Sustainable Development Goals

As a future-oriented company that feels committed to the public wellbeing, we want to make relevant contributions to sustainable development. For us, this also means playing an active role in achieving the Sustainable Development Goals (SDGs).

To analyse our business activities from the perspective of the SDGs, we held a workshop with sustainability experts from different business segments. The various goals and targets were discussed in this workshop. Subsequently, we assessed our positive, and also our negative impact on the achievement of these goals. The evaluation of the workshop showed that we have a particular impact on the following eight SDGs:



SDG 4: Quality Education

As one of Munich's largest employers, we are committed to contributing to inclusive and equitable quality education. This is why we train young people and help them start their professional careers, [see the chapter "Employees", page 51 et seq.](#) With SWM Education Foundation, we help improve the opportunities of disadvantaged children and adolescents. In addition, we provide important information and communication technology services for Munich's educational institutions, [see the chapter "SWM – a portrait", page 7.](#)



SDG 5: Gender Equality

Active support of women's equality is important to us. For example, we have set ourselves the goal of increasing the share of women in leadership positions to at least 25 % by 2025. To achieve these goals, we initiated quite a number of measures in the last few years, such as cross-mentoring for female managers or the "Female Empowerment" seminar series, as well as offers to enable our employees to achieve the best possible balance between their professional and family lives. We have received external feedback on our commitment, e.g. within the framework of the Women Career Index (Frauen-Karriere-Index) under the auspices of the German Federal Ministry for Family Affairs, Senior Citizens, Women, and Youth, [see the chapter "Employees", page. 58 et seq.](#)



SDG 6: Clean Water and Sanitation

As drinking water supplier of the City of Munich, we provide high-quality water to a large number of people every day. With this, we contribute to ensuring the availability of water and sanitation for all, [see the chapter "Essential services and product responsibility", page 22 et seq.](#) In addition, we conserve this vital resource by fostering sustainable cultivation of the land around our extraction sites, [see the chapter "Operational environmental protection", page 46.](#)



SDG 7: Affordable and Clean Energy

According to Ban Ki-moon (former UN Secretary-General), climate change is the greatest challenge facing humanity. With its renewable energies expansion campaign and its district heating vision, SWM makes important contributions to mastering this challenge [see the chapter "Operational environmental protection", page 38 et seq.](#) We ensure that the people in Munich have reliable access to affordable and sustainable energy, heating, and cooling, of which a steadily increasing share is generated from renewable sources, [see the chapter "Essential services and product responsibility", page 20 et seq.](#)



SDG 9: Industry, Innovation, and Infrastructure

Using five megatrends as our guideposts, we are developing new service areas to safeguard the high quality of life in the region and turn Munich into a sustainably smart city in every respect. The changes in the energy and transport sectors, in particular, as well as digitalisation and interconnected networks, and the desire for sustainable and local production processes expressed by many customers provide us numerous opportunities for new business models. We have established a dedicated unit for this that exclusively focuses on innovations, [see the chapter "Essential services and product responsibility", page 28 et seqq.](#)



SDG 11: Sustainable Cities and Communities

Our entrepreneurial vision is to make a major contribution to turning Munich into a trail blazer among sustainable cities. All citizens are to benefit from this. In addition to a sustainable supply of essential services – electricity, heating, cooling, and water – we see it as our task to ensure affordable high-quality mobility for all people in Munich, [see the chapter "Essential services and product responsibility", page 23 et seqq.](#) Our public pools as places



THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The Sustainable Development Goals were adopted in 2015 by the General Assembly of the United Nations as part of its Agenda 2030. They comprise a total of 17 goals and 169 specific targets. The ambition linking all goals is to achieve a better and more sustainable future for all. This requires the participation of nations, regions, cities, as well as enterprises.

where people can gather and do something for their health, [see the chapter "Essential services and product responsibility", page 27](#), and our diverse social engagement, [see the chapter "SWM – a portrait", page 7](#), likewise contribute to this goal.



SDG 12: Responsible Consumption and Production

With attractive green electricity and green natural gas offers, [see the chapter "Essential services and product responsibility", page 18 et seq.](#), diverse and intermodal mobility services, [see the chapter "Essential services and product responsibility", page 23 et seq.](#), and renewable energies solutions for residential customers (e.g. photovoltaic plants and charging solutions), [see the chapter "Operational environmental protection", page 28 et seq.](#), we support the people in Munich in leading a sustainable lifestyle. We also set high standards in our daily business with respect to SDG 12 – cases in point are environmentally benign strategies within the framework of our numerous construction projects or the use of renewable energy sources for our own business premises, [see the chapter "Operational environmental protection", pages 41 et seq.](#)



SDG 13: Climate Action

SWM is addressing the challenges posed by climate change and the energy transition. With our renewable energies expansion campaign, we have been building a powerful generation portfolio for green electricity since 2009, [see the chapter "Operational environmental protection", page 38 et seq.](#) With the help of geothermal energy, we provide CO₂-neutral heating and cooling, [see the chapter "Operational environmental protection", page 40 et seq.](#) As a further major pillar of our local public transport system after underground trains and trams, we are now electrifying our bus fleet, too, [see the chapter "Operational environmental protection", page 42 et seq.](#) In addition, we are continuously expanding the charging infrastructure for electric vehicles. By 2040, we moreover want to achieve climate-neutral operation of our public pool landscape. And we will also take our coal-fired power-station block off the grid and convert it to gas-fired operation in 2024, [see the chapter "Operational environmental protection", page 42.](#)



Essential services and
product responsibility

From energy and drinking water supply to eco-friendly city mobility, fast Internet, and recreational offerings such as Munich's public pools: our services are an essential basis for everyday life. They contribute to both the economic strength and quality of life in Munich and its metropolitan region. As a utility providing essential public services, it is our unique responsibility to offer all citizens affordable services for basic needs and ensure reliable availability of our services. In these efforts, we place great emphasis on transparency and the provision of product quality information to our customers.

Energy and water supply

The essential public services we provide to the City of Munich include the energy and drinking water supply for the city and some parts of the metropolitan region. As such, this means that we provide the "critical services" necessary for society to function. Accordingly, we are subject to special statutory requirements, including those stipulated in the German Energy Industry Act (EnWG) as the key legal basis for secure and macro-economically efficient energy supply and the German Ordinance for Defining Critical Infrastructures in Accordance with the BSI Act (BSI-KritisV) with its focus on the IT security of operators of critical infrastructures.

The responsibility for the supply reliability of electricity, gas, water, district heating, and district cooling grids is assigned to the management team of the SWM Infrastruktur GmbH & Co. KG grid operator. The technical manager responsible for water extraction reports to SWM's Director, Technology.

Our goal is to safeguard essential services in all divisions at all times, i.e. with as few outage occurrences as possible. This is why we protect our critical infrastructures against any physical and digital attacks, e.g. through strict access management, video surveillance, redundant design of essential building services, and isolated networks. For institutions requiring particular protection, e.g. nursing homes and hospitals, we have made and agreed suitable arrangements and plans. In addition, we have drawn up high-level policies for the prevention of and response to crisis situations, including a Group policy on general principles, and rules of procedures for the Technology division on additional

systematic structures as well as emergency and crisis manuals.

Since we are a "KRITIS" company – an operator of critical infrastructures that provides important, and in some cases even vital, essential services for the citizens of Munich – crisis management including preparation for a worst-case scenario is a key element of our corporate identity. A crisis is defined as a situation in which significant corporate values, such as a reliable supply to our customers, and core processes are at risk and the incident and emergency management procedures established in our day-to-day business do not suffice to adequately address these hazards. At SWM, crisis management is decentralised across the divisions and business segments in order to achieve clearly targeted alignment with the different areas of activities and challenges. Some of our business segments that operate critical infrastructures (energy generation, energy distribution, water extraction and distribution) have their own dedicated crisis management, which is also audited and certified. When a cross-divisional event occurs, several crisis teams may act simultaneously, with high-level topics such as communications or human resources being pooled centrally if required.

The outbreak of the Covid-19 pandemic created such a situation. The measures we took to address this situation included the set-up of a central task force for the pandemic ("Pandemic Task Force"). When Germany's far-reaching nationwide Covid-19 measures ended on 1 March 2023, the work of this task force was discontinued until further notice. The energy crisis prompted by Russia's war of aggression against Ukraine likewise required controlled and overarching crisis management in 2022. To adjust to the new situation and the various regulations, we established the Gas Deficit Situation Task Force and analysed and aligned procedures and processes internally and together with the City of Munich.

Thanks to significantly lower natural gas demand and changes in consumption behaviour on the part of residential customers, decreasing consumption in industry, and a mild winter, the gas supply situation stabilised in the year under review. High liquefied natural gas (LNG) deliveries to Europe and the expansion of the LNG infrastructure with floating storage and

regasification units also made a contribution. After the turbulent developments in 2022, 2023 was the year in which the European energy markets grew accustomed to this situation. The markets adjusted to a supply situation characterised by an almost total lack of pipeline-transported Russian gas deliveries. Accordingly, a downward trend in prices in the gas and electricity markets could be observed. However, price levels are still higher than before Russia's attack on Ukraine.

Over the medium and long term, the expansion of renewable energies is the best way to become more independent of fossil energies and raw materials from difficult sourcing countries. This is why our renewable energies expansion campaign and our heating transition not only make ecological sense, but also strengthen the resilience of our energy supply. We are strongly committed to continuing our renewable energies expansion campaign and our heating transition.

Energy for the future

Energy is one of our core business segments. From our facilities, we supply electricity, natural gas, district heating, and district cooling to our customers. We focus on providing a secure, affordable, consumer-friendly, resource-saving, and efficient energy supply. In the Energy segment, we differentiate between residential, commercial, and business customers. Within the business customer segment, the housing sector is of special significance, as it is the primary target group of our district heating supply.

CONTINUED RELIABLE ASSISTANCE FROM THE HEATING FUND

In cooperation with welfare organisations and the City of Munich, we set up the heating fund in 2023, making EUR 20 million available. This fund supports low-income households in handling the high heating costs. In 2023, approximately 19,500 Munich citizens in 6,800 households received grants totalling more than EUR 8.3 million from the heating fund. And we will again provide financial assistance from the heating fund in 2024. The maximum annual flat-rate grant is EUR 700 per individual plus EUR 300 for each additional person in the household.

Our goal is to ensure high customer satisfaction and loyalty. Last year, we were unfortunately not able to satisfactorily achieve this goal at all times. Temporarily sharp increases in electricity and gas prices resulted in customer losses in the residential and business customer segments. We succeeded in reducing these losses by consistently using the price reduction leeway that emerged during the course of the year. The implementation of the complex energy price caps placed additional burdens on customer satisfaction. It was realised only with a pronounced delay as we had to reprogram our IT systems for the information of the approximately one million customers affected in some 200 tariff constellations and clarify special cases. This also resulted in delays in billing. We used various channels to repeatedly inform our customers about the delays.

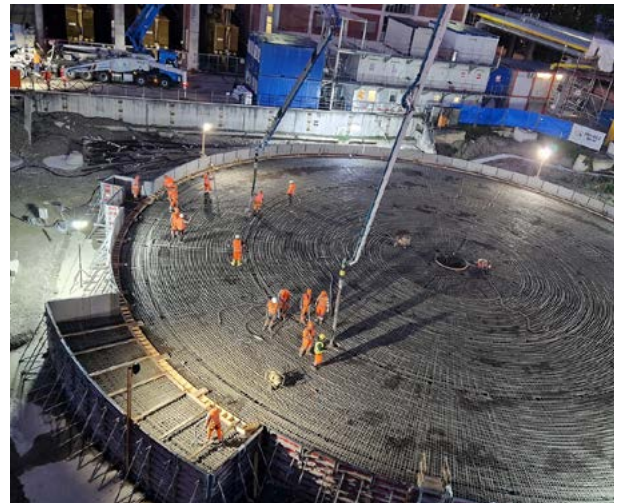


Despite the great challenges, independent surveys again confirmed our good reputation and our customers' high level of satisfaction in the year under review. For example, FOCUS MONEY magazine selected us as "fairest electricity supplier" for the twelfth time in a row. Similarly, we received an award from FOCUS-MONEY for being the fairest gas supplier. In addition, the "Top Lokalversorger 2024" quality hallmark assigned to local electricity and gas utility companies by the Energy Consumer Portal for Electricity and Gas bore testimony to our good value for money as well as our regional commitment, our environmental management, and our service quality. This has also been confirmed by our own studies, which are carried out by independent market research institutes at our behest. According to a study conducted by SZ Institute in 2024, we moreover rank among the ten best service providers in Bavaria. For this ranking, a total of 237 service providers were analysed and approximately 100 consumers were polled in each case. We are making committed efforts to maintain or further restore these trust and competence scores.



In Munich and the metropolitan region, we generate energy – electricity, heating, and cooling – in more than 80 energy-efficient combined heat and power (CHP) plants, wind, hydroelectric, solar, biomass, and geothermal plants. In addition, we operate wind parks and solar energy systems throughout Germany and Europe at sites where the wind blows more strongly and the sun shines more often than in our region. The "Isar 2" nuclear power station near the city of Landshut (SWM stake: 25%) went off the grid on 15 April 2023 after its operating life had been extended because of Russia's war of aggression against Ukraine. The project aimed at decommissioning and phasing-out this nuclear power station has already been underway for several years; the application for the initial decommissioning and phasing-out permit was filed in mid-2019. On 21 March 2024, the Bavarian State Ministry of the Environment and Consumer Protection issued the approval pursuant to Section 7 (3) of the German Nuclear Energy Act (Atomgesetz – AtG). Dismantling started in early April 2024. We expect the dismantling work to be fully completed by 2040.

With our partner, the UK energy company Centrica, we also engage in the extraction of natural gas. Our Spirit



An important building block for the heating transition: in 2023, construction of a heat storage reservoir started at the "Süd" energy location.

Energy joint venture produces natural gas in the North Sea. This shareholding allows us to directly influence the origin and type of natural gas production: in the UK and the Netherlands, the production of natural gas is subject to particularly stringent environmental and safety standards and CO₂ emissions are low compared to other countries.

The progressing transformation to a CO₂-neutral heating supply for Munich ([see the chapter "Operational environmental protection", page 40 et seq.](#)) will lead to a gradual reduction in our share of natural gas production. As an initial major step in this direction, Spirit Energy already completed the sale of the Norwegian gas and oil fields and one British field in 2022. In the future, the company's focus will be on secure and economically viable production of the remaining gas reserves, which is to gradually dwindle away within the next five to ten years. In addition, we intend to use the existing infrastructure for sustainable and climate-friendly activities such as hydrogen production with subsequent CO₂ storage (blue hydrogen) or hydrogen storage in depleted gas deposits (green hydrogen). Spirit Energy's has now received its first licence to store CO₂ in a depleted natural gas field.

Alongside geothermal energy, CO₂-neutral, i.e. decarbonised hydrogen can become an important building block for a climate-friendly future. As long as there are no adequate solutions to hydrogen storage or technology, the use of natural gas as a "bridge technology" will ensure a smooth transition to renewable energies. We use natural gas in the environmentally benign combined heat and power process with reduced CO₂ emissions.

Furthermore, energy storage is also a fundamental prerequisite of the energy transition as the decoupling of generation and consumption will make gradual replacement of conventional energy sources possible. At the same time, every additional kilowatt-hour of storage capacity will also increase the general supply reliability for our customers. This is why we are taking a correspondingly close look at this issue. We already operate battery storage systems at our Freimann combined heat and power plant, at the Freiham energy centre, and at the Uppenborn 1 hydroelectric power plant. At the "Süd" energy location in Munich, the construction of a large-scale heat storage reservoir has commenced. The foundation was poured in 2023. The reservoir has a diameter of nearly 40 metres and a height of 50 metres as well as a gross filling capacity of approximately 57,000 cubic metres. In addition, we have commissioned a study on deep heat storage that is to provide us with important insights into ways to realise such systems from a technical, environmental, and economic perspective. These subterranean long-term heat storage systems are particularly interesting because they could, for instance, be used to store the heat of the summer (e.g. generated by solar energy) for the winter months.

Energy generation and renewable energies ratio (in GWh and %, respectively)

	2021	2022	2023
Gas	13,710	10,520	7,800
Electricity ¹⁾	7,189	7,734	7,434
RE ratio ²⁾	68.4 %	72.3 %	71.2 %
Crude oil	5,550	1,920	300
District heating	5,277	4,670	4,593
RE ratio ²⁾	16.6 %	23.3 %	24.5 %
District cooling	53	61	64
RE ratio ²⁾	74.8 %	67.2 %	60.3 %
Energy generation (total)³⁾	31,779	24,906	20,190

¹⁾ The values were subsequently corrected in this report. Data from previous year's reports are incorrect.

²⁾ RE = renewable energies

³⁾ Sums may differ due to rounding differences.

Energy supply to final/end consumers (in GWh)

	2021	2022	2023
Gas	19,665.1	15,241.7	13,634.5
Electricity	6,822.5	6,707.3	6,536.9
District heating	4,688.5	4,351.1	4,050.3
District cooling	53.2	61.3	63.6
Total¹⁾	31,229.3	26,361.4	24,285.3

¹⁾ Sums may differ due to rounding differences.

SWM'S HYDROGEN STRATEGY

As Germany's largest municipal utility, we see ourselves as an important player in the emerging hydrogen market – even though sufficient quantities of hydrogen will presumably not be available in Munich until the 2030s at the earliest. It is very likely that major industrial companies will be the first purchasers of hydrogen. For private customers, green hydrogen will not play any role as energy source in Munich, e.g. for heating, in the foreseeable future. However, climate-neutral hydrogen could be used as fuel in our central heating plants and combined heat and power plants for district heating or in the industrial segment. We are analysing the retrofitting measures that would be required. Our expectation is that the gradual technical conversion of the heating/combined heat and power plants will take until the 2040. In addition, we see the potential of hydrogen mainly in the seasonal storage of electricity from renewable sources. By 2050, we expect hydrogen to play a key role as seasonal storage and means to offset peak loads.

When it comes to the topic of energy, three aspects are of particular importance to us – they are known as the magic triangle of the energy sector:

1. Supply reliability

Munich's energy supply is extremely reliable; we have one of the lowest outage rates in Germany: in 2023, supply was interrupted for only 7.95 minutes per consumer (previous year: 10.25 minutes) in the grid operated by SWM Infrastruktur GmbH & Co. KG. For natural gas, we recorded an outage rate of 0.23 minutes (previous year: 1.46 minutes). Our outage rates are thus below the German national average, which was 12.20 minutes (electricity) and 1.52 minutes (gas) per consumer in 2022¹⁾. Our customers benefit from our excellent infrastructure, our M-Sicherheitservice security service, and our tried-and-proven processes and communication structures. In the transition to renewable energies, we also take care to ensure a reliable supply to our customers at all times. In our efforts to achieve a heating transition, for example, we submit offers for resource-saving heating options, while simultaneously continuing to reliably supply natural gas to our customers. Similarly,

¹⁾ At the time of writing, the 2023 national average outage rates for Germany were not yet available.

the looming gas deficit situation prompted us to postpone the conversion of our system-relevant coal-fired block to gas-fired operation ([see the chapter "Operational environmental protection", page 42](#)).

2. Environmental suitability

We are increasingly relying on regenerative energies and, as a basic principle, take care to ensure economical, efficient, and environmentally friendly use of energy and resources. Our energy offerings are becoming more and more sustainable and are thus making an increasing contribution to the achievement of the EU's ambitious targets for the decarbonisation of the electricity and heating supply. With M-Ökostrom electricity, we enable all Munich citizens to opt in favour of a particularly environmentally friendly green energy supply. Customers buying M-Ökostrom Regional are supplied with green electricity generated in the same quantity in the Munich region. From this tariff, for every kilowatt-hour sold we invest one cent in the construction of new renewable energy plants in Munich and the metropolitan region. Our M-Ökostrom KlimaAktiv product, which is available throughout Germany, likewise goes beyond mere green characteristics and includes an additional amount that is invested in the expansion of renewable energies. On a nation-wide level, approximately one fourth of our residential and business customers have already opted in favour of various green electricity products. Our M-Kompensation Plus product offers companies the possibility to make a contribution to the expansion, maintenance and/or operation of renewable energy plants in Germany in addition to compensating their residual emissions. We also offer mere support of national climate-protection projects without CO₂ compensation ([see also page 30](#)).

In our heating supply, we offer the possibility to compensate greenhouse gas emissions as an optional add-on to our supply contracts, either as an integral part of the product (e.g. green gas) or as a stand-alone add-on component, depending on the customer segment. M-Fernwärme district heating is sustainability-oriented thanks to its use of efficient combined heat and power (CHP) plants. What is more, the consistent expansion of geothermal energy is gradually reducing the CO₂ load of our district heating. Our natural gas filling stations supply M-Erdgas – a fuel based entirely on renewable biomethane. The latter is fully derived from domestic organic waste, which means that no potential food crops are used in production.

The origin of our green electricity products from renewable energies is guaranteed through certificates of origin; in addition, they have been awarded the TÜV SÜD eco certificate. What is more, we inform our customers about the electricity labelling that is required by law and list all relevant sustainability aspects on our website.

3. Cost efficiency

We want to offer fair value for money when it comes to the costs for electricity, natural gas, and drinking water. To diversify our raw material sources and produce as cost-efficiently and environmentally friendly as possible, we use a wide array of technologies for electricity and heat generation in our own plants. In addition, we have secured our "key factors": we have our own agricultural fields and plots of land for biogenic materials, mining rights for geothermal energy, as well as storage facilities. This makes us a little less dependent on the international energy markets.

For a long time, our procurement strategy resulted in relatively moderate prices for our customers. In 2022 and 2023, however, we, too, were forced to increase our prices. The reason was the very strong and rapid global surge in energy prices, which directly affected our procurement costs. Since then, we have made great efforts and even accepted a decline in revenues in Sales to return to lower prices as quickly as possible. As of 1 April 2023, our efforts proved successful when we were able to bring down the electricity prices for residential customers by approximately 15 % and district heating prices by some 23 %. We reduced the price of district heating two more times, by a further 7 % each, in July and in November. Furthermore, we were able to lower gas prices by 40 % in October 2023 and electricity prices by a further 25 % in November 2023. In addition, we are providing assistance to low-income Munich citizens via a heating fund that has been set up explicitly for this purpose ([see the box on page 18](#)).

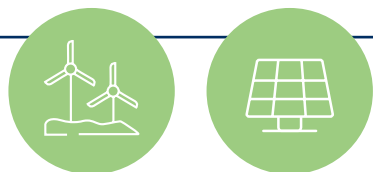
Detailed information on the composition of the electricity price, state levies and taxes, price-relevant regulations, and the currently applicable prices is available for inspection at all times on our website, where we also explain the structure of our bills and the calculation of the advance instalments.

Alongside the three "traditional" goals of the energy sector, the "magical quadrangle" of SWM's energy management also includes social acceptance of the plants and the infrastructure required for the energy supply including the professional way in which they are communicated.

90 %

green electricity for Munich

Our green electricity generation arithmetically already corresponds to more than 90 % of Munich's power consumption.



Two key strategic goals drive our actions in the Energy segment:

- ▶ **Our renewable energies expansion campaign:** From 2025 onwards, we intend to generate sufficient green electricity in our own plants to cover all of Munich's consumption. In 2023, we reached a nominal annual generation of approximately 6.3 billion kilowatt-hours of green electricity in our own plants. This corresponds to more than 90 % of Munich's electricity consumption, which is currently slightly lower than originally expected. Given the rising number of inhabitants, increasing electromobility, and intensified use of heat pumps, Munich's demand for electricity will continue to grow, however. We intend to cover this additional electricity demand, too, with green electricity.
- ▶ **Our district heating vision:** By 2040 at the latest, we intend to achieve CO₂-neutral coverage of Munich's district heating requirements. In these efforts, we will mainly rely on deep geothermal energy. We are already operating six geothermal plants in Munich and the surrounding region, including Germany's largest geothermal plant, and are planning the construction of a seventh geothermal plant on the periphery of the grounds housing the Michaelibad public pool. We intend to cover the additionally required heating supply through other heating solutions such as local heating networks and heat pumps.

We are also continuously expanding our energy-efficient district cooling grid. Among other things, we use cold ground water and Munich's underground streams in central cooling facilities. Detailed explanations about our approach to generating climate-friendly or climate-neutral electricity, heating, and cooling can be found in the [chapter "Operational environmental protection", from page 32](#) of this report.

In the area of decentralised energy solutions, we would like to give citizens access to ways in which they themselves can actively support the energy transition – with

offers that are attractive from both an economic and environmental perspective. With M-Solar, SWM offers its customers photovoltaic solutions for their own single-family homes, covering all stages from counselling and planning to assembly to commissioning and service. An electricity storage device and a wall-mounted EV home charging station for charging electric cars with self-generated solar power can be added to the package. In addition, we offer photovoltaic solutions for apartment owners and tenants living in multi-family buildings (M-Mieterstrom, [see page 29](#)) and solutions for commercial and public buildings. We sold more than 1,500 photovoltaic plants between 2016 and 2023. These plants generate approximately 13 million kilowatt-hours of solar energy per annum in Munich and the surrounding region (previous year: 10.7 million kilowatt-hours). This corresponds to the consumption of more than 5,100 households. In 2023, we also added M-Wärmepumpe to our range of offerings, a solution providing ground-water and air heat pumps for individual heating supply ([see page 29](#)).

Via our Hanse Windkraft subsidiary, we are also working towards a sustainable energy transition. Through the acquisition of legacy wind parks, their upgrading for the future, and their continued operation (also after expiry of subsidisation under the German Renewable Energy Act [EEG]) or their repowering, we ensure that renewable energies capacities remain in the market despite the prevailing difficult environment. In 2023, Hanse Windkraft's portfolio generated approximately 126 million kilowatt-hours of green electricity. During the year under review, we moreover launched a further business segment for the development of new wind parks. Some of the revenues generated by the existing wind parks are reinvested into greenfield project development. With this, but also with investments in repowering projects, the cycle is closed, and the entire lifecycle of wind energy projects is served. We intend to continue on this path by fostering consistent growth of our plant portfolio and the project pipeline and through development of innovative approaches for long-term operation of wind energy turbines.

Water – the most important resource for all life

We regard access to clean drinking water as a fundamental right. At present, we are covering the water needs of approximately 1.6 million people. Three drinking water catchment areas supply the city of Munich: the Mangfall valley (75 %), the Loisach valley (15 %), and, to cover demand peaks, an area of moraine deposits east of Munich known as the "Schotterebene" (10 %).

Together, these areas supply one of Europe's best drinking waters. Each individual litre comes to our

customers fresh from the source; we do not add any treatment substances to Munich's drinking water. Our M-Wasser thus satisfies top quality standards and boasts analytical results that are significantly below the strict limits permissible under the German Drinking Water Ordinance (TrinkwV). In addition, M-Wasser is a low-cost and environmentally friendly refreshment.

The quality of M-Wasser is regularly tested all along the supply chain. We analyse more than 1,200 samples a month. To protect Munich's future drinking water supply and sustainably safeguard its high quality, we encourage organic farming in the catchment areas and make sure that soil and water are protected in the cultivation of the areas in the vicinity of our extraction plants. In addition, we invest in our extraction plants, overhead reservoirs, and pipework system.

Extreme weather events such as torrential rainfall or flooding may impact water quality in the three catchment areas. Even in such difficult situations, two plants using ultraviolet light guarantee impeccable drinking water. UV light has a much broader spectrum of effectiveness than chlorine; in addition, the use of this method avoids the formation of organochlorinated by-products. This purely physical process ensures secure and reliable drinking water disinfection. No foreign substances are dispensed into the water, and the taste remains unchanged, too.

Water extraction (in million cubic metres)

	2021	2022	2023
Pipework system/ drinking water inflow	110.2	111.0	112.2
Pipework system/ drinking water outflow	97.1	96.8	¹⁾
Thereof supply to customers	95.3	94.6	¹⁾
Water loss (3-year average) ²⁾	0.36	0.39	¹⁾

¹⁾ At the time of writing, the 2023 figures were not yet available because the volume supplied to customers is recorded on a rolling monthly basis until the end of 2024.

²⁾ Loss calculation based on 3-year averages. This indicator has been calculated in cubic metres/(h·xkm) based on the guidelines issued by the German Technical and Scientific Association for Gas and Water (DVGW). The reported water losses are based on the requirements of the applicable standard, DVGW W 392. This loss score indicates the technical water losses between the inflow into the pipe system and building water meters.

Mobile in Munich

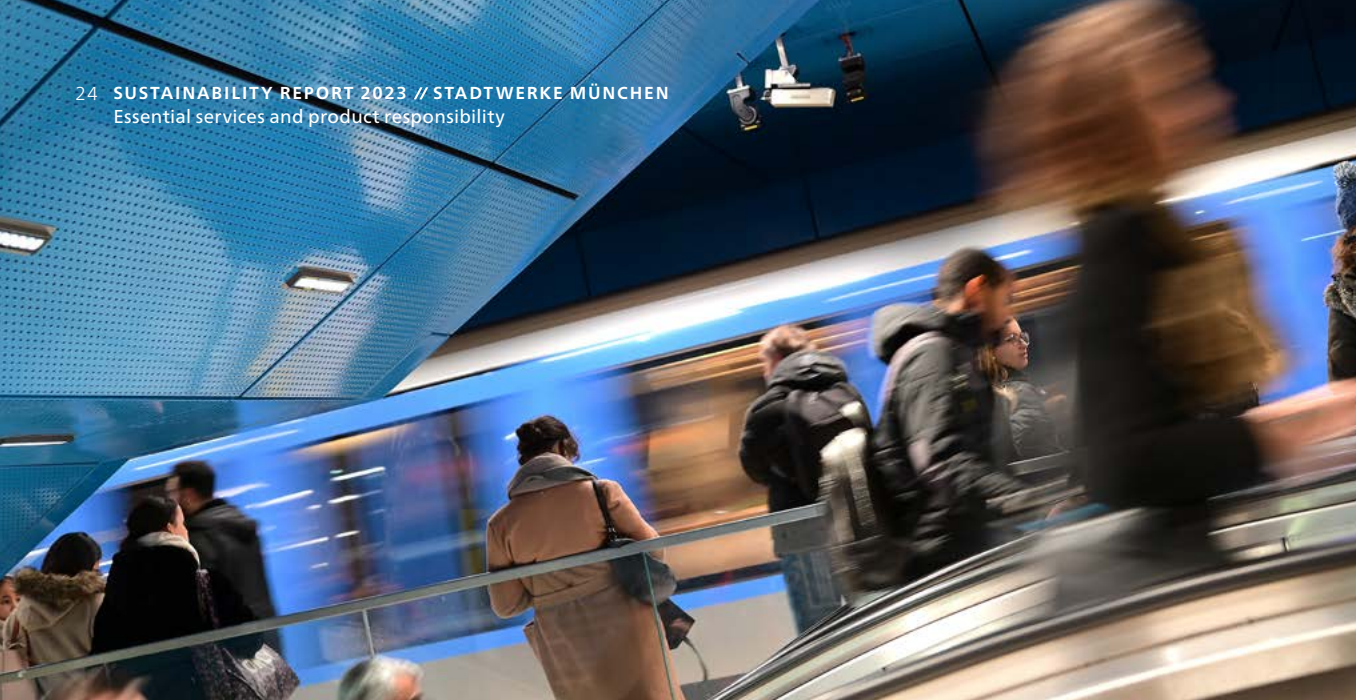
People's mobility behaviour is subject to continuous dynamic change. Various modes of transport are combined in what is called multimodal mobility. Our MVG subsidiary is responsible for most of the public mobility in Munich. It is Germany's second-largest

municipal transport company and offers its passengers state-of-the-art and environmentally friendly vehicles, highly qualified employees, and extensive information and services. In addition to the "traditional" local public transport system with underground, bus, and tram service, its offerings also include individual mobility services such as the MVG Rad bike rental service and digital services such as the MVGO app. We link our services at mobility stations, facilitating smooth transition from public transport to individually usable offers. The goal: individual mobility without a car of your own – reliable solutions that are available at any time and everywhere and fulfil our customers' respective mobility needs.

We have defined the following goals in the area of mobility:

- **By 2035**, we will electrify our fleets.
- **Continually**, we will – to the extent to which our financial resources permit – expand our service offerings to keep pace with the growth of Munich and the metropolitan region and proactively support the mobility transition.
- **Continually**, we will improve barrier-free access in our vehicles and stops/stations.





The modernisation of the Sendlinger Tor underground hub has largely been completed. The mezzanine floor with new stores was inaugurated in 2023.

In 2023, the staff shortage discernible throughout the industry again made full service temporarily impossible on certain MVG lines. At the same time, however, MVG has adopted innovative approaches to recruit new employees, especially drivers. After the success of the job application tram, a job application underground train and a job application bus now also offer prospective candidates an easily accessible possibility of obtaining information on the profession of driver and, in a best-case scenario, immediately signing an employment contract.

The customer satisfaction survey conducted by MVG in 2023 again illustrated the elements of MVG's offers that customers consider to be particularly important and their level of satisfaction with MVG's services. Many passengers regard short travel times to their destinations and on-time service of their means of transport to be (very) important. In addition, they expect high service frequency and a dense route network as prerequisites for optimum use of MVG's offers for their mobility needs. Other important factors (especially in the event of service disruptions) are passenger information – delivered primarily digitally and in real time – and staff members' customer orientation. The eco-friendliness of the MVG means of transport is also a high priority for customers: 85 % of them considered this aspect to be (very) important in 2023; by using the MVG system, they want to make a contribution to climate protection. MVG's investments in this area were rewarded by customers in their satisfaction scores in 2023, too: 95 % of the survey participants who considered "eco-friendliness" to be important, were (very) satisfied with MVG.

Underground trains and trams are already powered by green electricity. Together with our MVG subsidiary, we have set our sights on achieving 100 % electromobility in local public transport and are also electrifying our bus fleet. In 2023, we put 21 new MAN Lion's City electric buses in operation. These electric buses use a design without engine tower, offering passengers more space

and comfort. At present, 61 out of MVG's 400 buses are electrically powered. A further 71 electric buses have been ordered. Please find more information on this topic in the [Chapter "Operational environmental protection" on page 42 et seq.](#)

In addition, we are expanding and modernising our tram and underground systems. Construction of the expansion of the western tangential tram route started in 2024, and we intend to commence tram service section by section from late 2025 onwards. Concurrently, we intend to realise further tram routes. In the underground system, the focus is on infrastructure expansion. Construction of our largest underground infrastructure expansion project, the U9 underground route from the Implerstraße stop to the Schwabing neighbourhood, is slated to commence in the 2030s.

Operational facilities are also cornerstones of the mobility transition. After all, parking areas, depots, and workshops are prerequisites for an expansion of our services. SWM and MVG are already planning and/or constructing various sites. In this respect, we cooperate closely with municipal and state authorities and attach great importance to early and transparent involvement of policymakers and local residents.

Furthermore, numerous modernisation and refurbishment measures in the underground system, which is now more than 50 years old, are on our agenda, the goal being to maintain and enhance the system's performance capabilities. In the period until autumn 2026, a total of 125 escalators throughout the system will be exchanged. One key milestone was already reached in 2023: after seven years, the complex modernisation project at the Sendlinger Tor underground hub has largely been completed. This important hub in the Munich underground system has been converted into a barrier-free, future-proof stop with expanded capacities. In December 2023, we inaugurated the mezzanine floor

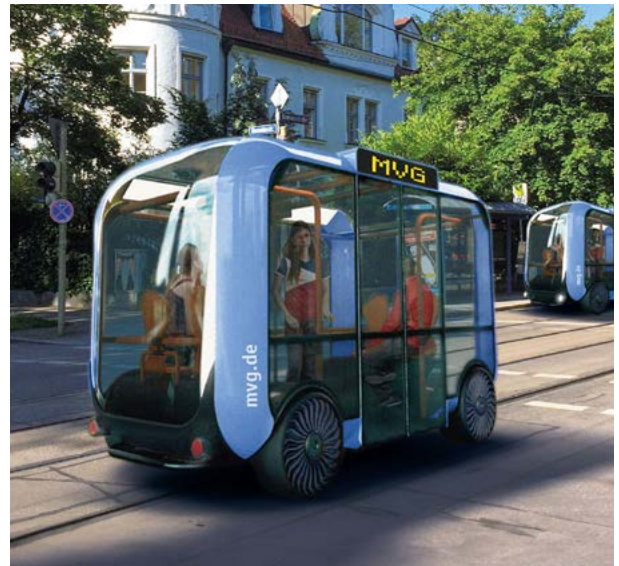
including new stores. The final work, including at the platform levels and the surface, will be completed in 2024.

Digitalisation projects are also contributing to making mobility in Munich easier to access. Among other things, we have developed our MVGO app into a mobility platform that combines local public transport and sharing in Munich and the surrounding region. It offers users extensive local public transport functions such as HandyTicket mobile ticketing, connection information, disruption reports, live departure times, and much more. In addition, it offers multimodal options for individual mobility in the city. The app supports fast and easy booking of the bikes of the MVG Rad bicycle rental service as well as electric scooters and bikes. Additional mobility services will gradually be included. Furthermore, the app now also displays the locations and availability of public SWM charging stations for electric cars and taxi ranks.

For tomorrow's local public transport, MVG is moreover playing a leading role in various research projects studying possibilities to use digitalisation and autonomous driving in bus systems. In the MINGA project, for instance, we have joined forces with the Mobility Department of the City of Munich and the Deutsche Bahn subsidiary ioki to develop a ride-pooling system with three to five automated vehicles in on-demand operation. This is a research project – but Munich's citizens shall get an on-demand service as early as in 2025. With MVG MijA, MVG intends to expand its local public transport offerings. This service aims to offer flexible booking of electric vehicles with a capacity of 6 passengers via app. Entry and exit points and the destination of the drive will be defined individually by the users.

MOBILE THROUGHOUT GERMANY WITH A SINGLE TICKET

Since April 2023, MVG has also offered the "Deutschlandticket". This special flat-rate ticket allows passengers to travel on all regional and local public transport systems throughout Germany without having to think about fare and transport association limits. The ticket is available in a monthly subscription model as both chip card and mobile digital ticket in the MVGO app. Since August 2023, a discounted subscription model has been available for young people in traineeships and the voluntary service as well as university students throughout Bavaria.



In the MINGA research project, SWM and MVG are working on the evolution of local public transport in Munich.

We also create digital networks for Munich

The continuing digitalisation as well as electricity and CO₂ savings make fibre optics indispensable for the Munich of tomorrow. Together with our M-net subsidiary, we began to roll out one of Europe's largest continuous fibre-optic networks as far back as in 2010. At present, approximately 70 % of Munich's households are already benefitting from our powerful fibre-optic network, and we are connecting additional neighbourhoods to this high-performance network. Together with M-net, we had hooked up a further 3,300 buildings with 18,400 households and commercial businesses by the end of 2023. At present, approximately 650,000 private households and commercial businesses in Munich have direct access to high-speed Internet solutions. M-net and SWM are placing increasing emphasis on fibre-to-the-home (FTTH). Unlike fibre-to-the-building (FTTB), FTTH allows us to provide the highest bandwidths in each individual flat, creating the prerequisites for smart city applications in the buildings.

In addition, we are installing what are known as "service junction boxes" in the basements of the buildings for the connection of smart-meter gateways. These boxes can send data digitally to the meter operator. PV plants and other technical installations that need a communication port can also be connected to these boxes. Over time, M-net plans to make a smart-city product available for this purpose.

Through cooperation agreements, SWM and M-net have opened their high-performance fibre-optic network to other telecommunications providers. There are several reasons why open access is a sustainable approach. First, it avoids the expensive – and unnecessary – construction of parallel infrastructures in addition to existing fibre-optic networks. Second, use by several providers leads to better utilisation of the capacities offered by fibre-optic technology. And third, the cost-intensive further expansion of the network can reasonably be focused on areas that have not yet been hooked up.

In addition, we are also banking on mobile Internet offerings: the City of Munich has commissioned us and M-net to set up free WLAN (WiFi) hot spots throughout the city. In April 2024, more than 700 public access points were already available. These hot spots thus cover some 150 public squares and more than 500 public buildings, schools, etc. In addition, many other hot spots have been and will be installed within the framework of cooperations, e.g. with municipal hospitals and MÜNCHENSTIFT, an organisation that provides care

and age-friendly accommodation for the elderly. In total, we recorded more than 39 million logins in the M-WLAN in 2023.

For applications in the “Internet of Things” (IoT), in particular, we are also installing a city-wide long-range radio network: LoRaWAN. Such a network allows machines to communicate when sensor systems, smart meters, or even household appliances are incorporated. The cost-efficient and energy-saving network is an important milestone on Munich’s path towards becoming a smart city.

The M-Login single sign-on now has more than 2 million accounts. Via their M-Login access data, users can securely and conveniently access various web and app offers provided by many service partners from the areas of mobility, supply, leisure, and culture. Users manage their personal data in a time-saving manner at a single location: their M-Login account. A payment function for SEPA (Single Euro Payments Area) direct debits and credit card options moreover allows users to handle payments quickly. In 2023, muenchen app, which we developed together with muenchen.de and the München Ticket ticketing service, was added to the offers accessible via M-Login. This fast and easy service allows users to buy digital tickets for numerous leisure attractions in Munich, from municipal museums or theatres to the M-Bäder public pools to the Deutsche Museum and Tierpark Hellabrunn (Munich’s zoo).

FIRST PLACE IN THE SMART CITY INDEX

In the nation-wide 2023 Smart City Index, the City of Munich reached the No. 1 position for the first time with a score of 85 out of a possible total of 100 points. Hamburg ranked second with 83.9 points, followed by Cologne with 83.2 points. The Smart City Index is compiled by Bitkom, the German information, telecommunications, and new media industry association. For the ranking, all 81 large German cities (with at least 100,000 inhabitants) are analysed and evaluated based on their respective state of digitalisation. Munich owes its good ranking also to SWM’s contributions. After all, we are playing a key role in the transformation of Munich into a smart city by proactively investing in new technologies and driving digitalisation forward in our main segments: infrastructure, sustainable energy supply, environmentally benign mobility as well as information and communication technology.



We transform Munich into a city of swimming pools

Munich's public pools are good for people's wellbeing. The municipal essential public services comprise 18 modern indoor and outdoor pools, ten attractive sauna facilities, the Prinzregenten ice stadium, and two modern fitness centres. These facilities enable many people to exercise, relax, and spend time with family and friends at acceptable prices. What is more, a large number of children learn to swim in our classes every year.

Since 2019, the positive contribution of Munich's public pools to society has been confirmed by their public wellbeing inventory, which is audited by an external party. Munich's public pools not only successfully completed a new round of inventory preparation in December 2023, but even improved their already good scores further, from 391 points (2019) and



426 points (2022) to 451 points. For more information, please see the Public Wellbeing Report at www.swm.de/gemeinwohlbericht

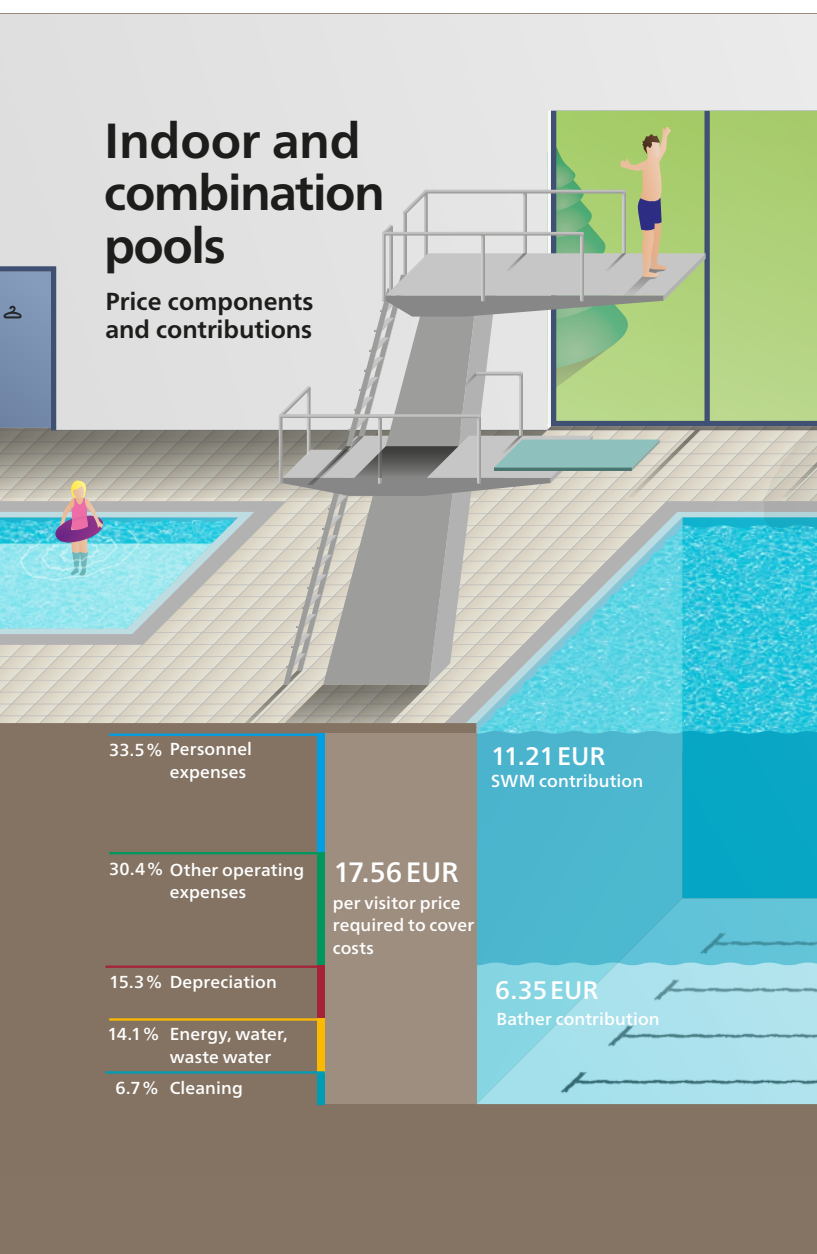
Statutory regulations and guidelines must be followed in pool operation. They include the German Infection Protection Act (IfSG), the DIN 19643 standard for pool water treatment, technical regulations, and guidelines issued by the German Association for the Recreational and Medicinal Bath Industry (Deutsche Gesellschaft für das Badewesen). To keep up with these requirements, M-Bäder employees regularly attend training workshops.

Public pool operation is cost-efficient, but not profit-oriented. Financial losses incurred in this business segment are borne by Stadtwerke München Group. To drive forward the sustainability of our public pools, we have defined two climate-relevant goals:

- **The Georgenschwaige pool** is to be transformed into the first CO₂-neutral swimming pool by 2025, reducing total emissions by approximately 100 tonnes CO₂e (see the chapter „Operational environmental protection“, page 44).
- **By 2040**, we intend to switch all M-Bäder public pools to CO₂-neutral operation.

Furthermore, we are driving numerous other topics forward such as sustainable construction, sustainability in the supply chain, waste avoidance, and biodiversity. For further information, please see the chapter „Operational environmental protection“.

The data refers to the 2022 financial year and reflects regular operation. Large investments (pool refurbishings, new construction projects) have not been taken into account.

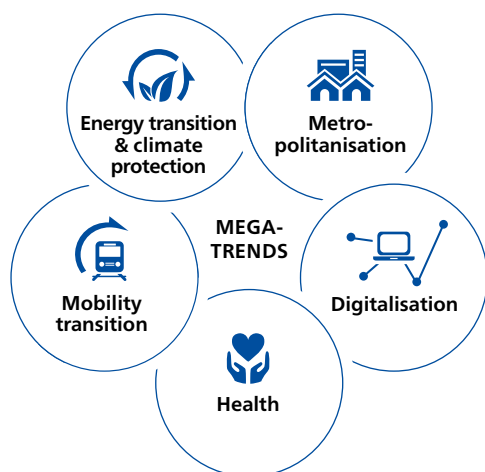


Innovation safeguards continued high quality of life

The world is in a state of flux, and the population on earth continues to grow rapidly. Among the numerous economic, technical, and social developments, five megatrends will have a particular impact on our future business.

- ▶ The energy transition is being driven by the need and willingness to protect the climate. We need alternatives to fossil fuels, not least because energy demand continues to increase worldwide. Renewable energies are already omnipresent today – but the future of energy generation belongs solely to them.
- ▶ Large cities are growing. According to the Bavarian State Office for Statistics, Munich will have a population of approximately 1.6 million by 2042 – an increase of roughly 6 %.
- ▶ People will want both get a reliable supply of essential services and also be mobile. For this, we need a mobility transition trending to innovative and environmentally benign solutions.
- ▶ Everything is becoming more digital. The range of IT solutions is expanded every day, and digital tools are used in virtually all spheres of life. This is changing customer relationships, business models, and workflows.
- ▶ Health ranks among the most important personal values. To ensure participation in society and an active life for all, people must also be given opportunities to maintain their physical fitness.

We believe these trends offer opportunities for our company. Alongside our traditional businesses, we therefore intend to develop new service areas that help safeguard the high quality of life in the region.



New business models

In our Group, we have established a unit that explicitly focuses on new business models. We continuously validate our solutions and products together with our customers and, if they prove successful, we lead them to profitability. Our innovation process aims to minimise the associated business risks. If a business idea does not fulfil the criteria for long-term profitability, it is discarded during this process.

In the development of innovations, we pursue a clear financial goal: by 2025, new products and services shall account for an EBIT share of at least 3 %. To optimise our portfolio and make processes more efficient, we are moreover driving SWM's digital transformation forward.

Changes in the energy and transport sectors, digitalisation and interconnected networks, and the desire for sustainable and local production processes expressed by many customers open up numerous opportunities for new business models for us. We have therefore expanded our product and service range in the last few years and are increasingly supplementing the traditional supply services with personalised and decentralised energy solutions such as photovoltaic plants for homeowners.

With our tenant geared M-Mieterstrom product, we also offer people living in apartment buildings an opportunity to benefit from reasonably priced solar electricity generated on their own roofs. We lease roof space from building owners, on which we install solar plants (contracting model). Residents can directly use the electricity generated, and any excess electricity is fed into the grid. And when the sun does not shine, we supply green electricity. In addition to the contracting model, we have expanded this business model by adding a leasing option and also commenced operation of the first tenant electricity system in this connection. In this leasing model, building owners install the PV plant themselves and subsequently lease it to SWM.

M-Ladelösung is a charging-as-a-service approach for charging electric vehicles with green electricity – for both business and residential customers. One of the services we provide in this context is dynamic load management, which prevents overloading and subsequent removal of house connections. We can also equip duplex parking spaces or open parking spaces without walls (e.g. in an underground car park) with a “wallbox” station for safe charging of electric cars. This also applies to parking spaces for customers. With the introduction of M-Ladestrom Pur, we expanded our electromobility offerings even further. This green charging tariff for electric vehicles enables electromobilists who do not currently use any M-Ladelösung charging solution to



Since 2023, SWM has also offered heat pumps.

charge their vehicles at more favourably priced conditions than the ones offered by regular household electricity.

In the future, we want to make further progress in the expansion of the charging infrastructure. In these efforts, we are increasingly focusing on fast-charging technology and have already successfully put HPC and DC charging stations in operation. Further installations are already in the planning stage. With charging power in excess of 50 kilowatts at DC stations and more than 150 kilowatts at HPC stations, fast-charging stations are much more powerful than traditional AC charging stations. What is more, they considerably shorten vehicle charging periods and downtimes, thus offering users a clear added value. Our offerings include fast-charging stations for private and publicly accessible locations such as parking spaces for customers.

For the heating transition, we continue to expand both geothermal energy and our district heating grid. To also offer people future-proof heating solutions in areas where we are unable to offer district heating, we expanded our portfolio in 2023 to include M-Nahwärme local heating infrastructure and M-Wärmepumpe heat pumps. Local heating infrastructure can supply heating to several building, entire neighbourhood or settlements. While district heating is produced in large plants, the local heating infrastructure uses local energy sources in the immediate vicinity of the buildings to be supplied, e.g. ground water. For the individual self-supply of single-family homes and apartment buildings, we offer M-Wärmepumpe ground-water and air heat pumps.

We want to join forces with our customers on our path towards a climate-neutral Munich. For example, we offer our business customers an opportunity to offset unavoidable greenhouse gas emissions (e.g. emissions



associated with their vehicle fleets, production, logistics, events, or travel activities) via our M-Kompensation Plus product. In this product, we combine certified CO₂ compensation through investments in high-quality international climate-protection projects with an additional national commitment. We use the share allocated to national climate protection for the construction, maintenance and/or operation of renewable energy plants in Germany. Companies can choose freely whether they want to compensate CO₂ by funding international climate-protection projects or additionally also make a contribution to local renewable energies. Our new M-Klimabeitrag Deutschland offer also gives them the option to exclusively make a contribution to the funding of local renewable energies plants in Germany.

Innovative technologies and research projects

We use technologies such as the Internet of Things (IoT for short), artificial intelligence (AI) or augmented reality (AR) for data-driven optimisation of operations and processes in the organisation, for efficiency enhancements in our work, and for improving our range of offerings.

For example, we reproduce technical infrastructures of SWM as what are known as “digital twins”. With the help

of data science, AI, and machine learning, such digital twins can, for example, be used for automated generation of forecasts, alerts, anomaly detection, and other complex calculations. Examples include leakage detection in the drinking water system or the digital twin of the MVG bus fleet. The latter can be used for close-to-real-time transmission of information from the vehicles to the operations control centre. This facilitates more efficient deployment planning of the (electric) bus fleet and the associated maintenance and repair processes. The data base of the bus fleet also allows us to calculate the energy consumption of past trips and enrich this information with additional telemetry, timetable, and weather data. On this basis, we have developed a machine learning model forecasting the energy required for future electric bus trips. We use the results for deployment planning and charge management.

Another example is an app we have developed for the sale of our M-Wärmepumpe heat pumps. With the help of AR, this app can display virtual 3D models of various heat pumps and thus support on-site customer advisory services. A tablet is used to capture the environment and select the desired heat pump model, which is then visualised on the tablet. The app shows customers how the heat pump would look like at their residential building and where it would probably be placed.



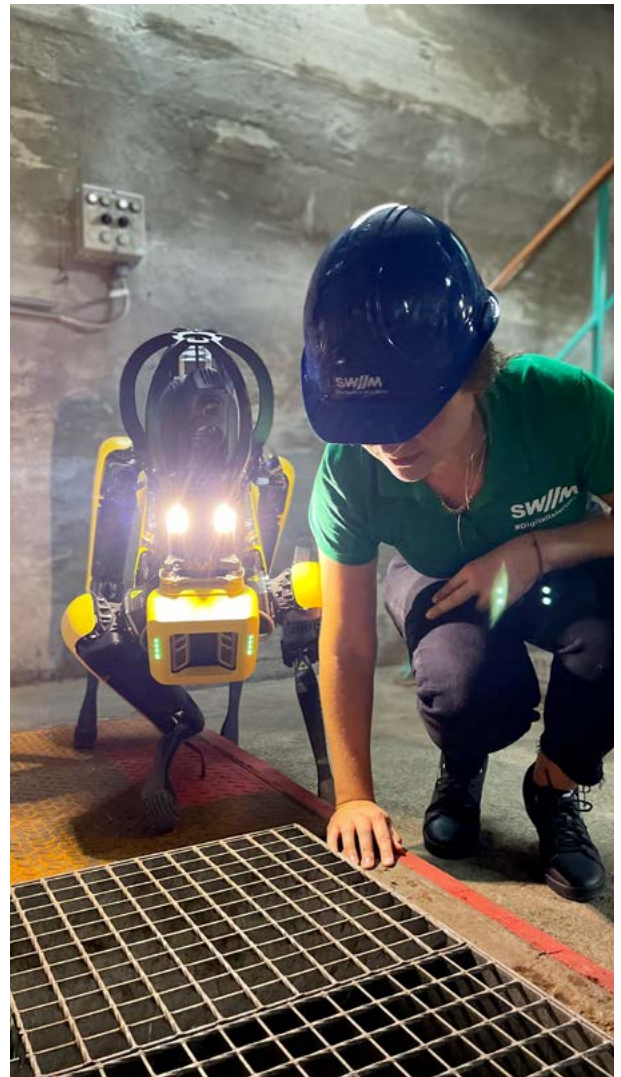
We also increasingly use AI in daily work routines. For example, we rely on an AI-powered translation function to make communication easier with employees and business partners whose native tongue is not German. Furthermore, we use a speech-to-text transcription function to support deaf employees in their communication with colleagues. Last year, we moreover equipped our employees with an internal ChatGPT version.

The gradual addition of a variety of new technologies to our portfolio can make a valuable contribution to a barrier-free and inclusive work environment, make every-day work easier for all employees, and help us improve our service.

In addition, we are involved in various research projects. One example is the unIT-e² project, where we have been a partner since August 2021. This “Real Lab for Networked E-mobility” is striving for intelligent and safe integration of electromobility into existing and future infrastructures with a view to satisfying the demands of the transformation of the energy system. Over a period of three years, project partners from a variety of industries – from car manufacturers to grid operators – will jointly develop and test solutions. unIT-e² will thus make a major contribution to a sustainable renewal of the mobility sector that is accepted by society. At the same time, the project will address the challenges of increasing systems integration, i.e. of electric individual mobility and heat generation.

Supraconductor cables are trail blazers for the power supply of the future: they transmit electrical power virtually without any losses, are compact, and can be installed with comparatively little effort. This is efficient and reduces the burden on the environment. Together with partners, we want to realise a supraconductor cable in Munich and test it for six months in the SWM grid. In the first stage of the project, we developed the supraconductor components. Currently, we are building a trial plant in the main substation in Menzing for the six-month test. In 2024, we will decide whether we will install the world’s first commercial supraconductor transmission line in the Munich high-voltage grid.

We will implement all this and many more projects in the coming years and decades. This will bring us closer to our vision: Munich as a shining example of a networked city with a high quality of life.



DEPLOYMENT OF ROBOTS

In late 2023, we tried out the use of an autonomous four-legged robot in one of our combined heat-and-power plant. Among other things, we sent the doglike robot on an inspection tour through the power plant. The results were convincing: the robot was able to carry out all elements of the walkabout autonomously and prove that the data to be captured can be delivered in consistently high quality via the sensor technology. Based on the results of the test and the potential of the technology, we have initiated a project aimed at integrating robot solutions into SWM’s operational sequences.

Operational
environmental protection



Our environmental policy is based on the conviction that we must protect soil, water, and air as natural resources and conserve energy and water. We act responsibly towards the environment, society and future generations. This is why we drive the energy transition forward and are committed to investing in business areas with long-term perspectives – as outlined in our chapter on essential services. We align internal processes and value chains with high-quality ecological standards and continuously improve them.

Environmental management

At SWM, the Management Board is responsible for environmental protection and management. Its members appoint the designated corporate representatives responsible for waste, water protection, emission control, and hazardous substances required by law. Organisationally, these representatives and officers are assigned to the Quality and Environmental Management staff unit. Radiation protection officers, by contrast, are appointed by the specific organisational units impacted because optimum performance of their duties can only be ensured if they have the necessary connection to the operations in question.

The Quality and Environmental Management staff unit addresses issues pertaining to operational environmental protection in the core Group and is the central contact for the various specialists and managers from all SWM business segments. The Management Representative for Preventive Environmental Protection and the

Environmental Management Officer required under EMAS as representative of the top executive body are also assigned to this unit. Within the framework of the management systems, they, together with the environmental management representatives that have been appointed in the individual business segments, inter alia ensure timely preparation of documentation required by the regulatory standards, coordination of internal and external audit programmes, collection of evidence of continuous improvements in our environmental performance, and implementation of high-level environmental processes and procedures.

Waste, water protection, and emission control specialists have been appointed in all organisational units where such appointments are deemed necessary by the precautionary principle in environmental protection. They support the executives of the respective organisational units in the implementation and execution of the requirements and regulations under environmental law within their area of responsibility and work closely with the Environmental Protection Officer of the core Group on technical issues.

The Management Board is also responsible for SWM's energy policy. Its members have appointed a high-level Energy Management Representative who ensures the introduction, maintenance, and improvement of our energy management system in accordance with DIN EN ISO 50001. Further management representatives and specialists also help perform the tasks of the Energy Management Representative at the segment level.

Environmental and energy management representatives

REQUIRED BY LAW (GROUP):	INTERNALLY APPOINTED (GROUP):	INTERNALLY APPOINTED (DIVISION/BUSINESS SEGMENT):
Emission Control Officer ¹⁾ Water Protection Officer ¹⁾ Waste Inspector ¹⁾ Hazardous Substances Officer Radiation Protection Officer	Management Representative, Environmental Protection ²⁾ Energy Management Representative	Environmental Management Officer Management System Specialists Waste/Water Protection/ Emission Control Specialists ³⁾

¹⁾ When the same person is responsible for various legally prescribed representative functions – as is the case at SWM – “environmental protection representative” is also used as a general term.

²⁾ The Management Representative, Environmental Protection has similar duties and authorisations in business segments in which assignment of these tasks to an environmental protection officer is not required by law – adjusted to the environmental relevance of the respective segments.

³⁾ At the engineer/foreman level in the individual organisational units



We operate a quality management system in accordance with DIN EN ISO 9001 as well as environmental management systems in accordance with DIN EN ISO 14001 and EMAS (Eco Management and Audit Scheme in accordance with the European Union's EMAS III Eco-Audit Regulation). Individual risky technical units are certified in accordance with ISO 45001 (occupational health and safety). With EMAS or the energy management system, we implement the requirements of the German Act on Energy Services and Other Energy Efficiency Improvement Measures (EDL-G) and the Act to Increase Energy Efficiency in Germany (EnEfG).

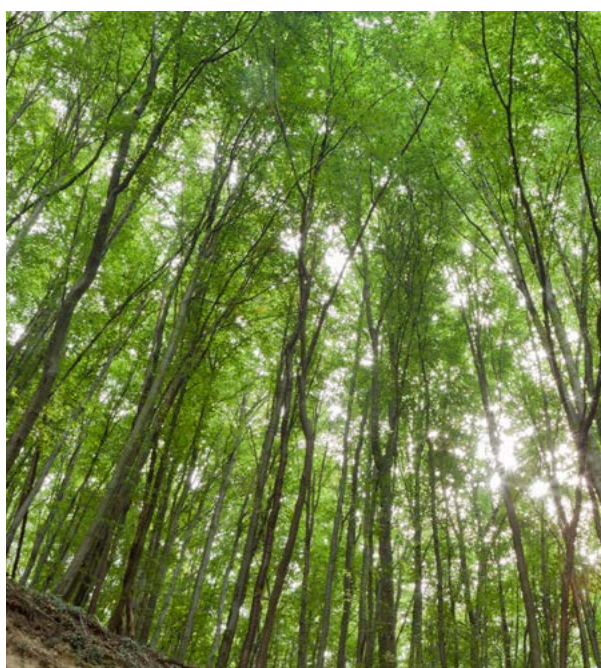
All subsidiaries in which environmental, quality, energy, and occupational health and safety management systems are applied set segment-specific annual or multi-year targets for themselves. Within the framework of our energy management, we perform energy efficiency evaluations pursuant to DIN EN ISO 50001 at least once a year. They provide us with important data for the comparison of past and current energy consumption levels and the associated influencing factors. This allows us to identify deviations early on and take the necessary measures, if required. As a basic principle, all processes and activities involved are audited internally once within the three-year certification period, and on-site walkthroughs are performed at all technical facilities. Compliance with this methodology and the implementation of relevant measures is reviewed and audited externally on an annual basis.

Internal training workshops are held regularly for environmental auditors as well as process and plant managers. The target group of these workshops are all employees performing audit tasks in certified areas and managerial staff in operational areas handling substances that are hazardous to the environment. Workshop participants learn how to check via on-site walkthroughs and through audits whether the relevant applicable environmental regulations are complied with

in practice. SWM-specific practical examples are used to convey the knowledge they need for implementing the rules and regulations in everyday operations.

Climate protection

Our business activities result in significant amounts of greenhouse gas emissions. Given the current state of the art and existing economic restrictions, climate-neutral provision will not yet be possible for many of our offerings in the near future. Nevertheless, we will continue to steadily improve the carbon footprint of our services. After all, in our corporate strategy we have set the long-term goal of making a key contribution to Munich's climate neutrality. Ambitious targets in the individual business segments already serve the purpose of achieving this high-level goal.

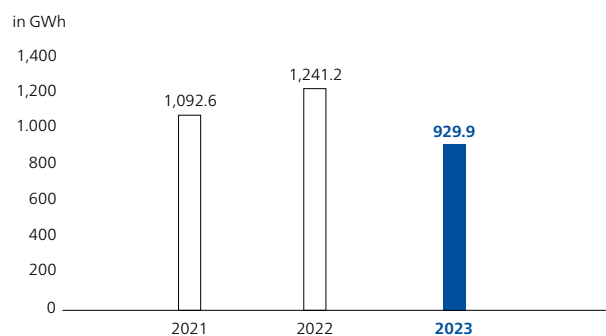


To meet our ambitions, we adopted a sustainability strategy with six high-level goals in 2023 ([see the chapter “Sustainability management”, page 10](#)). This strategy follows the generally accepted ESG logic, covering environmental, social, and governance concerns. The two high-level goals in the area of climate and the environment are:

1. We avoid and reduce greenhouse gas emission to achieve climate neutrality by 2040.
2. We proactively prepare for the impacts of climate change and ensure responsible use of water resources.

The sustainability strategy is being refined through specific measures and key performance indicators (KPIs). Among other things, we will draw up a decarbonisation path by the end of 2024. Our yardstick in this exercise is the net zero approach of the Science Based Targets Initiative: greenhouse gas emissions are to be cut by more than 90 % by actively avoiding and reducing them. Only when all potentials have been exhausted and full reduction is not possible shall the remaining emissions be counterbalanced by technical solutions such as CO₂ capture and storage or compensation through certificates. Our greenhouse gas inventory is the basis of our decarbonisation path.

Energy consumption within the organisation¹⁾



¹⁾ Energy consumption of the following companies: Stadtwerke München GmbH/SWM Services GmbH/SWM Infrastruktur GmbH & Co. KG/SWM Infrastruktur Verwaltungs GmbH/SWM Kundenservice GmbH/SWM Versorgungs GmbH/major SWM shareholdings in energy generation from regenerative sources.



Renewable energies are key for climate protection. In Munich, SWM is placing special emphasis on expanding photovoltaics.

SWM greenhouse gas inventory

As in previous years, the compilation of our greenhouse gas inventory follows the market-based approach of the internationally recognised standard of the Greenhouse Gas Protocol and includes both direct emissions (Scope 1) and indirect emissions (Scope 2 und Scope 3) of SWM. Since the 2022 financial year, we have expanded the consolidation group of our annually compiled greenhouse gas inventory. In addition to the SWM core Group ([see the chapter “About this report”, page 74](#)), we now also include all major shareholdings¹⁾ ([see the SWM Annual Report, page 74 et seqq.](#)).

Since we are an energy utility, our direct emissions mainly result from electricity and heat generation (Scope 1). Regarding the indirect emissions from the upstream and downstream value chain, the focus is on emissions from use of sold products (Scope 3.11), especially sold natural gas. In addition, we already considered selected emission

¹⁾ Shareholdings are considered to be “major” when they are of material importance for SWM Group from a financial perspective or due to their impact on the environment. Therefore, all fully consolidated shareholdings as well as all shareholdings in the areas of energy supply and mobility have been included in the greenhouse gas inventory.

categories in the last few years such as purchased capital goods (Scope 3.2), waste transport (Scope 3.5), business travel (Scope 3.6) as well as fuel and energy-related emissions (Scope 3.3).

In the calculation of our 2023 greenhouse gas inventory, we once again reassessed the underlying methodology and expanded the system perimeter in order to get an even more comprehensive picture. For the first time, we now calculate emissions from purchased goods and services (Scope 3.1) and employee commuting (Scope 3.7). In the area of waste (Scope 3.5), we now look at waste disposal itself rather than waste transport. We were able to close data gaps versus the previous year in both emissions from gas and electricity grid losses (Scope 1+2) and purchased capital goods (Scope 3.2). In contrast to the previous year, biogenic emissions, which are generated in the combustion of biological materials (e.g. biomass) now capture the upstream emissions of biogenic materials in Scope 3.3. This results in a much lower total biogenic emission level in 2023.

In the underlying emission factors, we revised our sources and now base our calculations not only on the factors defined by the German Federal Environmental Protection Agency (Umweltbundesamts; UBA), but additionally include figures taken from the ecoinvent data base. In the calculation of Scope 3.1 and 3.2, we also use the EXIOBASE data base. Given the new system perimeter and the revised emission factors, direct comparison of emission levels in 2022 und 2023 is not always possible. After all, emissions from purchased goods, services, and capital goods alone result in several hundred thousand tonnes of

CO₂e that were not yet calculated and reported in this manner in 2022. Similarly, we also corrected errors in the methodology used in previous years in the calculation of emissions from the sale of electricity. This is reflected in significantly lower emission levels.

The consequences of Russia's war of aggression are also reflected in our greenhouse gas inventory for 2023. On balance, less gas and more coal were burned than in previous years to ensure a reliable supply. Concurrently, however, efforts to save energy were made everywhere. Furthermore, 2023 was the warmest year in Munich since record-keeping began in 1955. Overall, Scope 1 emissions thus remained relatively constant compared to the previous year. In 2024, the coal-fired block of our "Nord" power station will be converted to gas ([see page 42](#)), which will have a significant impact on our future greenhouse gas inventories.

In 2023, energy conservation efforts and a relatively mild winter also made themselves felt in indirect emissions, notably Scope 3 emissions. Lower quantities of natural gas sold also led to lower emissions from gas consumption at our customers (Scope 3.11) and lower fuel and energy-related emissions resulting from gas (Scope 3.3).

As in 2022, we captured the emission levels of the major shareholdings of SWM Group as a whole, with the emission categories described above also being recalculated for the shareholdings. In terms of content, the indirect emissions of our gas shareholdings continued to play a major role. In particular, they result from the purchase and sale of natural gas (Scope 3.11).



Green electricity since 1923: SWM's Isarwerk 2 run-of-river hydropower station celebrated its 100th anniversary in 2023.

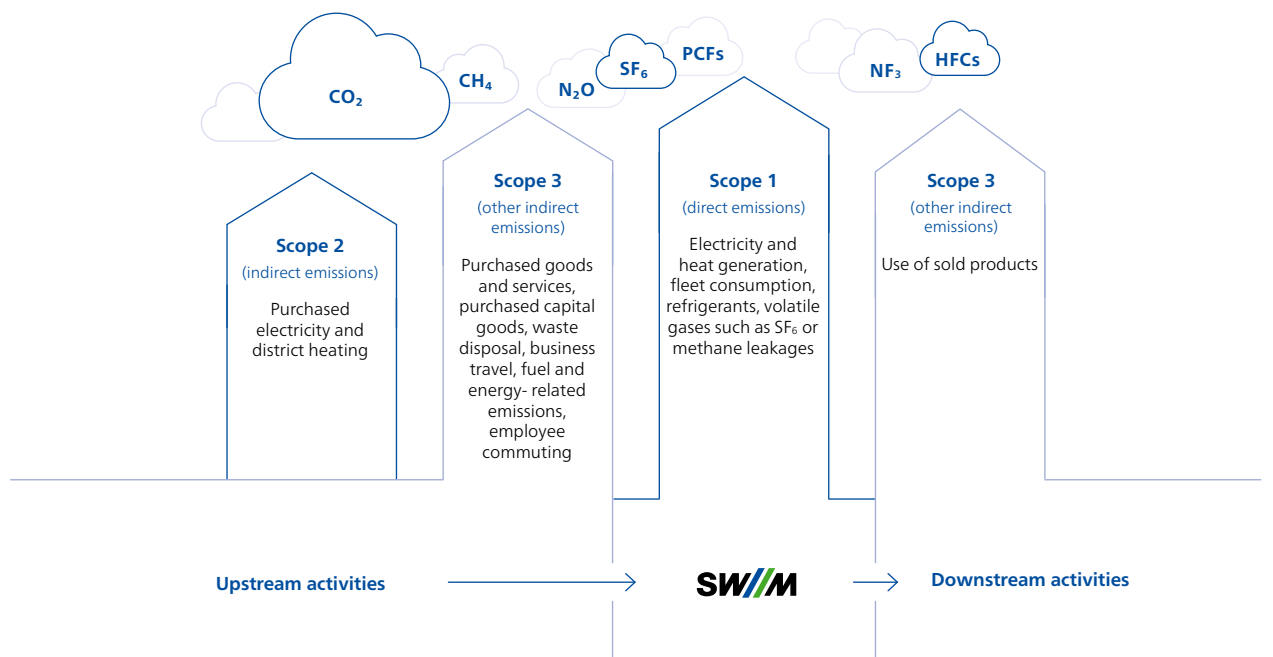
Emissions Scope 1, Scope 2, and Scope 3 (in tonnes)¹⁾

	2021	2022		2023	
	Core Group	Core Group	Entire Group	Core Group	Entire Group
Scope 1					
CO ₂ equivalents (global warming potential)	2,579,178	2,356,701	2,561,692	2,349,703	2,510,446
Thereof					
Gas (in tonnes)	1,383,818	929,760	1,113,626	630,094	781,907
Coal (in tonnes)	907,232	1,161,614	1,161,614	1,455,449	1,455,449
Waste (in tonnes)	245,842	224,129	224,129	204,159	204,159
Scope 2²⁾					
CO ₂ equivalents (global warming potential)	7,675	9,249	24,868	8,417	63,121
consisting of third-party consumption of electricity and district heating					
Scope 3					
CO ₂ equivalents (global warming potential)	2,966,213	2,914,714	10,704,923	2,149,354	7,962,505
Thereof					
Fuel and energy-related emissions of electricity	741,952	908,299	908,299	113,203	831,985
Use of sold products (natural gas)	1,695,828	1,494,259	7,747,487	1,222,093	5,958,109
Fuel and energy-related emissions of natural gas	364,809	336,139	1,225,408	234,437	719,515
Biogenic emissions					
CO₂	319	642	7,856	96	406

¹⁾ Compared to the previous year, we expanded our system perimeter in 2023, closed data gaps, and improved the data quality (see page 35 et seq.).

Direct comparison to the previous years is thus only possible to a limited extent.

²⁾ Scope 2 emissions are calculated in accordance with the market-based approach.



Expansion of green electricity generation

We launched our renewable energies expansion campaign as far back as in 2009 – and thus earlier than many other energy utilities. At the time, we set ourselves the ambitious goal to generate sufficient green electricity in our own plants from 2025 onwards to cover all of Munich's requirements. Currently, Munich's consumption equates approximately 6.4 billion kilowatt-hours (kWh) of electricity and is thus lower than originally forecast. Given the prospect of a renewed significant increase in electricity demand in the years that follow due to Munich's growing number of inhabitants, the expansion of electromobility, and the increased use of heat pumps, we will continue our renewable energies expansion beyond 2025. In these efforts, we will tap the potential of a diverse range of sustainable energy sources, attaching a strong priority to projects in the Munich region. To further accelerate our activities for the energy transition in Munich, the metropolitan region, and Bavaria, as well as strengthen the local expansion campaign, we once again appointed a managing director for SWM's fifth division in 2023, focusing this division on the regional energy transition. The goal of the new Regional Energy Transition division is to pool the pertinent professional expertise, innovative strength, and experience. The division will enable us to pursue our path towards a sustainable energy supply even more consistently. As we are currently not yet able to generate as much green electricity as needed regionally, we make use of shareholdings to engage in activities in Germany and Europe that go beyond the Munich metropolitan region.

THE EUROPEAN "POWER LAKE" MODEL

Electricity is generated at various sites in Europe and fed into what is known as the "integrated European electrical grid". From a physical point of view, this electricity is a combination of the output from all nuclear, coal-fired, and gas-fired power stations as well as green electricity generation plants and is thereby made available to customers in this blended form. The image of a huge lake can be used to describe the integrated European electrical grid. All electricity generators feed this "power lake", and all electricity consumers take something out of it. Every kilowatt-hour of electricity generated from renewable energies makes this European lake cleaner. Participations in climate-friendly energy generation plants outside Munich thus make just as much sense as our regional efforts.



Wind energy is still the most productive as well as the most profitable technology for the generation of green electricity from renewable sources. Accordingly, wind parks in Germany and Europe are a focal point of our investments. The largest generators are the two German offshore wind parks of DanTysk Sandbank Offshore Wind GmbH & Co. KG (SWM stake: 49 %) and the Norwegian onshore wind parks of Midgard Vind Holding AS (SWM stake: 70 %). Their generation capacity exceeds the mark of 1 billion kWh (SWM share) each. The capacity of the wind parks held by our wpd europe GmbH shareholding (SWM stake: 33 %) in its own portfolio stood at 988 megawatts in the year under review. Since 2022, we have also expanded our activities to the servicing of wind turbines: a dedicated in-house service team is responsible for the maintenance of the 81 turbines run by SWM Windpark Havelland in the German State of Brandenburg.

In our regional projects, we mainly use solar power, hydroelectric power, and biomass as energy sources for green electricity generation. We are putting particular emphasis on driving the expansion of photovoltaics forward. The City of Munich has set itself the goal of covering shares of approximately 10 % and 20–25 % of municipal electricity consumption by 2035 and 2050, respectively, with the help of green electricity generated within the Munich city limits. To achieve this goal, a photovoltaics expansion plan has been drawn up, which will lead to PV electricity generation capacities of ca. 800 million kWh by 2035 and ca. 2 billion kilowatt-hours by 2050. This corresponds to 11 % (2035) and 24 % (2050) of the projected direct electricity consumption in Munich.



Including shares; as of 08/2023
¹) One under construction

Munich and region

- 14 hydropower plants
- 2 wind power plants
- 6 geothermal power plants
- 46 photovoltaic plants and solar thermal systems
- 12 cooling plants/ground-water cooling systems¹)
- 1 biomass power plant

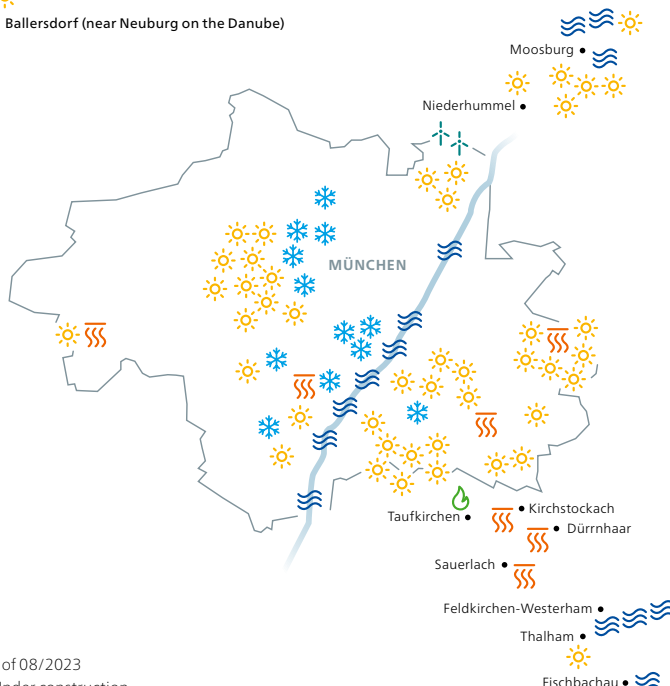
Germany

- 3 offshore wind parks (North Sea)
- Onshore wind parks (Brandenburg, North Rhine-Westphalia, Rhineland-Palatinate, and Saxony-Anhalt)
- 2 solar power plants (Bavaria and Saxony)

Europe

- 1 offshore wind park (United Kingdom)
- Onshore wind parks (Belgium, Croatia, Finland, France, Norway, Poland, Sweden)
- Parabolic trough power plant (Spain)

- Ballersdorf (near Neuburg on the Danube)



As of 08/2023
¹) Under construction

Munich and region

- 14 hydropower plants
Isarwerke 1, 2 and 3, Maxwerk, Stadtbachstufe, Floriansmühle, Praterkraftwerk (Munich); Leitzachwerke 1, 2 and 3 (Feldkirchen-Westerham); Uppenbornwerk 1 and 2, Sempt and Wang (near Moosburg); Hammer (near Fischbachau)
- 2 wind power plants
Fröttmaning, Freimann (Munich)
- 7 geothermal plants
Heat: Riem, Freiham, "Süd" energy location, Michaeliab¹)
Heat and electricity: Kirchstockach, Sauerlach
Electricity: Dürrnhaar
- 46 photovoltaic plants and solar thermal systems
Munich, Moosburg, Unterhaching, Thalham, and Ballersdorf (near Neuburg on the Danube)
- 12 district cooling systems from ground water/underground streams
Odeonsplatz, Stachus, Herzogspitalstraße, SWM headquarters, Moosach, Dessauer Straße, Oberwiesenfeld, BMW FIZ, Laim, Schäftlarnstraße¹), Sendling-Westpark, Balanstraße, "Süd" energy location¹)
- 1 biomass power plants
BioEnergie Taufkirchen

"SWM is supporting the City of Munich on its journey towards climate neutrality and is driving the expansion of roof-top PV plants forward. Wherever possible, we are installing PV plants on the roofs of SWM's own properties – for example on parts of the headquarters of Stadtwerke München, on the roof of the Olympiazentrum bus station, and on our warehouses." Under our M-Solar Plus product for homeowners, we are installing an average of twelve PV plants per week. Our M-Mieterstrom product allows tenants to also benefit from reasonably priced and locally generated electricity. In this model, we lease roof space from building owners, on which we then install solar plants. With this approach, several projects have already been realised in cooperation with partners such as the municipal housing company Münchner Wohnen (formerly GWG and GEWOFAG) and with Stadibau, the housing company of the Free State of Bavaria. In 2023, we deepened the cooperations with Münchner Wohnen and built up an extensive project pipeline. Various projects are under construction or in the implementation stage, including Munich's largest tenant electricity project in the Harthof neighbourhood.

We are also expanding the use of photovoltaics in the metropolitan region: on the grounds around our Uppenborn 1 hydroelectric power plant and in Upper Bavaria (Ballersdorf and Niederhummel), we operate ground-mounted photovoltaic plants. Together, these solar plants produce electricity for more than 5,600 households. Concurrently to using our own land, we are also searching for leased land suitable for the set-up of photovoltaic plants. In addition, we are developing a

photovoltaic plant on the German island of Rügen in cooperation with Stadtwerke Augsburg und Hessing Foundation and are looking into the potential installation of agrivoltaic plants on land owned or leased by us and into the construction of floating photovoltaic plants.

With the output installed thanks to the projects already implemented in our renewable energies expansion campaign, our green electricity potential comes to approximately 6.3 billion kWh. This corresponds to more than 90 % of Munich's electricity consumption.

SWM heating campaign

The plans of the German federal government provide for full conversion of Germany's heating supply to renewable energy sources and unavoidable exhaust heat by 2045. We intend to achieve CO₂-neutral coverage of all of Munich's district heating requirements even earlier, by 2040, and already developed our district heating vision in 2012 for this purpose. Thereby, we can tap a large natural hot-water reserve located directly underneath Munich's surface that can be used via deep geothermal energy. At present, we are already operating six geothermal plants in the city and nearby municipalities, and we are promoting the expansion of this very successful technology with investments running in the high triple-digit million euro range. On the site of our "Süd" energy location, we operate what is currently Germany's top performing geothermal plant.

Our seventh geothermal plant is already under construction. The plant is being built on the periphery of the grounds housing the Michaelibad public pool and is to supply heating for more than 75,000 Munich citizens.





This would make it the currently largest inner-city geothermal plant in Continental Europe. Together with the City of Munich, we are scouting out locations for further downtown plants. In addition, we are enhancing the output of our existing geothermal sites by drilling additional wells and also plan to tap geothermal potentials in the Munich metropolitan region, including through municipal cooperations. In addition to supplying adjacent towns, dedicated lines shall also feed the heat into the Munich district heating grid.

The increasing use of deep geothermal energy also has an impact on our district heating grid that is approximately 1,000 kilometres long – specifically on the section that we are still running as steam-operated grid. The reason: the water heated to temperatures of up to 120°C by geothermal energy cannot be fed into the existing steam-operated grid for technical reasons. This means that some 90 kilometres of piping and associated technical plants will gradually have to be converted to hot-water operation. We started the conversion process in 2022 and will presumably complete it in 2033. In addition, we plan to solidify and expand the district heating grid, growing it by a good 600 kilometres by 2040. In 2023, we converted additional sections of the district heating grid in the Ramersdorf neighbourhood from steam to hot water and began to hook up a new area in Moosach to the district heating grid.

SWM'S HEATING TRANSFORMATION PLAN

Our district heating vision is a cornerstone for the success of Munich's heating transition, as illustrated by a study entitled "Climate-neutral Heating for Munich in 2035", which we prepared in cooperation with the City of Munich. Within the framework of municipal heat planning, we presented our transformation plan for Munich's decarbonisation to the Munich Climate Panel in spring 2024. The plan is a major milestone on the path towards a CO₂-neutral district heating supply for Munich. Alongside geothermal energy, it relies on a biomass combined heat and power plant and a new generation of plants for thermal waste treatment (if possible, with CO₂ capture) at our "Nord" combined heat and power plant. In addition, the transformation plan considers the conversion of gas-fired heat and power plants and heat plants to green hydrogen. For areas not covered by our district heating grid, we offer M-Nahwärme local heating infrastructure and M-Wärmepumpen heat pumps ([see the chapter "Essential services and product responsibility", page 29](#)). It goes without saying that we will continue to reliably supply natural gas to our customers for the entire duration of the transformation to climate-neutral heating systems.

Expansion of resource-saving district cooling

A further component of our climate management is the expansion of district cooling as a more efficient and environmentally benign alternative to conventional air conditioning systems. Compared to individual cooling, the district cooling process reduces electricity consumption by 50% to 70%. In this process, we use the subterranean urban stream in downtown Munich, for example, for chilling central cooling facilities. Cold water is then transported from these stations to buildings to cool them. Since district cooling is a closed system, there is no far-reaching intervention in the natural water resources.

At several locations in Munich, we moreover use cold ground water to cool buildings, including at our new Hybrid.M electric-bus depot, which commenced operations in 2022. Here, district cooling from ground water is used for cooling the charging infrastructure for the electric buses and the server rooms. We use the resulting heat for a multitude of applications. First, we power an open-space heating system that will keep the entrance and exit driveways of the depot's bus hangars free of ice in winter. This allows us to save large quantities of electricity and/or de-icing salt. Second, the residual energy is fed into the return pipe of the district cooling grid and can then be used elsewhere. For

example, the 114 new company flats at Postillonstraße are heated with a heat pump that uses ground water for heating and achieves high efficiency through the warm return water. The latter is then cooled to an extent that makes it possible to return it to the aquifer at a temperature that is very close to its original one. This energy circuit with a water-cooled charging infrastructure and waste heat recovery makes SWM a trail blazer in Europe.

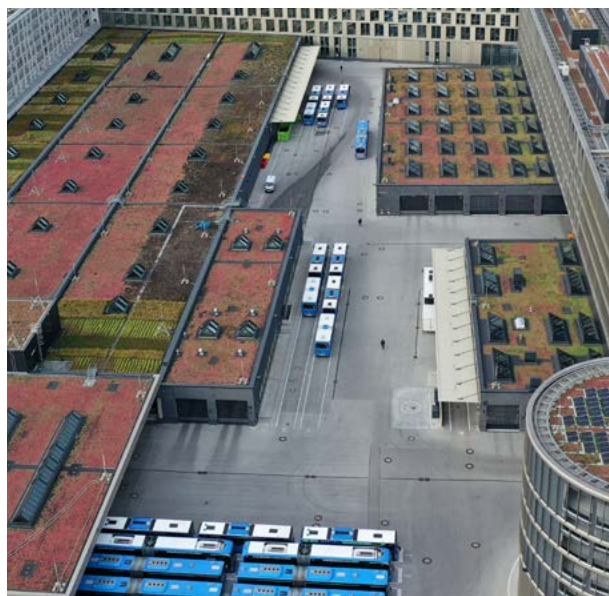
Demand for our M-Fernkälte district cooling service is growing. At our "Süd" energy location, we are therefore constructing a large district cooling centre. Alongside cold water from the Isarwerkkanal conduit, absorption cooling machines will allow us to use the energy from the geothermal and combined heat and power (CHP) plants located at this site for the operation of the cooling facility in the future. The cooling facility will be connected to downtown Munich via a new, approximately 6-kilometre-long pipe. After its completion, the "Süd" energy location will have a cooling capacity of approximately 36 megawatts. This means that the plant will cover the district cooling customer demand that is forecast for downtown Munich for the coming years. Given the growing importance of district cooling for sustainable urban development, we are furthermore pursuing the target of expanding the grid to a capacity of at least 165 megawatts of energy-efficient district cooling by 2030.

Exit from coal-based and nuclear power

The transition to renewable energies involves a gradual exit from fossil energies. Russia's war of aggression against Ukraine has slowed down our exit from coal and nuclear energy, which was scheduled for 2022.

Our original plans provided for the hard-coal-fired block of our "Nord" power station, which is considered to be systemically important, to switch to natural gas in time for the 2022/2023 heating season. This would have resulted in a significant reduction in the greenhouse gas emissions generated by its operation. Against the background of the Ukraine crisis, however, we wanted to avoid a significant increase in our gas demand in a period characterised by great uncertainties. After careful consideration of the aspects of supply reliability, environmental impact, and economic efficiency, the Munich City Council decided to defer the conversion to the summer of 2024. No new construction work is required for this conversion. The existing plants must simply be optimised for the change in fuel. For these activities, SWM will use the overhaul period that had been scheduled for the summer anyhow. Gas-fired electricity and district-heating generation will then commence right in time for the 2024/2025 heating season.

Similarly, the operating life of the Isar 2 nuclear power plant (SWM stake: 25 %) was extended in 2022 to ensure a reliable supply against the background of a looming gas deficit situation. Rather than in 2022, the nuclear power station now went off the grid in mid-April 2023.



The Moosach bus depot is an important prerequisite for bus traffic electrification in Munich.

Emission-free mobility

Electromobility has been used in Munich for more than 125 years. It all began with Munich's first electrically operated tram route. Today, MVG trams and underground trains already run completely CO₂-free thanks to the use of green electricity. As a third key pillar of local public transport, we intend to also fully electrify bus traffic in Munich. Consequently, electric buses will be deployed on more and more lines. As many as 61 are already out and about in regular operation on Munich's streets, and a further 71 have been ordered.



Our 92 hybrid buses also help reduce fuel consumption and emissions. They store energy while braking, which can then be used again for acceleration. Since 2022, we have moreover pursued a pilot project that involves deployment of a special MVG bus with trailer in regular operations. The trailer has a PV plant manufactured by the Sono Motors start-up on its roof, which generates electricity for the operation of the air conditioning system. In addition, MVG and the City of Munich are also jointly rolling out environmentally friendly and inter-linked shared-mobility offers throughout the city. The MVGO mobility app brings the various transport modes together, ensuring genuine multimodal mobility: local public transport and sharing offers are pooled in this app and incrementally expanded further.

Beyond local public transport, we are also committed to promoting electromobility in a clearly targeted manner. In the Munich metropolitan area, the City of Munich and SWM are operating approximately 1,200 public charging stations for users of electric cars – making Munich a trail blazer in Germany. We are also operating a steadily growing number of charging points in the private and

commercial segments – currently approximately 3,000. All charging points – whether public, commercial, or private – are powered with M-Ökostrom green electricity. A total of 18.5 million kilowatt-hours were charged in 2023. Next year, we plan to focus our efforts to a greater extent on the expansion of publicly accessible charging infrastructure in the vicinity of leisure facilities such as the M-Bäder public pools or the Munich Olympic Park. In addition, further park and ride facilities will be equipped with charging stations. Furthermore, high-performance charging stations will be installed at specially selected locations.

Realisation of further energy saving and emission reduction potentials

"We deliberately reduce and limit the emission of greenhouse gases in our other business activities, too. For example, we plan to convert our vehicle fleet to electromobility by 2035." For the passenger cars in our fleet, we have already reached an electrification rate of 75 %. For business trips, we check whether the use of local and long-distance public transport is cost-effective before we consider flights as an alternative. Short-haul

flights are to be avoided wherever possible. In addition, e-bikes and electric vehicles are increasingly used for work-related trips between technical facilities where possible and compliant with occupational safety regulations. The electricity supplied to our real estate properties is already largely generated from renewable energies.

We intend to switch all our public pools to completely CO₂-neutral operation by 2040, focusing on measures that are necessary from an economic and technical perspective. In the year under review, we updated our greenhouse gas reduction plan and defined further target-achievement measures. Our strategy relies not only on step-by-step modernisation of the structures, but also on changes in the energy supply, for example the use of geothermal energy or heat pumps. The power supply of all M-Bäder public pools is based on green electricity and local power generation in photovoltaic plants. In addition, we plan to use electric vehicles for groundskeeping in all public pools. The roof renovation of the Westbad public pool includes plans for the installation of a roof-top PV plant, which is to commence operation in 2024. At the Schyrenbad outdoors pool, heat generation will be converted completely to heat pump operation. We will begin to draw up the plans for this project in 2024, and implementation can be expected in 2025/2026. The conversion will help us avoid approximately 281 tonnes of CO₂e in the future.

MUNICH'S FIRST CO₂-NEUTRAL PUBLIC POOL

In late 2022, we began to convert the Georgenschwaige outdoor pool into a CO₂-neutral natural pool. In this project, our main focus is on energetic refurbishment. A dedicated photovoltaic plant is to generate electricity for the circulation pumps and the heat pump and keep the water temperature in the pool at a constant 22°C. Going forward, water treatment is to be handled biologically by large ground filters. We are using wood as a construction material. And the modular design makes the materials used recyclable. The reason: a modular design makes it easier to dismantle structures back into their individual components. Furthermore, the pool will get a new ramp for wheelchairs and a "beach entry" to make it more barrier-free. The conversion project is to be completed in 2025.

15x

less energy

Energy consumption of **end-to-end fibre-optic networks** compared to copper-based transmission technologies.



We have also ushered in the energy transition with the expansion of our fibre-optic network: as fibre-optic technology transmits data via light pulses and there is no conversion into electric pulses, electricity-intensive components such as amplifiers and converters are no longer necessary. End-to-end fibre-optic networks therefore need up to 15 times less energy than copper-based transmission technologies. Our expansion strategy provides for routing fibre-optic lines directly into users' living rooms in the future, closing the fibre-optic gap from the basement to the flat.

A further positive effect: when the entire city is equipped with fibre-optic cables, conventional mobile communications rooftop antennas with high radiation output can be replaced by much smaller 5G antennas with an output of less than 10 watts, which would significantly reduce local residents' radiation exposure. We are gathering initial practical experiences in handling such microcells and innovative Open RAN technology through a pilot project with O₂/Telefónica. At particularly highly frequented sites in downtown Munich, our partner is installing 4G or 5G radio cells that are linked to the M-net fibre-optic network.





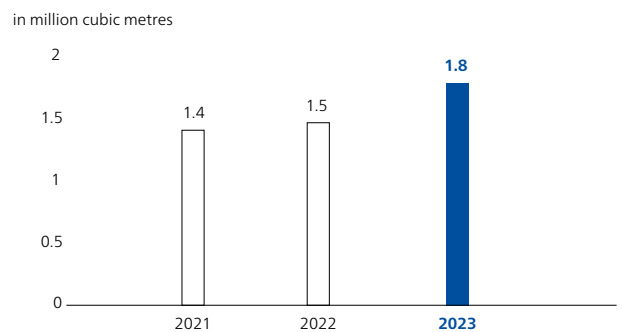
We also involve our employees in the efforts to enhance energy efficiency and reduce emissions. Among other things, we publish our Technology division's Environmental Statement, prepare intranet messages on the topic of energy, and regularly address this topic in divisional meetings and training workshops. All employees of Stadtwerke München GmbH, SWM Versorgungs GmbH, and SWM Infrastruktur GmbH & Co. KG are required to complete a mandatory training session entitled "Tips for efficient energy use". In this session, participants are familiarised with basic information on the energy management system pursuant to DIN EN ISO 50001 and learn what statutory obligations must be fulfilled by German companies and what contribution SWM makes to the conservation of energy and resources. In addition, they receive advice on how they themselves can contribute to an efficient use of energy. The training session must be repeated every three years and is also open for attendance by interested colleagues from other group companies. In addition, we offer financial incentives for the submission of energy saving ideas. All employees, as well as SWM's external service providers, can make suggestions for improvements and submit ideas through the established company suggestion scheme.

Since late 2020, the so-called "CO₂ Expert Panel" has been SWM's permanent information and exchange platform for decarbonisation approaches. The activities of the approximately 30 panellists ensure a group-wide uniform understanding and coordinate procedures. The goals of the Expert Panel include the development of group-wide assumptions, realisation of synergies in the processing and preparation of inquiries, requirements, and positions, and improvements in emissions-related data collection.

A CLIMATE-NEUTRAL TELECOMMUNICATIONS PROVIDER

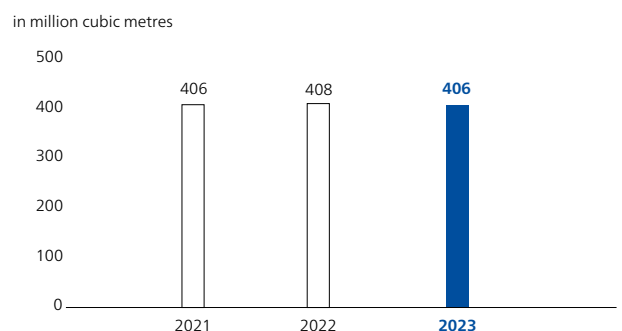
As Germany's first "Climate Neutral" telecommunications provider, M-net has reduced 90 % of its greenhouse gas emissions in accordance with Scope 1 and 2 of the Greenhouse Gas Protocol (www.m-net.de/klimaneutral). The company is compensating the remaining 10 % based on high standards via the ClimatePartner carbon management software. By 2025, M-net intends to reduce greenhouse gas emissions as much as possible. In addition, M-net is engaged in various climate protection measures. Among other things, the company is involved in projects aimed at reforestation of regional forests, which helps strengthen the ecosystem. After the company already planted some 1,800 trees and shrubs on a piece of woodland near Munich back in 2021, the next few years will see the growth of the approximately 10-hectare M-net forest in Tutzing, where M-net and the German Federal Forest Protection Society (Schutzgemeinschaft Deutscher Wald Bundesverband e. V.) planted 1,000 climate-tolerant trees in 2023.

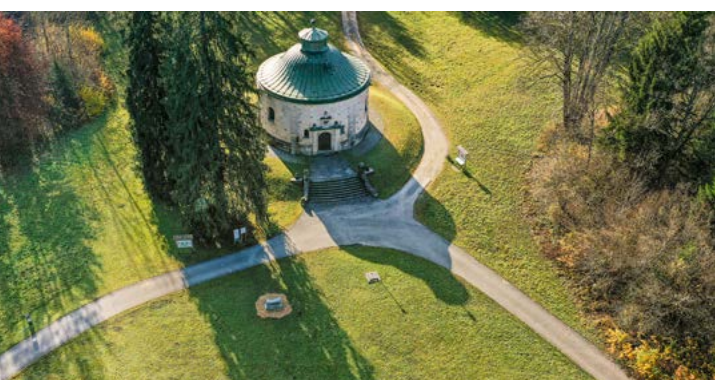
Water consumption – SWM core Group¹⁾



¹⁾ Water consumed at the SWM headquarters and in the energy generation of the SWM core Group/regional energy generation (process water)

Cooling water throughput from watercourses in regional energy generation





Only accessible by bike or on foot: the Reisch groundwater basin lies the middle of a water protection area.

Protection of water as a valuable resource

Munich's drinking water, which we extract from our three catchment areas – the Mangfall valley, the Loisach valley, and an area of moraine deposits east of Munich known as the "Schotterebene" – is left in its natural state and already has such a high quality that no complex treatment is necessary. Our "ecoFarmer" initiative, which was launched in 1992, has been making a special contribution here: it has been our vehicle for nature conservation and drinking-water protection for more than 30 years. The former pilot project has now become a role model for the whole of Germany: SWM is closely collaborating with associations promoting organic farming such as Naturland, Bioland, Biokreis, and Demeter in order to support farmers in water extraction areas in their switch from conventional to organic farming. The project received an award from the Bavarian state government within the framework of its "30 for 30" initiative, which is promoting 30 beacon projects that are providing a boost to organic, regional food in Bavaria. The goal of this initiative is organic farming on 30 % of the agricultural land in Bavaria by 2030.

Another element ensuring high-quality drinking water in the Munich metropolitan region is the water protection forest totalling more than 1,800 hectares, which is owned by SWM. This structurally rich mixed forest helps regulate the water balance. Its humus-creating soil provides a particularly good filtration function for precipitated air pollutants, with active organisms in the soil decomposing organic contaminants. Thanks to this natural rejuvenation, the soil remains moist and is an

ideal water reservoir. The forest manager is a member of Naturland-Verband and complies with this organic association's ecological guidelines. Because the foothills of the Bavarian Alps are a region with above-average rainfall, drought periods have not yet had any noteworthy effect on drinking water extraction to date. Irrespective thereof, we continuously monitor the water levels at numerous ground water monitoring wells. So far, the data collected has not indicated any changes in ground water levels.

We moreover devote great attention to minimising pipe-induced water losses. For this purpose, we use intelligent solutions that enable us to quickly identify and repair leaks in the pipe system. For example, the use of LoRa transmitters (long-range radio transmitters) in the water supply system facilitates early detection of such water losses.

AN ANNIVERSARY FOR "ECOFARMERS"

In 2023, our "ecoFarmer" initiative celebrated its 30th anniversary. With this initiative, we promote organic farming in drinking water extraction areas. We provide funding to farmers, the goal being to offset the losses they incur through the conversion from conventional to organic agriculture. Back in 1993, 23 farms were the first to sign a cooperation agreement with SWM. In the meantime, more than 185 farms in the Mangfall valley and five farms in the "Schotterebene" area have converted their farms to agricultural methods that protect soil and water as well as organic livestock husbandry. This has allowed us to reliably reach our self-imposed quality target of an average of less than 10 milligrams of nitrate per litre, which is significantly stricter than the statutory limits laid down in the German Drinking Water Ordinance (TrinkwV). Together, the organic farmers are cultivating an area of approximately 4,600 hectares, with the Mangfall valley being one of the largest contiguous organically farmed regions in Germany.

Preservation of biodiversity

In all business segments, we consider the potential impact of our business activities on biodiversity. In many instances, our activities have positive effects. For instance, our water protection areas are simultaneously important retreats for numerous endangered animal species such as bats. Our utility-scale photovoltaic plants also offer sanctuaries for ground-nesting birds. When we plan new plants, we use the requirements referenced in

the “Good practices in the planning of ground-mounted photovoltaic plants” guidelines as our yardstick.

In addition, we strongly support bees in many ways. The number of bee colonies that have found a home at Taubenberg hill in our Mangfall valley water catchment area has now grown to approximately 30. The forest manager makes sure that every bee colony has its own territory and finds sufficient food for itself and its own hive. At the Deisenhofen overhead reservoir and the Deisenhofen and Gleissental ecological compensation areas, we have also put up hives for honey and wild bees.

In the greenspace of our public pools, we also help promote biodiversity. By 2023, we had converted more than 8,000 square metres into flower meadows, which are showing a promising development when it comes to biodiversity. In addition, we are planting more trees on the grounds of our public pools. In 2023, we developed a biodiversity approach in cooperation with an external service provider. With the help of a geographic information system, a comprehensive analysis of all available data on biological biodiversity was carried out at the public pool locations and in their immediate surroundings. From this, an assessment of the current and potential biodiversity position was derived for every site. The results are being compiled into a comprehensive biodiversity strategy, which provides for near-term implementation of small-scale measures such as insect hotels, bat boxes, or greenspace creation. In addition, an analysis is being performed to determine what measures can be realised over a medium-term horizon and, above all, in new construction projects. Possibilities include the installation of photovoltaic plants or façade greening.

Use of environmentally benign supplies

We also protect the environment in the use of operating supplies and building materials. For example, a project launched in 2020 focuses on the substitution of sulphur hexafluoride (SF₆), an insulating gas that is extremely harmful to the climate, with climate-neutral gases in electric distributions systems. Use of the latter gases at the high-voltage level is in the implementation phase and will be taken into consideration in the tenders for the next substations. And the use of SF₆-free switchgears is also being tested at the medium-voltage level: one medium-voltage plant, installed in a concrete compact station, was incorporated in the SWM grid and commissioned in April 2024. Further plants shall follow in 2024 and 2025.

In our public pools, we have already noticeably reduced the consumption of resources and the usage of environmentally problematic substances through

modernisation efforts. For example, we have analysed the environmental impact of the substances used for bathing water treatment in a life cycle assessment. For cleaning, we use environmentally benign procedures and cleaning agents as much as possible. In drinking water extraction, plants using ultraviolet light for disinfection help us avoid the use of chlorine gas.

About

80,000 m²

The area we want to convert into flower meadows – this corresponds to **20 % of the greenspace of our public pools.**

ECO-FRIENDLY CONSTRUCTION

In our wide range of construction projects – e.g. company flats, offices, or workshops –, we bank on sustainable, life-cycle-oriented, climate-friendly, and recycling-friendly construction. In these efforts, we comply with concrete guidelines and measures such as:

- ▶ Consistent use of renewable energies
- ▶ Increased use of wood construction and secondary components and materials
- ▶ Simple designs and avoidance of complex building technology such as air conditioning systems
- ▶ Promotion of sustainable mobility on the part of the users
- ▶ Adjustment of space allocation formulas, creation of common areas
- ▶ Climate-resilient outdoor areas, sponge city principle
- ▶ Stock conservation and avoidance of demolition

In late 2023, the Real Estate segment developed its own sustainability strategy with a view to harmonising our requirements for new construction, refurbishing, existing buildings, and neighbourhood development. In the future, our yardstick will be specific key performance indicators (KPIs) with ambitious targets from today until 2040. We have asked the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen; DGNB), in which we have been a member since 2022, to certify several new construction projects under the latest Gold Standard.

Employees



For our employees, we are a reliable and socially oriented employer with a forward-looking strategy, diverse and ambitious tasks, and a value-based corporate culture. In a nutshell: an employer worth working for.

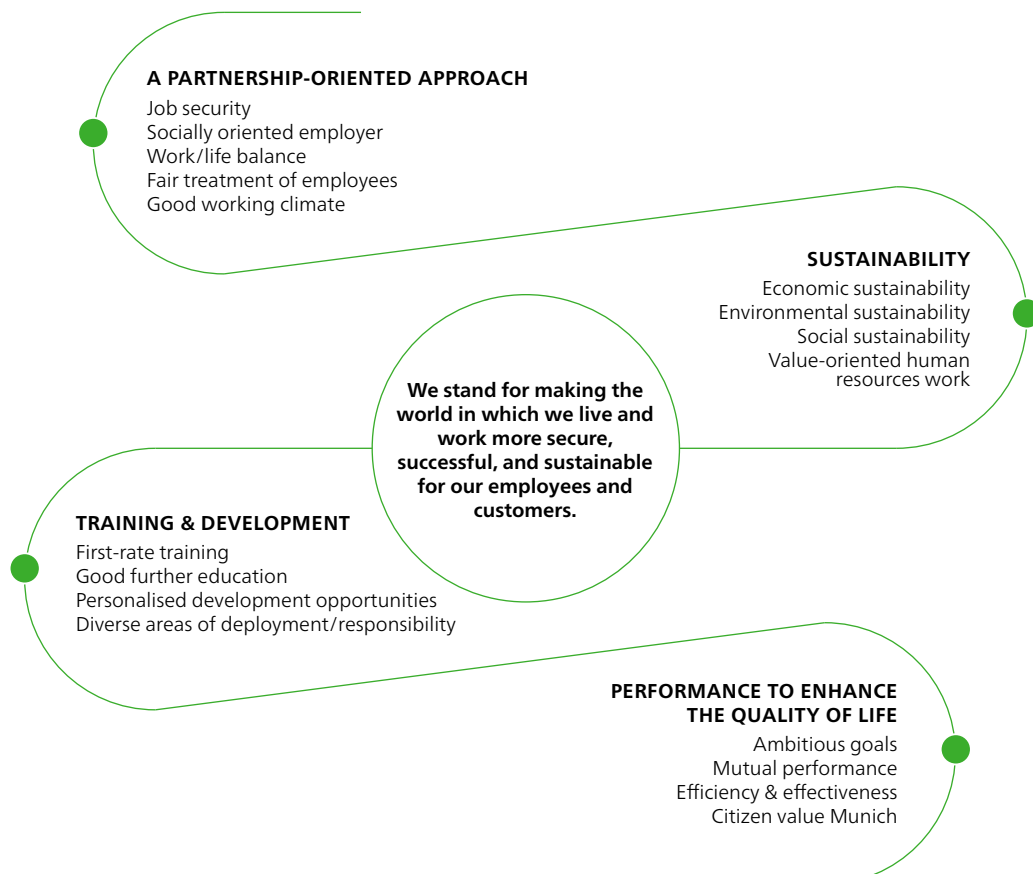
Stadtwerke München as an attractive employer

Most of our employees work in Munich. We are faced with competition in the local labour market: DAX-listed corporations, innovative medium-sized enterprises, start-ups, and other entities also offer enticing jobs. To position ourselves visibly and credibly as an attractive employer in this environment, we have put together a

comprehensive package for employees and applicants. It includes:

- ▶ Ambitious tasks in a successful company
- ▶ Meaningful work content and value orientation
- ▶ Opportunities for further development and performance enhancement
- ▶ Demanding and encouraging leadership
- ▶ Fair and appreciative treatment
- ▶ Work/life balance
- ▶ Flexible work options
- ▶ Attractive remuneration and employee benefits
- ▶ Reliability and security
- ▶ Strong commitment to company-flat construction
- ▶ Promotion of diversity
- ▶ Broad range of training and internship positions, opportunities for dual study programmes, and a trainee programme

SWM employer brand



Retention of our current employees and recruitment of new talent each have a high priority in our human resources strategy. The Human Resources department is responsible for all measures relating to the employment relationships of our staff members. Four units work jointly on the implementation of the SWM human resources strategy: Personnel Divisional Management, HR Management and Service, HR Recruitment and Development, and Health. The SWM human resources strategy is pursuing the vision of becoming one of the five most attractive employers in Munich – a region characterised by keen competition for employees – by 2025. We measure the result regularly via the employer ranking compiled by the Trendence agency, which is based on a survey of three labour market groups – students, academic professionals, and non-academic professionals – and, since the year under review, on a survey among pupils. In the survey conducted in late 2020, we were already in 6th place. In 2023, we maintained this position in the overall ranking, but already reached ranks 5 and 4 among academic and non-academic professionals, respectively.

Our strategic HR topics are subdivided into four action areas:

Action areas and topics in HR for the period until 2025

Attractive Employer

- Diversity & Equal Opportunities
- New Way of Working
- Healthy Company
- Strategic Recruiting & Employer Branding
- Benefits

Development & Perspectives

- Talent Management
- Advancement & Development
- "Fortbildung 4.0" Initiative
- Knowledge Exchange & Networking

Excellent Leadership

- Adjustment of leadership development offers and further development for Work Environment 4.0

Change & Reputation HR

- Automation & Digitalisation
- (Digital) Transformation
- Position Management
- Strategic HR Planning

The HR strategy is basically derived from the group strategy. For example, our vision of becoming one of the five most attractive employers in Munich originates in the group goal of ranking among Munich's most attractive employers. Employer attractiveness is defined by two dimensions. First, there is our external attractiveness, which involves analysing market trends, statutory requirements, and offers submitted by other companies.

Second, we regularly conduct internal employee surveys. The insights gained in these surveys help us align requirements and working environments and reduce or guard against potential barriers. Most recently, in 2022, the survey's focus was on remote working ("home office") and other working conditions after the pandemic. The overall results of this survey, in which 4,361 employees participated (response rate: 42 %), showed a high degree of satisfaction with the current working conditions, with an average score of 1.92 (on a scale from 1 = completely satisfied to 5 = not at all satisfied). In addition, the survey showed clearly that the majority of our employees are not only in favour, but even demand modernisation and change in their working environment. This holds true for the expectations of prospective new employees as well. The next employee survey is being prepared for November 2024 and will be linked with a risk assessment of psychological stresses as an additional component.

With our HR strategy, we moreover strengthen our sustainability strategy, especially the "Social" pillar, which includes the topics of diversity, inclusion, employee retention, and staff development.

Recruiting staff members

To win new employees, we are already active in the stage when potential new colleagues gather information about future career choices. In 2023, we again attended numerous job fairs and career guidance days and also internally organised many career guidance days of our own such as our Girls Day, our Go4MINT@SWM event or the "Azubis machen Schule" format, where young people attending training programmes in our organisation go to schools to inform the class about their everyday work. In our dedicated TikTok account and on the social-media channels Instagram, Facebook, and LinkedIn, we provide authentic and digital information on training opportunities and job profiles at SWM. Some 130 pupils got to know our company through internships in 2023.

Universities also play an important role for our personnel recruitment strategy. Through lectures, excursions, and recruiting days, we established contacts to graduates and students. We are pleased to report that numerous

Our aspiration is to become one of the

TOP 5

employers in Munich by 2025.



student deployments ultimately resulted in permanent employment or inclusion in our trainee programme.

In the keenly contested Munich labour market, we rely on target-group-focused formats that allow prospective candidates to get better acquainted with SWM and its employees, while ensuring that obstacles to applications are as low as possible. This approach has already brought us considerable success: thanks to these efforts, we recorded significantly more than 30,000 applications in 2023. One example of this approach is our "SWM on Site" event series, for which we organised several recruiting afternoons for technical professions at various SWM sites (e.g. at the tram workshop, the "Nord" combined heat and power plant, and our corporate headquarters). Our job application tram was again successfully out and about in 2023, just like the adaptation of this approach: we were able to hire more drivers also thanks to our job application underground train and the new job application bus at the Moosach bus depot.

In our personnel recruitment, we also assume our social responsibility. For example, we have been engaged in "Stadtwerkeprojekt" for more than 30 years. Every year, this project makes it possible for at least four young adults who find it difficult to get their careers off the ground to go through professional training including associated off-the-job support and assistance by qualified social education workers. In 2023, a total of 23 young people were supported by social education workers within the framework of "Stadtwerkeprojekt", and 19 of them have started traineeships organised in cooperation with SWM.

As one of Munich's largest employers, we appreciate the dedication and commitment of our employees. In return, we offer them attractive benefits, which also play a key role in winning new staff members. In addition to secure jobs and attractive remuneration, we create a healthy work/life balance, [see page 56](#), offer company flats, [see page 57](#), and health services, [see page 61](#), as well as an environment in which our employees can enhance their skills and have incentives to make their own contributions, [see page 54](#).

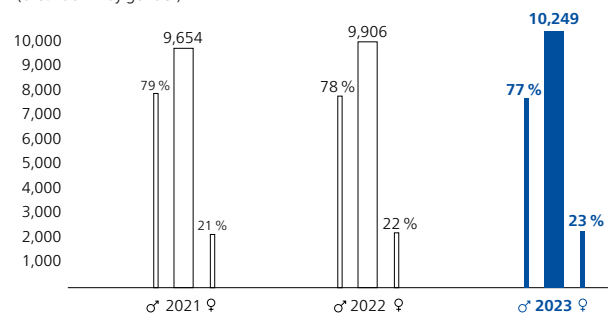
Training and professional development

On average, at any given time some 450 young people go through commercial or vocational/technical traineeships or dual study programmes combining academic studies with vocational training in a company setting. We are thus one of the largest workplace training organisations in Munich. We are continuously expanding the range of vocational professions for which we offer traineeships and dual study programmes. We now offer 17 different vocational professions and four dual study programmes. In 2023, 155 (previous year: 135) young people started their professional career in our organisation, of which 23 were women. In 2023, we offered 71 % of our trainees employment after completion of their training programme (previous year: 83 %). In addition, 33 dual study programme participants (23 male and ten female) worked for us at the end of 2023, of which twelve students (seven male and five female) commenced their dual studies in autumn 2023. Ultimately, we were able to increase the share of woman to more than 30 % – and even 40 % among new programme entrants.

To ensure an excellent learning environment for our young talent in the future, too, we are currently building a new training centre on the campus of the SWM headquarters in Moosach. It is scheduled to be ready for trainees to move in by autumn 2024. In 2024, we will add industrial engineering and mechatronics to the range of dual study programmes we offer.

Number of employees

(breakdown by gender)



Total number of employees, subdivided by age and gender

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Total number of employees	2,064	7,590	2,196	7,710	2,338	7,911
Thereof under 30 in %	22.4	14.8	22.6	15.4	20.3	14.1
Thereof 30 to 50 in %	46.1	45.9	46.6	45.6	51.1	47.9
Thereof over 50 in %	31.5	39.2	30.8	38.9	28.6	37.9

Employees by type of contract

	2021			2022			2023		
	Total (number of employees)	Female (in %)	Male (in %)	Total (number of employees)	Female (in %)	Male (in %)	Total (number of employees)	Female (in %)	Male (in %)
Full-time ¹⁾	8,588	17.4	82.6	8,745	17.9	82.1	9,035	18.5	81.5
Part-time	1,066	53.8	46.2	1,161	54.6	45.4	1,214	54.8	45.2
Permanent	9,293	21.0	79.0	9,526	21.6	78.4	9,837	22.2	77.8
Temporary ²⁾	361	32.4	67.6	380	37.6	62.4	412	37.6	62.4

¹⁾ Full-time employment contracts are defined as all those providing for a number of working hours that corresponds to at least 80 % of the total number of hours per week laid down in the collective agreement.

²⁾ Most of the temporary employment contracts have been concluded with university students. In this group, women account for a much higher share than men.

We want to open up exciting prospects for all SWM employees. Digitalisation and technological change require them to develop the ability to identify new possibilities, understand them, and use them to the best of their abilities. In our annual "SWM Dialogue", employees can discuss and agree to their individual development opportunities with their managers. Options we promote include leadership, technical, and methodological training, development counselling, as well as coaching and training workshops to strengthen personal and social competencies. The focus is on enhancing employees' ability to learn, strengthen their

willingness to learn (lifelong learning), and ensure the knowledge transfer to our daily business. At the same time, we encourage mutual networking through various forums, events, or learning workshops.

With our "Ready2Grow!" talent management programme, we support and bring together employees who have the potential for horizontal or vertical development in leadership, expert, or project management positions. Currently, the programme supports approximately 150 employees. In addition, there are specific advancement programmes, e.g. in mobility, electrical installation, or the energy sector, which help our specialists acquire additional professional qualifications. In the year under review, our employees attended a total of 12,672 professional development days (previous year: 11,698 days).

In leadership development, too, we greatly value the importance of a high level of practical relevance. With "Excellent Leadership", we have defined a holistic aspiration that describes what we expect of our leaders and is the foundation of our various development offers. In addition to technical and methodological content, the focus is on reflexion and feedback. Furthermore, the programmes provide managers with an opportunity to build networks across business segments. In 2023, several programmes were on our agenda. Under the heading



"lifelong learning", we offer a qualification programme for all experienced managers. Within the framework of our "M/Up" programme, we intend to strengthen all leaders in their roles. We started out by training 400 managers in a total of 50 training sessions in the year under review. In total, 530 managers of the three top leadership levels will attend mandatory training sessions. After a revision of the "M/Up" approach, a further approximately 600 managers are to be trained in a convention format. The aim of the "Kundenfokus@swm" project is to further enhance customer-focused attitudes in our organisation. In 2023, we successfully completed this programme after all leaders had attended it.

Managers who have been newly appointed to their first leadership role attend our Management Development Programme (MEP). This programme teaches them, among other things, leadership in critical situations, the

overall impact of leadership, critical discussion techniques, conflict management, and change management. The MEP was revised and further developed in 2023. When managers take on new positions, they always undergo "Leadership Onboarding", which consists of consulting and information offers as well as mentoring and team development processes. Specific qualification programmes are offered to executives managing other managers and executives without disciplinary management. In 2023, our managers completed a total of 2,147 professional development days (previous year: 1,508 days). Overall, demand for training offers within the framework of our open education programme increased particularly strongly in 2023 (+9%), which was, among other things, due to the high number of new recruits. Among the different training formats, the number of participants in classroom trainings surged noticeably year-on-year (+73%).

Number of different seminars by type of training and number of participants

	2022		2023	
	Number of seminars (type of training)	Participants (heads)	Number of seminars (type of training)	Participants (heads)
Classroom training	188	3,476	179	6,014
Virtual training	154	4,344	118	2,197
E-learning	97	51,642	113	51,453
Total	438	59,450	410	59,664

In 2023, we laid the foundation for a great number of additional training measures. To enable business units to convert their own content into e-learning modules, we rolled out what is known as "user-generated content process" in the year under review. Business units can make their e-learning modules available to a certain group of participants. In the Public Pool business segment, we implemented a training programme focusing on the topic of de-escalation and safety in every-day bathing operations.

In 2024, our main intention is to create organisational synergies: from autumn onwards, we will host our training workshops at the newly created "SWM Academy". Thanks to close interconnection with our trainee programmes and the SWM Innovation Lab, this will allow us to offer our programmes in an even more transparent and centralised setting. The list of topics for 2024 includes training workshops supporting employees in improving their proficiency in German and large-scale training programmes for the Mobility business segment.





Employee involvement and participation

With our “SWM connect” intranet, which we introduced in late 2022, we have created an information platform for all employees that is not only accessible via IT workplaces, but also via app for private and company smartphones. This makes it easier for us to reach and involve our approximately 5,000 employees who do not work in offices, but in power plants, public pools, and workshops, etc., on construction sites, or as drivers. Prior to the introduction of “SWM connect”, nearly half of our staff members did not have their own intranet access. Now, our mobile intranet has helped us reach a registration rate of almost 90 %, and we have seen regular activities and participation across all terminal devices with an average of 9,000 active users per month.

We encourage all our employees to cast unbiased and critical eyes on their own work environment and play an active role in its continuous improvement. Our idea management programme allows them to suggest improvements for the processes and procedures in the organisation. Following an internal evaluation process, some of these ideas are selected for financial rewards. At an annual celebration of ideas, the company executives thank all people who have submitted suggestions. In 2023, 59 out of a total of 391 ideas submitted were realised. They resulted in an economic benefit of slightly under EUR 1,200,000 (previous year: approximately EUR 300,000).

Beyond traditional idea management, we are also striving to inspire our employees’ passion for innovation and motivate them to play active roles in change processes. For example, we have already carried out several idea campaigns, each dedicated to a specific topic, where the best proposals and ideas gathered were developed further in collaborative sessions. In addition, two interdisciplinary employee communities dedicated to innovation and continuous improvements have been established: ImPulsGeber (pulse generators) and PulsMacher (pulse makers). The aim of the ImPulsGeber community is to support employees in the development of process improvements via a collegial adviser network, while simultaneously enhancing their methodological skills. PulsMacher is a network for people interested in innovations that provides inspirations for innovative topics, methods, and technologies and fosters the development of innovative expertise at SWM.

Responsibility as an employer

As an employer, we stand for a partnership-oriented approach, sustainability, education and development aimed at ensuring a high quality of life ([see the chart on page 49](#)). Our employees’ working conditions must also reflect these values.

Even before the Covid-19 pandemic, we offered our employees numerous variations of working time arrangements, including flexible time accounts, various

part-time models, personalised deployment and work scheduling, and mobile work options. During the pandemic, we widely used our leeway to design work models, especially with respect to combinations of working time and work location. Since then, mobile working from what is called the “home office” has been used to a much greater extent than before. In areas in which remote working from home and mobile working are not possible, we are also striving for high flexibility, especially with respect to working time arrangements.

To ensure that our offerings address our employees’ needs, we conduct extensive employee surveys on various topics every four years. Aspects covered by these surveys also include leadership and corporate culture. Most recently, in an interim check in 2022, our employees were given the opportunity to express their opinions on how they felt about the switch from the remote-working phase to hybrid collaboration and on their expectations regarding the work formats of the future. In the future, we will conduct further interim checks in the years between employee surveys. Accordingly, the next interim check will take place in 2026, i.e. two years after the employee survey.

The results of the survey were incorporated in new works agreements that integrate home office and mobile working into our daily company life to an even greater degree. Through such works agreements, further flexibilisation opportunities for shift models were established in the Mobility business segment. After concluding sabbatical agreements for the central units and the Supply segment in 2022, we also finalised a corresponding agreement for the Mobility segment in 2023. Our employees regularly give anonymous feedback to their respective managers. The results are discussed in a joint workshop and specific agreements are made. As an alternative to such “single-track” feedback in the direction of managers, 360° feedback exercises are also possible. In addition, various colleagues are available as contacts to address specific topics, e.g. the Equal Opportunities Officers for all questions revolving around diversity. Furthermore, multipliers and networks document employees’ sentiments, opinions, and attitudes and play a liaison role between staff members and management.

Hires and exits

	2021		2022		2023	
	Hires	Exits	Hires	Exits	Hires	Exits
Total (number of employees)	689	439	730	543	1,048	534
Female	159	85	225	118	298	114
Male	530	354	505	425	750	420
Under 30	228	91	281	128	299	104
30 to 50	370	131	365	211	624	207
Over 50	91	217	84	204	125	223
Thereof retirement	–	131	–	122	–	157

We continuously strive to further improve working conditions in an effort to win new talent and retain qualified employees. The average employee tenure is 13 years. At 2.6 % of total staff, the share of employees handing in their own resignations in 2023 was lower than in the previous year (3.1 %). Employee turnover also decreased in the year under review and came to 5.5 % (previous year: 5.7 %). In addition, we welcomed a total of 1,048 new employees in 2023 (previous year: 730).



Balancing private and working life

Enabling our employees to balance their professional career with their private life is very important to us. We therefore offer a variety of working time models and time accounts, enable personalised work and deployment scheduling, promote mobile and remote working, and support our employees in finding childcare options. In addition to parent/child offices and the "SWM Kindervilla" crèche with space for 36 children, which was again completely booked out in 2023, we hand out 15 grant vouchers for enrolment in municipal day-care centres for pre-schoolers and an equal number of such vouchers for after-school care facilities. In cooperation with the "awo lifebalance" organisation, we moreover offer counselling regarding regular day-care options, offers for leisure activities, and the search for au pairs.

Our partner, the Amiravita online care portal, offers care-giving relatives counselling by phone and organises an annual online information event on a variety of care topics. Since 2008, the non-profit Hertie Foundation has awarded us the "berufundfamilie" (work and family) certificate.

Use of parental leave by gender

	2021 ¹⁾	2022 ¹⁾	2023
Total (number of employees)	428	435	451
Female	172	180	177
Male	256	255	274

¹⁾ The evaluation methodology changed in 2023, and the 2021 and 2022 figures were retroactively adjusted. Therefore, they deviate from the figures cited in previous years' reports.

To be able to support and assist employees with children in the best possible way, we have established exchange forums and various events on balancing private and working life. With an information event on the topic of parental leave and the associated Elterngeld/ ElterngeldPlus parental benefits, we explicitly addressed all colleagues at SWM in order to raise their awareness of the existing opportunities to help make family and working life more compatible. After all, it is still primarily women who account for the majority of parental leaves. Accordingly, we are also encouraging our male employees to practice more gender equality in this respect. In the future, we intend to continue to hold this event twice a year.

Remuneration and financial benefits

In 2023, collective work agreements covered 90.6 % of our employees (previous year: 90.3 %). As a Group committed to such agreements, we use a number of collective agreements that fit the framework conditions of our various business segments as guideposts for employee remuneration: TV-V (utilities), TV-N (local public transport), and, until the end of 2023, our in-house collective agreement TV-MVG¹⁾ (Münchner Verkehrsgesellschaft). In addition, we have a bonus system for both employees covered and not covered by collective agreements, which gives them a share in the company's profit. In this system, we use the jointly achieved result as our yardstick. Part-time employees receive the same additional remuneration, fringe benefits, etc., as their full-time colleagues, with the relevant percentage being prorated based on their part-time factor.

In addition, we offer various financial benefits, especially for pension schemes. For example, both employees covered or not covered by collective agreements have access to employer-supported pension schemes such as company pensions or direct insurance policies. Further offers are a collectively agreed semi-retirement scheme, and the possibility to take additional vacation days against a pay reduction. Individual employees not covered by collective agreements as well as senior executives have agreed monetary bonuses within the framework of their goal-setting reviews. Our remuneration packages also include benefits in kind: at the MVG Rad bike rental service, all SWM employees have free use of bikes for up to 30 minutes per day. After this time slot, they are eligible for a reduced price per minute. Those who prefer to ride a bike geared to their individual wishes can lease a bike or pedelec through our cooperation with the JobRad bike-leasing company. For employees who only occasionally need to get to work by car, we have made our parking space management more

¹⁾ With effect from 1 January 2024, TV-MVG was incorporated into TV-N. This means that all employees of the Mobility business segment are now subject to a single collective agreement.



flexible since 2021. Alongside the traditional permanent assignment, parking spaces can also be used by the day. Currently, our trainees and (dual study) students can enjoy low-cost mobility thanks to a ticket price allowance corresponding to 50 % of the price of the most favourable priced monthly ticket. All other employees receive a 25 % allowance for the Deutschlandticket Job, a version of the flat-rate public transport monthly subscription model that has been designed specifically for companies and their employees.

In addition to mobility, we offer our employees a wide range of supplementary benefits such as gym membership cooperations, discounted electricity and gas supplies, a contingent of company flats, and many other fringe benefits. Information thereon can be found on the intranet, in particular, and is regularly communicated to make sure that, if possible, all employees are aware of the large number of offers.

Munich's high cost of living is a great challenge for employees in the lower pay brackets. At the same time, it has made it harder for us as a company to recruit new skilled employees, e.g. drivers for MVG. Since 1 January 2020, we have therefore given our employees some additional financial leeway by paying a dedicated Munich allowance. This supplementary payment has been introduced for the low and medium pay grades and ranges between EUR 180 and EUR 270 a month, depending on the specific pay bracket. These amounts are offset against collective-bargaining and performance bonuses.

In addition, Munich is known for being a city where the number of available flats is much lower than the demand for housing. This is the reason why we launched our company-flat expansion campaign. To date, we have already made more than 1,300 company flats available to our employees. In 2023, we completed an additional 85 company flats, which will be handed over to interested employees in 2024. In addition, we opened a further integrated day-care centre. In the future, we intend to continue to make sizeable investments and, by 2030, increase the portfolio of SWM-owned flats to approximately 3,000, located throughout the city of Munich. In the construction of flats for our employees, we pay a great deal of attention to the energy efficiency of the buildings, resource-saving use of sustainable construction materials, a sustainable approach to energy, and connections to various mobility offers, from public sector transport to the MVG Rad rental bike service to carsharing.

In addition, we have explored possibilities of cooperating with municipal enterprises in company-flat construction for some time. With the allotment of our new company

flats in 2022, we launched a successful pilot project with MÜNCHENSSTIFT, an institution that provides care and age-friendly accommodation for the elderly, and the Munich Municipal Hospital Group: a total of ten flats were allotted to these two cooperation partners via occupancy rights. We will continue to organise such offers, exchange forums, and cooperation ventures in 2024, too, and pave the way for harnessing potential synergy effects among municipal enterprises.



By building company flats, SWM also helps provide some relief to the Munich housing market.

Diversity and equal opportunities

As a company with employees from approximately 90 nations, we are virtually as diverse as the urban society of the city of Munich. Through diversity, we shape the future. We signed the Diversity Charter as far back as in 2007. We want to create the prerequisites necessary for ensuring that all our employees feel safe, comfortable, and integrated into SWM, irrespective of their age, ethnic background or nationality, gender, physical or mental abilities, religion or worldview, sexual orientation and gender identity, and social background. After all, we know that a diverse workforce makes SWM successful and ready for the future.

As a cross-sectional function, our in-house Diversity Management aligns SWM's structure and processes to ensure that all employees are appreciated and motivated to engage their full potential to the benefit of the organisation. To achieve this goal, we address all seven diversity dimensions at various levels. For this reason, the promotion of diversity is firmly embedded in our group strategy, our sustainability strategy, our human resources strategy, and our employer brand. It pays off in many respects, especially given the challenges that arise from

the shortage of specialists. Great potential can, for instance, be unleashed by intensifying our recruitment of women and new employees from abroad and purposefully integrating older colleagues.

In addition, each Director has appointed a divisional equal opportunities officer. These appointees perform this function – as direct reports to the respective Director – in addition to their main activities. In accordance with the “Partnership-Oriented Conduct” group works agreement, which protects employees against discrimination and unequal treatment at the workplace, they are the contact for all questions revolving around equal treatment as well as any complaints. In addition, the Diversity Management unit is available for any questions about this issue. It also manages SWM’s internal complaint process, which has been aligned with the recommendations of the German Federal Anti-Discrimination Agency. Our strategic approach for these matters refers to the following seven core dimensions:

- ▶ Age and generational diversity
- ▶ Ethnic background and nationality
- ▶ Equal opportunities for all genders
- ▶ Physical and mental abilities
- ▶ Religion and worldview
- ▶ Sexual orientation and gender identity
- ▶ Social background

Adopting a holistic approach, we develop and implement suitable activities, measures, and instruments. All employees are to be apprised of the seven core dimensions. To achieve this, we already present the topic of diversity and the associated internal networks within the framework of our onboarding programme for new employees. There are now three diversity communities at SWM: the in-house women’s network “Die Expertisen”, the queer network “Proud@SWM”, and the network for barrier-free access “Die Barrierefreien”. These communities have been created by employees themselves rather than being set up by the HR function. Staff members actively shape these communities in addition to their main professional activities and are in close contact with our Diversity Management, which supports them in their efforts.

Our Management Development Programme (MEP) likewise addresses not only topics such as “work/life balance”, but also diversity, raising executives’ awareness of this issue. In 2023, we placed a special focus on the topic of “unconscious bias” or thought patterns and prejudices we are not aware of. For example, this included the incorporation of content aimed at recognising and avoiding stereotypes into our MEP and M/Up leadership programmes. In addition, a wide variety

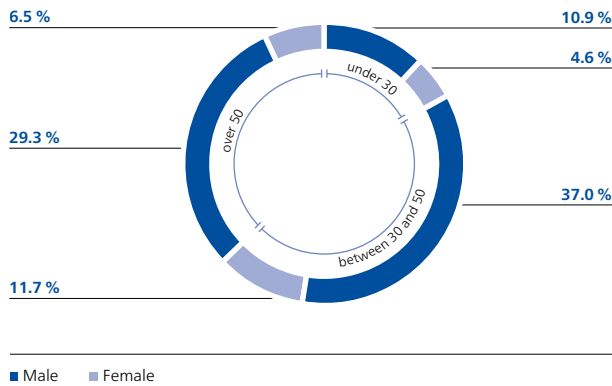


For more diversity: SWM again celebrated diversity as partner of the Munich CSD in 2023.

of communication measures on the individual core dimensions is on our agenda. To highlight the demand for equal pay for women, for example, we, in cooperation with the City of Munich, put the Equal Pay Tram on the tracks for one month in March 2023. We are also mindful of diversity in the language we use.

Women’s advancement is a special focus of our commitment to diversity. Specifically, we have set ourselves the goal of increasing the share of women in leadership positions to at least 25 %, if possible by 2025, but at the latest by 2030. In the year under review, this percentage decreased slightly, to 19.8 % (previous year: 19.9 %). In the workforce as a whole, the share of women increased slightly in 2023, to 22.8 % (previous year: 22.2 %). We take this somewhat sluggish development as an incentive for further improvements.

Employees by age structure and gender, 2023



Our #25for25 initiative comprises all measures aimed at helping us achieve our strategic goals in the advancement of women. After all, we definitely need the potential of more excellently qualified women, especially in times in which there is a shortage of skilled professionals. On top of that, the initiative helps make SWM more creative, more innovative, and more customer-oriented and enhances SWM's resilience and ability to handle change. The measures of #25for25 range from cross-mentoring for female managers to continuous demonstration of female role models and participation in the Girls Day to general flexibilisation measures from which everybody at SWM benefits, including men.

Our offers to enable our employees to achieve the best possible balance between their professional and private lives are continuously developed further and not only open to women, but to all our employees. After all, we are convinced that sustainable diversity and true equal opportunities can only be achieved if we take a holistic look at the system rather than specifically homing in on individual persons, irrespective of their gender.

Total number of employees by hierarchical level

	2022		2023	
	Female	Male	Female	Male
Management Board	0	4	2	3
Managerial staff	107	426	108	442
Employees	2,089	7,280	2,228	7,466

In the year under review, 622 employees with physical disabilities worked at SWM (previous year: 636). We make manifold efforts to ensure that the work environment at SWM is as barrier-free as possible. For instance, we closely cooperate with the Disabilities Officer of the Works Council and examined the topic of barrier-free digital access in 2023 by developing internal guidelines together with key stakeholders such as Internal and External Communications. In particular, we take special care that newly developed apps are as barrier-free as possible. In addition, SWM employees set up the diversity community "Die Barrierefreien" in 2023. This community aims to serve as a network for all colleagues with health-related impairments or disabilities and all interested employees.

In our view, diversity is not only relevant to our staff, but also to our customers, business partners, and the general public. This is why we are committed to promoting equal opportunities and raising awareness of any form of exclusion and intolerance outside our organisation, too. For example, we are a dedicated partner of the Munich CSD (Christopher Street Day), participate in the pride parade – in 2023 with our own semi-trailer truck and more than 100 colleagues –, and are represented in the street festival with an information booth. During the two weeks leading up to the 2023 Pride Week, we already put rainbow flags on our buses and trams and some of our public pools. During Pride Week itself, we hosted a Pride Pool Party and a Trans*Inter*Bathing Day at the Müller'sche Volksbad public pool. We were part of an art project, for which the entrance area of our headquarters was painted in the colours of the rainbow, supplemented by explanations of the meaning of the colours.



Occupational safety and health

Our employees' safety and health are of paramount importance for us – and relevant to our success. We invest in strengthening their health through preventive measures. In addition, we regularly raise all employees' and managers' awareness of the issue of occupational safety. It goes without saying that our top priority is prevention of (work) accidents.

The Management Board has the overall responsibility for occupational safety and health. In many areas, it has delegated this responsibility to subordinate executives by means of transfer of duties. In each organisational unit, responsibility for occupational safety and health within the framework of operational activities has been assigned to the top-ranking executive but may also be delegated to lower levels and functions. All our directors are counselled by dedicated occupational safety specialists.

The regulatory framework for occupational safety and health issued by the German government and the corresponding rules and regulations of the German Social Accident Insurance (Deutsche Gesetzliche Unfallversicherung – DGUV) only define the minimum requirements. In some organisational units of the Technology division, we have additionally introduced the technical safety management framework of the utilities sector or ISO 45001. Alongside the Occupational Safety Committee (OSC) that is required by law, SWM has also established further contact points for employees who have questions about occupational safety and health: the professional employees of the Occupational Safety and Health staff units and the safety officers in the respective organisational units. The various safety officers, for their part, present relevant issues to the Chief Safety Officers or the OSC. The OSC meetings of the respective senior organisational unit usually take place quarterly and are chaired by the top executive responsible.

Risk assessment is the basis for identifying and implementing requisite measures. Only when the necessary safety measures have been taken may the manager give the green light for an activity, permit the use of tools and equipment, or release a hazardous substance for use. For special dangers to life and limb or the environment, the organisational units responsible draw up specific emergency preparedness plans and communicate them to the employees in the operational units.



Safety instructions and training

The executives heading the individual organisational units have prepared their own instruction schedules for their respective areas of responsibility. These schedules show the topics in which employees must be instructed and the intervals required for such instructions. These safety instructions are normally presented in face-to-face training sessions or directly on site by the relevant managers, or work supervisors, if applicable. Since the Covid-19 pandemic, we have also used virtual formats for such instructions. Managers are aided in this task by approximately 100 e-learning modules on the topic of occupational safety. These modules can be completed additionally for personalised instructions. They are allocated directly to the respective employees and tracked via the LearningManagementSystem.

In addition, our training programme offers a wide range of safety training courses: a total of 434 participants were trained in 52 courses in 2023 (previous year: 55 courses with 491 participants), ranging from fire protection assistance to occupational safety for managers. Most occupational safety trainings take place on site, where they can specifically be geared to the prevailing circumstances and necessary requirements. For the large number of first aid training courses, we can rely on the support of external providers.

If an accident happens despite all precautionary measures, it is reported and analysed centrally based on a specific flow chart. Subsequently, measures are implemented to prevent comparable accidents.

Our company doctors are responsible for counselling SWM across all segments in all issues of occupational safety and health and accident prevention. They are not subject to any instructions, and the Chief Medical Officer reports directly to the Management Board. Available occupational healthcare resources and examinations are presented and explained in detail to our employees on the intranet.

Accident statistics for the core Group, excluding Mobility and MVG

Work accidents	2021	2022	2023
Total	63	56	75
Subject to reporting obligations	44	37	56
Not subject to reporting obligations	19	19	19
Fatal	0	0	0
Subsequent absence days	1,457	1,128	1,808
Accident frequency in %	1.15	0.98	0.95

Commuting accidents	2021	2022	2023
Total	28	14	30
Subject to reporting obligations	21	10	20
Not subject to reporting obligations	7	4	10
Fatal	0	0	0
Subsequent absence days	708	510	724
Accident frequency in %	0.51	0.25	0.34

Accident statistics for Mobility and MVG

Work accidents	2021	2022	2023
Total	187	208	253
Subject to reporting obligations	143	155	179
Not subject to reporting obligations	44	53	74
Fatal	0	0	0
Subsequent absence days	4,813	7,183	8,396
Accident frequency in %	4.09	4.60	5.41

Commuting accidents	2021	2022	2023
Total	67	60	55
Subject to reporting obligations	52	47	38
Not subject to reporting obligations	15	13	17
Fatal	0	0	0
Subsequent absence days	1,608	2,800	981
Accident frequency in %	1.46	1.33	1.18

Health protection: focus on prevention

The Health staff unit comprises the following departments: Occupational Healthcare, Corporate Health Management, and Integration Management and Rehabilitation. Our Chief Medical Officer heads the staff unit; she reports directly to the Management Board. Occupational Healthcare is responsible for traditional corporate medical services and tasks stipulated by occupational safety and health legislation and also offers preventive medical services such as nutritional counselling, flu vaccination, or Health Days. In addition, department representatives are involved in the advisory committee for the staff restaurant, the goal being to support healthy staff meals. Corporate Health Management offers a broad range of workplace health promotion services, including the "SWM aktiv" corporate sports programme, and operates our in-house gym. In the area of mental health, the focus is on individual and collective psychosocial counselling and a support policy for the Mobility business segment, in some instances in cooperation with external trauma therapists. Integration Management and Rehabilitation supports the company in the execution of operational integration management pursuant to Section 167 of the German Social Code IX (Sozialgesetzbuch – SGB). To ensure our continued ability to provide interesting health services, our employees in the Health staff unit are continuously given opportunities to attend professional development workshops and qualification courses.

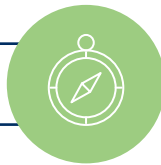




Corporate governance

Good corporate governance is also reflected in responsible behaviour. As we are a company providing important infrastructure services and owned by the City of Munich – and thus ultimately by Munich’s citizens – corporate governance is an important topic for us. This is embedded in the mission statement of our organisation.

Mission Statement



1. We are committed to the citizens of Munich.
2. We work towards enhancing the quality of life in Munich and the region.
3. We engage in sound and long-term relationships with our customers.
4. We act in a responsible manner towards the environment and society.
5. Our business success is the basis of everything.
6. We demand and encourage performance and reliability.
7. Our actions are based on cooperation and partnership.

SWM Group is made up of the core Group and its (direct and indirect) shareholdings. In the year under review, the core Group comprised Stadtwerke München GmbH as parent company and the following subsidiaries: SWM Services GmbH, SWM Kundenservice GmbH, SWM Versorgungs GmbH, SWM Infrastruktur GmbH & Co. KG, SWM Infrastruktur Verwaltungs GmbH, and Münchner Verkehrsgesellschaft mbH (MVG). [See also the chart “About this report” on page 74.](#)

The parent company is the operational holding company for the subsidiaries and responsible for uniform management. Group regulations define the internal (legal and factual) governance framework for the company. In particular, this framework covers the following important aspects: binding descriptions of duties, clear regulation of responsibilities, transparent

delegation of tasks, a clear operational chain of command, effective control mechanisms and functional delineation, compliance with the business judgement rule as well as the requirements of corporate law, and approval requirements for major decisions. The business activities of SWM as a municipal company are subject to a certain control by the local political parties and institutions such as citizens committees or the city council. Mandatory provisions in SWM’s articles of association or city council applications or requests lead to the discussion of projects planned by SWM on the city council. In addition, citizens can resort to referenda.

The articles of association are the foundation of the companies of the SWM core Group. With the exception of SWM Infrastruktur GmbH & Co. KG, all companies in the core Group are organised as German limited liability companies (Gesellschaft mit beschränkter Haftung – GmbH). The corporate bodies of a GmbH are always the shareholder meeting (Gesellschafterversammlung) and the managing directors (Geschäftsführung). A mandatory supervisory board has been established at Stadtwerke München GmbH, SWM Services GmbH, and MVG. SWM recognises co-determination of employees. Trust-based and close cooperation with the employee representatives, characterised by an open and constructive dialogue and mutual respect, is a key element of our corporate policy.

We attach importance to clear responsibilities, transparent delegation of tasks, an operational chain of command, effective control mechanisms and functional delineation, and compliance with the business judgement rule, which stipulates that all decisions must be taken with due diligence. According to our Code of Conduct, this above all means that decisions must be prepared properly, taking account of all relevant decision-making options and their implications. They may not be determined by inappropriate influences and special interests. Another principle that applies is that key decisions require the approval of senior management. It goes without saying that we adhere to the legal requirements in all corporate governance issues, especially those arising from corporate law.

At SWM, internal policies provide guideposts for action. The major elements are our corporate policy, the regulations on decision-making authorities, our delegation guidelines, the articles of association and by-laws, the business distribution plan, the guideline for the organisation of management board resolutions, and our policies for financial transactions and the management of shareholdings.

In the core Group, the Group Governance & Compliance staff unit – hereinafter also called “Compliance function” – addresses the topic of corporate governance from an overarching perspective. The Management Board’s corporate office supports them in this task. Various management systems exist for risk, shareholdings, compliance, and information security management. The guideline on the Compliance Management System (CMS) at SWM Group defines the organisation and operation of the CMS. Our CMS has been aligned with the Principles of Proper Audit of Compliance Management Systems promulgated by the Institute of Public Auditors in Germany (IDW) and covers three levels of action: prevent, identify, and react. Compliance and data protection audits are carried out approximately once or twice per year. In addition, Group Internal Audit regularly performs audits. In 2021, an independent accounting firm audited the design, adequacy, implementation, and effectiveness of our CMS for the risk areas of data protection, money laundering, and fraud in accordance with the requirements of the IDW PS 980 standard. The audit resulted in an unqualified positive assessment and is to be repeated in 2026.

While the topic of corporate governance has been organisationally centralised in the core Group, decentralised management has been implemented in most of our shareholdings. Centralised policies also exist for relevant units that serve the purpose of shareholding support, management, and controlling by SWM.

Fairness and compliance at Stadtwerke München

It goes without saying that we comply with all legal regulations. The entire Group and especially the SWM Management Board see this as their responsibility vis-à-vis customers, employees, citizens, the City of Munich in its capacity of our shareholder, and the expert authorities.

When it comes to responsibilities, we pursue a top-down approach. The responsibility for compliance has been assigned to the Management Board of Stadtwerke München GmbH and/or the top executives of SWM Group. According to the business distribution plan, the Chief Executive Officer holds the departmental responsibility for compliance.

On behalf of the CEO, the senior executives heading the Group Governance & Compliance staff unit are responsible for the CMS. The Compliance Officer compiles annual activity reports to inform the Management Board of Stadtwerke München GmbH, the top executives of SWM Group, and the supervisory board bodies of SWM. The Compliance Officer also performs the function of Human Rights Officer.

In our organisation, compliance covers the following areas of activity: data protection law, anti-trust law, prohibition of insider trading and market manipulation, prevention of money laundering and terrorist financing, sanctions against individuals, the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz; LkSG), prevention of corruption and property offences, and prevention of collusive tendering. We do not tolerate corruption or other unfair competitive practices, we pursue a transparent approach to donations and sponsoring that complies with our internal policies, and we are careful in our handling of personal data. In 2023, no internal corruption incidents were reported at SWM.

The focus of our compliance activities is on preventive measures aimed to ensure that violations do not occur in the first place. For example, training workshops or an e-learning module, which was revised in 2021, are offered to increase all employees’ awareness of compliance issues. Face-to-face workshops focus on employees who may typically encounter compliance issues in the performance of their tasks (e.g. those dealing with external contractors). Internal preventive measures and remedial actions have also been established with respect to the LkSG. Our current compliance training sessions and the compliance e-learning module are progressively being expanded to include human-rights and environment-related issues. Awareness-raising measures such as the Compliance Newsletter and dedicated training sessions serve the purpose of familiarising employees in relevant organisational units with our human-rights strategy, the LkSG rules and

regulations, and the associated processes to allow them to subsequently put these concepts into practice. New employees are informed about the compliance/data protection organisation and regulations as well as the goals and content of compliance/data protection within the framework of onboarding sessions. Furthermore, SWM offers training to relevant units on occupational safety and various environmental issues such as waste management or water protection.

We publish all relevant policies, rules of procedure, and application guides on our intranet, along with additional information on training options, newsletters, and guidelines. In addition to pertinent newsletter articles, we issued practical application guides on the LkSG on 1 January 2023. Employees can use these documents to read up on the specific requirements resulting from the new law and the way they are being implemented at SWM.

Our Code of Conduct assigns responsibility to all employees and makes it clear that we respect the law, draw attention to violations of laws and rules, and assume responsibility for compliance with rules and regulations. In addition, we act in the interest and for the benefit of SWM, adopt a cooperative and partnership-oriented approach, take decisions with due diligence, and acknowledge our responsibility for the environment and society. This includes our clear commitment to both the energy transition and sustainability in the supply chain. Moreover, the Code of Conduct regulates confidentiality obligations, the handling of conflicts of interest, and dealing with customers, business partners, and other third parties.

Employees are directed by the Code of Conduct to report potential suspicions of compliance violations they note. Apart from speaking to their manager, the Group Governance & Compliance staff unit is available to them as an internal whistle-blower contact. Alternatively, an attorney who has been appointed as an external ombudsperson can be contacted. Compliance violation tips may also be submitted anonymously. In addition, both whistle-blowers and individuals affected by such information are protected and their rights are safeguarded. Since 1 January 2023, our whistle-blower system has also included the complaint procedure stipulated under the LkSG. The individuals responsible, the contact data of the internal whistle-blower contact unit and the ombudsperson, as well as the rules of procedure including information on responsibilities and reporting procedures are available in German and

English on the websites of Stadtwerke München GmbH, SWM Infrastruktur GmbH & Co. KG, and Münchner Verkehrsgesellschaft mbH (MVG). We pursue all suspicions of which we gain knowledge consistently and without any exceptions. If a conclusiveness check and subsequent compliance analysis or compliance investigation find that internal rules and regulations and/or statutory requirements have indeed been violated, suitable actions will be recommended and are then implemented by the business units affected. Where there is reasonable suspicion that a criminal offence has been committed, we will additionally file an official complaint with the police.

Because changes may occur in the legal environment, case law, and authorities' specific decisions as well as SWM's risk position and structure, we continuously update our CMS. Our goals for 2024 include the further development of the processes for the implementation of the German Supply Chain Due Diligence Act (LkSG). Furthermore, our plans for 2024 provide for the procurement of a software solution that is to be used additionally within the framework of the whistle-blower system in order to overcome potential language barriers on the part of potential whistle-blowers.

Our implementation of the LkSG is dependent on the existing management systems, with the CMS playing a key role. While the methodological responsibility is embedded centrally in the Compliance function and most requirements have been integrated into the existing CMS, implementation is the responsibility of the Compliance Officers in the respective business segments. From 2023 onwards, the effectiveness of the preventive measures, the remedial actions, and the complaint procedure will be reviewed as part of the annual compliance audits.

In accordance with the CMS directive, the Human Rights Officer annually and as warranted reviews the effectiveness of the preventive measures, remedial actions, and complaint procedure and monitors the risk management. In 2023, this review and monitoring task was carried out in the form of a compliance audit with external support. The goal was to comply with the legal obligations regarding (continuous) risk management monitoring and the annual effectiveness review in a manner that is legally watertight and audit-proof. In sum, it can be noted that most of the statutory due diligence duties have already been implemented correctly, but more specific risk capturing is still required.

Another key element is company-wide LkSG risk management, which essentially comprises overarching risk controlling, central compliance management, decentralised compliance management, and the LkSG-specific risk management of the Central Purchasing department.

The risk analysis regarding human-rights and environment-related risks in SWM's own area of business that was carried out in the year under review covered the core Group and dominantly influenced shareholdings. This analysis identified various risks, e.g. with respect to potential unequal treatment in employment, violation of the non-discrimination principle or damage to employees' health due to insufficient safety standards in the setup and maintenance of workplaces. To the extent to which adequate risk mitigation arrangements have not yet been adopted and implemented, recommendations for risk-reducing measures were issued.

The Management Board of Stadtwerke München GmbH and top executives of SWM Group drew up a policy statement on the human-rights strategy of Stadtwerke München GmbH, SWM Services GmbH, and Münchner Verkehrsgesellschaft mbH (MVG) and published this document on 1 January 2023. In this policy statement, we describe the procedures by which we ensure end-to-end respect of human rights in our own business area and at our suppliers. The policy statement will be updated in 2024.

Sustainability in the supply chain

Alongside our customers, our suppliers are a second important stakeholder group. We are aware of our associated responsibility for human rights and social and environmental sustainability in the supply chain and are increasingly focusing on the topic of sustainability in our cooperation with suppliers. This complies with numerous stakeholder requests: a resolution in principle on the implementation of the climate targets adopted by the Department for Climate and Environmental Protection of the City of Munich, our customers' demands, and the requirements arising from the CSRD and other EU rules and regulations.

In 2023, we designed a supply chain sustainability strategy. It is based on an extensive, two-stage materiality analysis, the first step of which was a conventional survey to identify the key sustainability issues for the supply chain. In this exercise, we identified

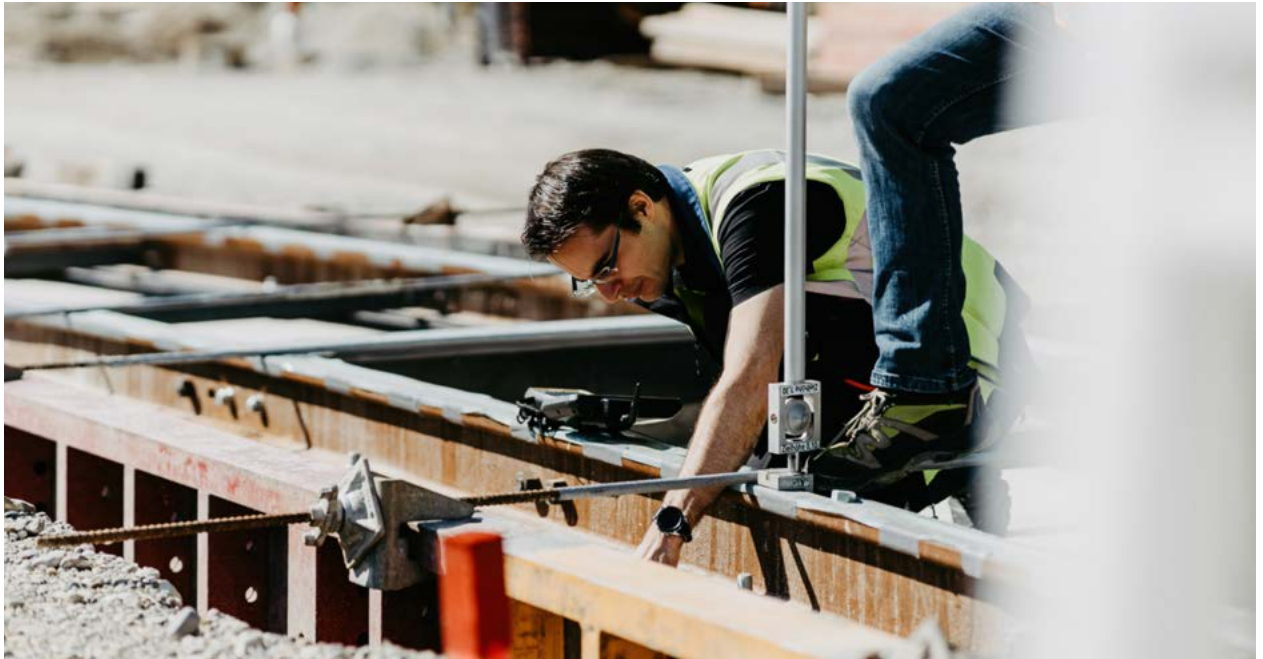
the three subject areas of "climate", "circular economy", and "human rights & working conditions" as the key sustainability issues for our supply chain. In a second step, we organised workshops with each individual purchasing and logistics team where we linked these topics to procurement and logistics activities with a view to deriving goals, trajectories, KPIs, and measures. In 2024, they will be further operationalised together with the SWM sustainability strategy and aligned within the organisation with the individual business units. In addition, we identified strategic product groups that also play a key role for sustainable supply chain management in 2023. In 2024, a cascading supply chain analysis will be performed for selected product groups, the goal being to find out with whom our suppliers collaborate, where their raw materials come from, and what recycling share they achieve for materials and products.

Independently from these strategic considerations, we launched several pilot projects in 2023 to test specific contract award criteria directly in tender procedures, ask suppliers about their compliance with requirements within the framework of market surveys, and embark on a general dialogue on sustainability with our suppliers. Cooperation with our suppliers is very important to us because we are convinced that this is an essential prerequisite for making our external value added more sustainable.

Business partner compliance

Not only are the members of our organisation expected to adhere to all applicable laws, but the same holds true for our suppliers and other external business partners. Business partner compliance is an integral part of our CMS and comprises our Business Partner Code of Conduct and the business partner compliance review.

The Business Partner Code of Conduct, which went into effect in 2020 and was updated with effect from 1 January 2023, spells out the most important principles for legally correct, responsible, and ethical behaviour that we require of business partners and see as an essential basis of our cooperation as partners. The Business Partner Code of Conduct contains principles on human rights, child and forced labour, employee rights, environmental protection, raw material procurement, anti-corruption, money laundering and terrorist financing, export and import controls, sanctions, conduct in competition, and business ethics, as well as data protection and handling of information. In the event of violations of these principles by business partners, we reserve the right to critically review the



business relationship. Existing and new direct suppliers are informed about our Business Partner Code of Conduct. Depending on the identified human-rights and environment-related risks according to the German Supply Chain Due Diligence Act (LkSG), the contribution to these risks, and SWM's ability to influence the party directly responsible for these risks in its role of purchaser, our Business Partner Code of Conduct – or an equivalent code of conduct prepared by the supplier – will be incorporated as a mandatory element in our contracts and supplemented by LkSG-specific, more concrete contractual obligations such as agreements on passing on these codes. In this context, we demand that direct suppliers comply with the human-rights and environment-related requirements in their own area of business and also duly communicate them to their respective upstream suppliers.

The introduction of a high-level business partner compliance review has established a risk-oriented, software-based business partner assessment process at both the Central Purchasing department and all other relevant business units (e.g. Trade, Sales). The assessments cover both new and already existing contractual and business relationships. In the business partner compliance review, we also check all active suppliers for violations of the sustainability aspects defined in our Business Partner Code of Conduct. If we identify any violations, we launch a clearly targeted examination and

define remedial actions. Private end/residential customers are exempt from the business partner review. The entire business partner review process and the assessment of findings are automatically stored in the due diligence software in accordance with the applicable data protection requirements. Details on tasks, processes, and responsibilities are governed by our Business Partner Compliance Policy and our Anti-Money Laundering and Terrorist Financing Policy and the associated rules of procedure.

The LkSG risk analysis of our business partners has been integrated into our existing business partner compliance review. This means that SWM's business segments perform risk analyses for direct business partners. They satisfy the requirements of the policies for business partner compliance and for money-laundering and terrorism-financing prevention. Prior to entering into business relationships, we conduct a specific, risk-based LkSG audit for potential business partners based on the due diligence software used for the business partners compliance review. Continuous automated monitoring of existing business partners ensures that SWM is also informed about any new LkSG risks emerging during the ongoing business relationship. The following risk factors determine the assessment of a business partner's overall risk (low, medium, or high): country (registered office), industry, and order volume. Indices are used for the classification in the "country" and "industry" categories.

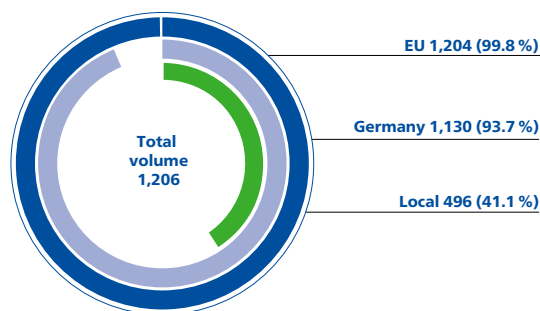
SWM AS A PURCHASER

In the 2023 financial year, we purchased goods and services with a total value of slightly under EUR 1.206 billion from 6,425 active suppliers.¹⁾ This procurement volume can be broken down as follows: construction and engineering services (26.12%), vehicles and delivered goods (24.90%), and IT and services (42.70%). One important aspect of sustainability in the supply chain is our defined goal to foster the local economy and small and medium-sized enterprises. Local sourcing, which SWM defines as sourcing in the southern Bavarian region where postal codes start with the number 8, accounts for a volume of EUR 496 million (41.09%), distributed among 2,685 suppliers.

¹⁾ Indirect purchasing, excluding energy providers

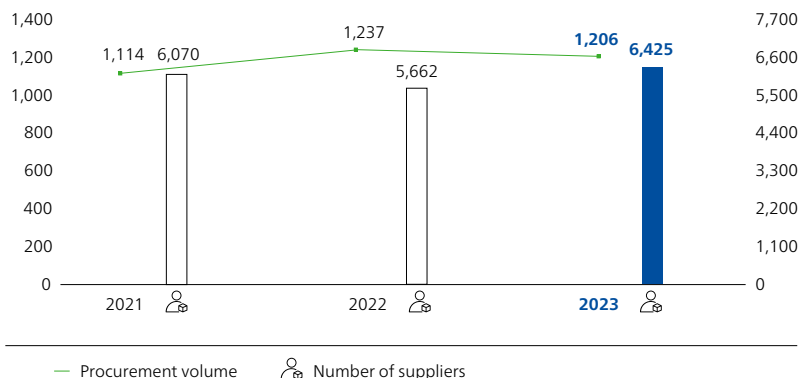
Procurement volume by regions in 2023

in EUR million



Procurement volume¹⁾

in EUR million



¹⁾ The procurement volume shown refers to the purchasing-related invoice volume disbursed within one year. It includes only the contracts concluded by Central Purchasing and no trading transactions. This means that this procurement volume is only a subset of the cost of materials shown in the balance sheet.

Further steps of the audit include the use and assessment of a risk-oriented media check (adverse media) and compliance questionnaires, if required. Depending on the individual case, we will instigate further preventive measures or define remedial protocols. If, for example, an (imminent) violation of human-rights or environment-related obligations is identified, we will urge the supplier to ensure that the breach of duty is prevented, terminated, or at least minimised in the near future. If a breach of duty cannot be stopped in the foreseeable future, we will immediately draw up and implement what is known as a "remedial protocol" (including a timeline) for the termination or minimisation of the breach of duty. This staged approach ensures that we enter into a solution-finding dialogue with the affected supplier in the event

of a (potential) breach of duty and are forced to terminate the business relationship only in exceptional cases.

The LkSG risk analysis conducted in the Central Purchasing department in the year under review revealed that the majority of our direct suppliers are exposed to low abstract country risks, which is due to their regional character. In the first step, we used the due diligence software to classify a total of 10,405 suppliers (as of: 22 December 2023) into one of three categories (high, medium, low) depending on the respective country and industry risks based on recognised indices such as the Global Slavery Index. In this process, certain industry risks were corrected again when the company in question had its registered office in Germany. This exercise resulted in 43 high,

2,962 medium, and 7,400 low risk cases. It should be noted that country risks were low (0 % high, 1 % medium, and 99 % low country risk), while industry risks do exist at some of our suppliers despite consideration of the fact that they have their registered office in Germany (10 % high, 18 % medium, 72 % low industry risk). The top five risk industries among our suppliers are:

- ▶ provision of information technology services;
- ▶ wholesale (excluding motor vehicles);
- ▶ manufacture of electrical equipment;
- ▶ mechanical engineering;
- ▶ retail (excluding motor vehicles).

In the second step, the specific risk analysis in particular revealed the risk of harmful environmental impacts due to illegal waste disposal and the disregard of occupational safety regulations at suppliers.

As a basic principle, the Central Purchasing department is pursuing an avoidance strategy: the first response to identified risks is to examine whether an alternative procurement source exists. If this is not the case or if we are in tender proceedings, suitable risk mitigation measures are initiated. The measures:

- ▶ Internal analyses
- ▶ Information and evidence collection via questionnaires
- ▶ Agreement on contractual provisions such as a commitment to comply with the Business Partner Code of Conduct of Stadtwerke München by means of a letter of intent. All our potential suppliers are made aware of this code as a basic principle. If a supplier does not agree to compliance with our code, there is the possibility to incorporate an equivalent code prepared by the supplier into the contractual arrangement by concluding a recognition agreement.
- ▶ Blocking of risky suppliers in SAP to prevent the placement of orders until the review has been completed and the supplier has been cleared by the Central Purchasing department.

Competition

We also rely on preventive measures with respect to anti-trust legislation. Specific requirements in our Code of Conduct, the compliance training workshops, and continuous legal counsel – e.g. for contract design – aim at possibly avoiding violations even before they occur. Even though we ourselves do not violate anti-trust legislation, collusion by third parties may cause us harm. In tight markets, in particular, the risk of collusion among third parties exists in tendering. In the event of anti-trust-induced damage, we examine whether we should file damage claims. The requirements for the German Competition Register have been implemented as stipulated.

Political engagement

Our business is subject to strong regulatory influences. EU legislation (or its transposition at the national level) is relevant here, as are laws and measures adopted at the federal, state, and local levels.

Like the previous year, 2023 was again dominated by Russia's war of aggression against Ukraine and its repercussions on the energy-policy and economic agenda. In response to the high energy costs, the European Commission proposed a reform of the EU electricity market design in March 2023, which was adopted within one year. This reform includes a strengthening of long-term contracts to hedge against short-term market fluctuations and a price crisis mechanism that permits state intervention in the market under special circumstances characterised by very high and volatile price developments. A further focus was on the completion of the consultations and interinstitutional negotiations on the various files of the "Fit for 55" package that is to realise the EU's climate target for 2030, i.e. a 55 % emission reduction compared to 1990. For example, agreements were reached in the reform of the European Emission Trading System including certificate trading for the areas of buildings and transport, and on amendments to the Renewable Energy and Energy Efficiency Directive and the gas decarbonisation package, the regulations of which directly affect SWM.

Another topic that is particularly relevant for us is the redesign of the electricity market that was to be defined in the Climate-Neutral Electricity Market System Platform to achieve the transformation of the existing energy system into an electricity system based on renewable energies. SWM participated in the Climate-Neutral Electricity Market System Platform. For short-term generation of sufficient output after the shutdown of nuclear power plants and the exit from coal-fired electricity generation, the German Federal Ministry for Economic Affairs and Climate Action is working on a power plant strategy that is to install 10 gigawatts of output that can be used to cover base loads by 2030.

Further political events occurred in the year under review that might have an impact on the business segments of SWM:

- ▶ At the national level, the German federal government was initially still dealing with various corrections of the energy price cap legislation and its implementation in 2023.
- ▶ In the decarbonisation of the heating supply, the Buildings Energy Act (Gebäudeenergiegesetz; GEG) and the Municipal Heat Planning Act (Wärmeplanungsgesetz; WPG) were on the agenda in 2023.
- ▶ With the national hydrogen strategy and the third amendment to the German Energy Industry Act (Energiewirtschaftsgesetz; EnWG), the German federal government has set the stage for the hydrogen core network that is to speed up the ramp-up of the hydrogen industry in Germany.
- ▶ The Solar Package I aims to accelerate photovoltaics expansion in rural and urban areas. To achieve the target of 215 gigawatts of photovoltaics by 2030, the annual addition of new plants is to be tripled, from 7.5 gigawatts in 2022 to 22 gigawatts in 2026. However, the Solar Package I has not yet been finalised.

The decision of the German Federal Constitutional Court (Bundesverfassungsgericht; BVerfG) pronouncing the 2021 supplementary budget to be void had substantial repercussions on the financing of the energy, heating, and mobility transitions, with long-lasting consequences. Since the court ruling prevented the shift of EUR 60 billion of undrawn loans for the handling of the Covid-19 crisis to the Climate and Transformation Fund and the German Federal Ministry for Economic Affairs and Climate Action subsequently also closed the Economic Stabilisation Fund, there is now a substantial lack of funding for the energy, heating, and mobility transitions.

Given the crucial importance of legislation for our business, we engage in a supporting role in the political discussions on planned legislation at the EU, the German federal, and the German state levels. We publish public statements on particularly important issues or decisions. SWM is registered in the respective transparency/lobby registers under the following numbers:

- ▶ Lobby Register Number (Bavaria): DEBYLT0164
- ▶ Lobby Register Number (national): R000611
- ▶ Transparency Register Number (Brussels): 17284292859-45

Our positions and approaches in this dialogue are solely based on principles that are sound from an energy-sector and macroeconomic perspective. Proprietary fundamental models for the energy sector provide an objective data basis for our reasoning. Of course, we adhere to all requirements of our Code of Conduct and all applicable compliance rules in the political sphere, too. With our political engagement, we intend to generate greater awareness of our interests and concerns, especially with respect to the implementation of our renewable energies expansion campaign, the expansion of geothermal energy, and the importance of local public transport for the mobility transition. In addition, our political engagement enables us to communicate developments in the Group and prepare ourselves for the relevant changes early on.

Data protection and information security

Our business activities regularly involve personal data. We handle these data responsibly and in compliance with the EU General Data Protection Regulation. We actively provide transparent and comprehensible information to our customers on the processing of their data and their rights. Our Data Protection Notice is available to the public for inspection at <https://www.swm.de/datenschutz/swm-gmbh>. If we wish to process personal data for any purpose not listed in this Data Protection Notice, we notify our customers thereon separately in accordance with the statutory requirements. Internally, we address the issue in our Code of Conduct. Similarly, data protection is the topic of an e-learning module for our employees that is used throughout the Group.



The topic of data protection is organisationally integrated in our Compliance function. In addition, there are decentralised contacts in the form of data protection coordinators and data protection specialists, who support the central Compliance function. Data protection coordinators process and coordinate inquiries by affected parties from the various business segments. Data protection specialists update the processing register, report any data protection incidents, and are the first responders for the business units when it comes to initial data protection reviews.

Our Data Protection unit prioritises the support of internal projects in which data protection plays a major role. One example is the development of digital business models such as M-Login. In addition, Data Protection addresses the implementation of data protection requirements in our organisation, e.g. the projects implementing the EU General Data Protection Regulation, the project aimed at developing Group-wide data

deletion and blocking strategies, or the purchase of data protection management software. In this context, the large number of Group projects with data protection relevance is a challenge. This also applies to documentation requirements under the EU General Data Protection Regulation.

Various audits regularly verify whether data protection regulations have been implemented properly in the company. The Information Security Officer carries out security audits, while the Compliance function is responsible for data protection audits. In addition, the Management Board of Stadtwerke München GmbH tasks Group Internal Audit with data protection and IT security audits in its annual internal audit plan. We handled data protection violations recorded during 2023 as stipulated in the rules and regulations and reported them to the competent data protection agency in all cases that were subject to reporting obligations.

About this report

This is the fifth Sustainability Report published by Stadtwerke München (SWM). It is built on the internationally accepted reporting framework defined by the “Global Reporting Initiative Standards”, which we used as a guideline for the materiality analysis we conducted, the description of the management approaches, and the underlying classification of information into general or specific. In addition, we adhered to general reporting principles: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and auditability. This report has been prepared with reference to the current GRI Standards of 2021.

The reporting period matches the financial year, which ran from 1 January 2023 to 31 December 2023. The editorial deadline for this report was 30 June 2024. The report is updated annually. Based on the information currently available, 2025 will be the first financial year for which reporting in compliance with CSRD rules will be mandatory.

As a basic principle, all information refers to SWM in its entirety with all its business segments. Individual chapters deviate from the above-mentioned reporting period in the sections indicated. Any information and presentations of strategies and approaches in the individual chapters that refer to different units are moreover indicated accordingly.

Impact inside/outside the organisation

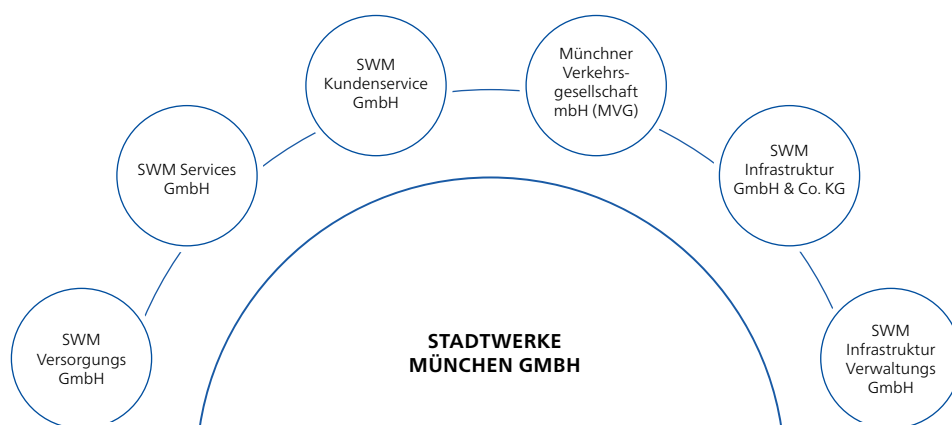
Key topic	Relevance		Relevant GRI standard
	Inside the organisation	Outside the organisation	
Society			
Social responsibility		x	GRI 201 – Economic Performance 2016 GRI 203 – Indirect Economic Impacts 2016 GRI 413 – Local Communities 2016
Products and services			
Provision of essential services		x	GRI 203 – Indirect Economic Impacts 2016 GRI 301 – Materials 2016 GRI 302 – Energy 2016 GRI 303 – Water and Effluents 2018
Product responsibility		x	GRI 203 – Indirect Economic Impacts 2016 GRI 301 – Materials 2016 GRI 302 – Energy 2016 GRI 305 – Emissions 2016 GRI 416 – Customer Health and Safety 2016
Environment			
Energy	x	x	GRI 302 – Energy 2016
Emissions	x	x	GRI 305 – Emissions 2016
Raw materials and supplies	x		GRI 301 – Materials 2016
Water	x	x	GRI 303 – Water and Effluents 2018

Key topic	Relevance		Relevant GRI standard
	Inside the organisation	Outside the organisation	
Employees			
Working conditions	x		GRI 401 – Employment 2016 GRI 402 – Labour/Management Relations 2016 GRI 405 – Diversity and Equal Opportunity 2016 GRI 406 – Non-discrimination 2016 GRI 407 – Freedom of Association and Collective Bargaining 2016 GRI 408 – Child Labor 2016 GRI 409 – Forced or Compulsory Labour 2016
Training and education	x	x	GRI 404 – Training and Education 2016
Occupational health and safety	x		GRI 403 – Occupational Health and Safety 2018
Diversity and equal opportunity	x	x	GRI 202 – Market Presence 2016 GRI 405 – Diversity and Equal Opportunity 2016
Corporate Governance			
Value creation	x	x	GRI 201 – Economic Performance 2016 GRI 204 – Procurement Practices 2016 GRI 308 – Supplier Environmental Assessment 2016 GRI 408 – Child Labour 2016 GRI 409 – Forced or Compulsory Labour 2016 GRI 414 – Supplier Social Assessment 2016
Compliance	x	x	GRI 205 – Anti-corruption 2016
Data protection	x	x	GRI 418 – Customer Privacy 2016
Competition		x	GRI 206 – Anti-competitive Behaviour 2016
Political contributions	x	x	GRI 415 – Public Policy 2016

Data collection and compilation

Unless otherwise indicated, the following principles apply to all key performance indicators and data points throughout the entire report. This Sustainability Report covers all companies that were part of the SWM core Group in the year under review: Stadtwerke München GmbH, Münchner Verkehrsgesellschaft mbH, SWM Versorgungs GmbH, SWM Services GmbH, SWM Kundenservice GmbH, SWM Infrastruktur GmbH & Co. KG, and SWM Infrastruktur Verwaltungs GmbH.

In addition, reference is made to shareholdings in sections as is applicable. The collection period for the data published is 1 January 2023 to 31 December 2023. Accordingly, the basis of the previous year's data is shifted by one year each. The content is based on a materiality analysis that was performed within the context of initial report preparation in 2019 and has been checked annually since then to determine whether there is any need for adjustment. The material topics identified are presented extensively in the report. All data has been collected carefully, but transmission errors cannot be ruled out.



The persons covered by the term "employees" in this report do not include trainees, interns, seasonal workers, and staff members whose contracts are dormant. Information on the workforce is provided on a per-capita basis.

Editorial note

Apart from carbon dioxide (CO₂), the list of climate-damaging greenhouse gases that must be included in a greenhouse gas inventory as carbon dioxide equivalents (CO₂e) under the internationally recognised standard of the Greenhouse Gas Protocol also includes gases such as methane (CH₄) and sulphur hexafluoride (SF₆). In this report, we also consider CO₂ equivalents in most cases.

In general terms such as "CO₂ neutral", "CO₂ compensation", or "CO₂ offsetting", we use the abbreviation CO₂ for the sake of simplicity, even though we mean CO₂e.

Rounding of amounts or percentages to the nearest whole number may lead to differences from the actual figures. Forward-looking statements made in this report are based on internal assessments of future developments, which are subject to uncertainties and may not be under the control of Stadtwerke München. This report is published in German and English. In the event of deviations, the German version prevails.

GRI content index

Statement of use

Stadtwerke München GmbH has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI Standard used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Page number(s)	Comments/omissions
General Disclosures			
GRI 2: General Disclosures 2021			
Organisational Profile and Reporting Practice			
GRI 2-1	Organisational details	p. 6	Stadtwerke München GmbH Emmy-Noether-Strasse 2 80992 Munich Germany
GRI 2-2	Entities included in the organisation's sustainability reporting	p. 74	
GRI 2-3	Reporting period, frequency, and contact point	pp. 72, 75	The reporting period is January 2023 to December 2023. Reports are prepared annually. Contact point for questions regarding the report: Natascha Lung, Marketing and Communication
GRI 2-4	Restatements of information		New definitions, calculation methods, or scopes considered are, if necessary, described in footnotes to the respective indicators or in the text of this report.
GRI 2-5	External assurance		No external review has been performed.
Activities and Employees			
GRI 2-6	Activities, value chain, and other business relationships	p. 4 et seqq., pp. 17–31	See Annual Report, pp. 4–19, p. 25 et seqq., pp. 30–34
GRI 2-7	Employees	pp. 49–61	
GRI 2-8	Workers who are not employees	p. 50 et seqq., pp. 56, 66 et seqq.	
Governance			
GRI 2-9	Governance structure and composition	p. 9	See Annual Report, pp. 70–71
GRI 2-11	Chair of the highest governance body		See Annual Report, p. 70
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	pp. 63–64	
GRI 2-13	Delegation of responsibility for managing impacts	pp. 63–64	
GRI 2-14	Role of the highest governance body in sustainability reporting	p. 9	
GRI 2-19	Remuneration policies		See Annual Report, p. 63

GRI Standard	Disclosure	Page number(s)	Comments/omissions
Strategy, Policies, and Practices			
GRI 2-22	Statement on sustainable development strategy	pp. 2–3	
GRI 2-24	Embedding policy commitments	pp. 17 et seq., 69–71	
GRI 2-25	Processes to remediate negative impacts	pp. 58, 63–70	
GRI 2-26	Mechanisms for seeking advice and raising concerns	pp. 58, 63–71	
GRI 2-27	Compliance with laws and regulations		We are not aware of any incidences of non-compliance with environmental laws and/or regulations. Similarly, we are not aware of any incidences of non-compliance of laws and regulations in the social or economic realm.
GRI 2-28	Membership associations		<p>Selection:</p> <ul style="list-style-type: none"> – 8KU cooperation of eight energy companies – Energy Efficiency Association for Heating, Cooling, and CHP (AGFW) – German Association of the Energy and Water Industries (BDEW) – German Geothermal Association (BVG) – German Fibre-optic Association (BUGLAS) – German Association of the Information and Telecommunication, and New Media Industries (BITKOM) – German Association of Offshore Wind Energy Operators (BWO) – German Chamber of Industry and Commerce – German Association of the Gas and Water Industries (DVGW) – EU DSO Entity – Euroheat&Power – The International Association of Public Transport (UITP) – Association of German Transport Companies (VDV) – German Association of Local Public Utilities (VKU) – Economic Advisory Council of the Union (WBU) – Business Association of the German Social Democratic Party – Business Association of the German Green Party
Stakeholder Engagement			
GRI 2-29	Approach to stakeholder engagement	pp. 10–13	
GRI 2-30	Collective bargaining agreements	p. 56	

GRI Standard	Disclosure	Page number(s)	Comments/omissions
GRI 3: Material Topics 2023			
GRI 3-1	Process to determine material topics	pp. 10–13	
GRI 3-2	List of material topics Society Social responsibility Products and services Provision of essential services Product responsibility Environment Energy Emissions Raw materials and supplies Water	Employees Working conditions Training and education Occupational health and safety Diversity and equal opportunities Corporate Governance Value creation Compliance Data protection Competition Political engagement	
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 17–31	See Annual Report, pp. 53–55, p. 59
GRI 201: Economic Performance 2016	GRI 201-1 Direct economic value generated and distributed		See Annual Report, pp. 53–55, p. 59
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	p. 28 et seq.	
	GRI 201-3 Defined benefit plan obligations and other retirement plans		See Annual Report, pp. 53–55, p. 59
Market Presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 54–59	
GRI 202: Market Presence 2016	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage		We pay our employees in accordance with various collective bargaining agreements – and they receive at least the statutory minimum wage.
Indirect Economic Impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 14, 17 et seq.	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	pp. 4–6, 14, 17–31, 36–44	
Procurement Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 66–71	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	pp. 67 et seq.	

GRI Standard	Disclosure	Page number(s)	Comments/omissions
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 63–66	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	pp. 64–66	
	205-2 Communication and training about anti-corruption policies and procedures	pp. 64–66	
	205-3 Confirmed incidents of corruption and actions taken	pp. 64–66	No incidents of corruption were reported at SWM in 2023.
Anti-competitive Behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 64–69	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		SWM was not involved as a party in any legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 21 and 68	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		For information on this matter, please see the Consolidated Environmental Statement of the Technology division of Stadtwerke München.
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 14, 33 et seq.	
GRI 302: Energy 2016	301-1 Materials used by weight or volume	p. 35	
	301-2 Recycled input materials used	p. 20	
Water and Effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 9, p. 14 et seq. pp. 17, 22, 33	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 4 et seq. 14–15, 17, 22, 26–27, 33, 39 et seqq. and 44 et seqq.	
	303-2 Management of water discharge-related impacts		Sewage management is not handled by SWM, but by Münchner Stadtentwässerung, another public-sector company owned by the City of Munich.
	303-3 Water withdrawal	pp. 5, 42, 45	
	303-4 Water discharge	p. 22	
	303-5 Water consumption	p. 45	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 9, 33 et seq.	

GRI Standard	Disclosure	Page number(s)	Comments/omissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 37	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 37	
	305-3 Other indirect (Scope 3) GHG emissions	p. 37	
	305-5 Reduction of GHG emissions	p. 35 et seqq.	
Supplier Environmental Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 64–70	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 67 et seq.	
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 66	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 14, 49–61	
GRI 401: Employment 2016	401-1 New employee hires and employee turn-over	p. 55	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 56–57	Company benefits are provided to all employees of SWM – including temporary employees to the extent to which Articles 12 and 8 of the German Temporary Employment Act (Arbeitnehmerüberlassungsgesetz, AÜG) are applicable and implemented by the labour leasing company.
	401-3 Parental leave	p. 56	
Labour/Management Relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 49 et seq., 54 et seq.	
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		We inform our employees as timely as possible regarding organisational changes.
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 60–61	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 60	
	403-2 Hazard identification, risk assessment, and incident investigation	pp. 60–61	
	403-3 Occupational health services	pp. 60–61	
	403-4 Worker participation, consultation, and communication on occupational health and safety	pp. 60–61	
	403-5 Worker training on occupational health and safety	pp. 60–61	
	403-6 Promotion of worker health	p. 60	
	403-8 Workers covered by an occupational health and safety management system	pp. 60–61	
	403-9 Work-related injuries	pp. 60–61	

GRI Standard	Disclosure	Page number(s)	Comments/omissions
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 49 et seqq.	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 53	
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 49 et seqq.	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 57 et seqq.	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	pp. 51, 58	
	405-2 Ratio of basic salary and remuneration of women to men		We pay our employees in accordance with various collective bargaining agreements – and they receive at least the statutory minimum wage. No distinction between men and women is made in this respect.
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 57 et seqq.	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		Equal opportunity officers responsible for this issue have been appointed in all divisions. Isolated discrimination incidents were reported in the year under review. They were reviewed, and the necessary measures were implemented.
Freedom of Association and Collective Bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 54 et seqq.	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		We are not aware of any operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.
Child Labour			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 66 et seq.	Business Partner Code of Conduct https://www.swm.de/dam/doc/english/business-partne-code-of-conduct.pdf Code of Conduct https://www.swm.de/dam/doc/english/code-of-conduct.pdf
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour		We are not aware of any operations or suppliers that are at a significant risk for incidents of child labour.

GRI Standard	Disclosure	Page number(s)	Comments/omissions
Forced or Compulsory Labour			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 66 et seq.	Business Partner Code of Conduct https://www.swm.de/dam/doc/english/business-partne-code-of-conduct.pdf
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		We are not aware of any operations or suppliers that are at significant risk for incidents of forced or compulsory labour.
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 14, 17 et seq., 20, 23, 25, 27 et seq.	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	pp. 14, 17 et seq., 20, 23, 25, 27 et seq.	
Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 64–68	Business Partner Code of Conduct https://www.swm.de/dam/doc/english/business-partne-code-of-conduct.pdf
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 66 et seq.	
	414-2 Negative social impacts in the supply chain and actions taken	p. 66	
Public Policy			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 69–70	
GRI 415: Public Policy 2016	415-1 Political contributions		Political parties do not receive any contributions from SWM.
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 17, 22, 26, 52	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 22	We are not aware of any violations regarding health and safety impacts of products and services.
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 66	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 66	

Contact and imprint

Publisher

Stadtwerke München GmbH
Emmy-Noether-Strasse 2
80992 Munich, Germany

Phone: +49 (0) 800 796 796 0
E-Mail: info@swm.de
www.swm.de/english

Editors:

SWM,
Kirchhoff Consult GmbH,
Hamburg, Germany

Consulting, design and implementation:

Kirchhoff Consult GmbH,
Hamburg, Germany

Picture credits

Cover

Dmitry Rukhlenko/fotolia.com

Inside pages

U2	SWM/Andreas Leder
p. 03	Stefanie Aumiller
p. 04	Top picture: MarcelStrelow/istockphoto.com Energy picture: Eloi_Omella/istockphoto.com Water picture: Yarinca/istockphoto.com Mobility picture: SWM/Jan Saurer Telecommunications picture: pikselstock/stock.adobe.com Public pools picture: monkeybusinessimages/istockphoto.com
p. 06	markus/stock.adobe.com
p. 07	Bottom picture left: SWM/Steffen Leiprecht Bottom picture right: Budimir Jevtic/stock.adobe.com
p. 08	no_limit_pictures/istockphoto.com
p. 10	Bernd Schmidt/stock.adobe.com
p. 12	NDABCREATIVITY/stock.adobe.com
p. 16	SWM/Jan Schmiedl
p. 23	Top picture: MVG/Wolfgang Wellige Bottom picture: SWM/Jan Saurer
p. 24	MVG/Robert Haas
p. 25	SWM/MVG
p. 27	Dobрила Vignjevic/istockphoto.com
p. 29	Top picture: napa74/stock.adobe.com Bottom picture: Maryana Serdynska/istockphoto.com
p. 30	gorodenkoff/istockphoto.com
p. 32	SWM/Claudia Leifert
p. 34	Top picture: Claudia Leifert Bottom picture: gibavision/fotolia.com
p. 35	SWM/Marcus Schlaf
p. 36	SWM/Giglio Pasqua
p. 38	SWM/wpd europe
p. 40	SWM/Marcus Schlaf
p. 41	SWM/Manuel Uebler
p. 42	Top picture: SWM/Oliver Heissner Bottom picture: SWM/Oliver Heissner
p. 43	Jan Schmiedel
p. 44	Paul Bradbury/gettyimages.de
p. 45	pikselstock/stock.adobe.com
p. 46	Top picture: DEW2000/stock.adobe.com Bottom picture: SWM/Andreas Leder
p. 48	SWM/Jan Saurer
p. 51	Stefan/stock.adobe.com
p. 52	contrastwerkstatt/stock.adobe.com
p. 53	fizkes/istockphoto.com
p. 54	SWM/Jan Saurer
p. 55	SWM/Jan Saurer
p. 56	Kerkez/istockphoto.com
p. 57	SWM/Oliver Heissner
p. 59	Peter Scholl/westend61.de
p. 60	SWM/Manuel Uebler
p. 61	oyfotoliakid/stock.adobe.com
p. 62	SWM/Marcus Schlaf
p. 67	SWM/Jan Saurer
p. 71	Seventyfour/stock.adobe.com



Stadtwerke München GmbH
Emmy-Noether-Strasse 2
80992 Munich
Germany
Phone: +49 (0) 800 796 796 0
E-Mail: info@swm.de
www.swm.de/english