

BKW GROUP

# Annual Report 2024



We create spaces for life.



## Our contribution

Sustainability is part of our corporate DNA. We use a holistic approach to address the energy transition and offer solutions along the entire energy, infrastructure and building value chain. We create spaces for life.

### **Title page**

"Roots" – Germany's tallest wooden high-rise – is located in Hamburg's HafenCity district. The former port area is now booming with new construction. Fynn Rösch, project manager at Assmann Beraten + Planen, a BKW Group company, was involved in planning the unique building. The wood comes from certified coniferous forests, mostly from Styria in Austria.



“Roots” in Hamburg’s HafenCity embodies an urban lifestyle, while meeting the need for nature, freedom and security.

## FACTS &amp; FIGURES

## In a nutshell

**Revenue**

in CHF million

**4,772****EBIT**

in CHF million

**790****Operating net profit**

in CHF million

**550****Investments and acquisitions**

in CHF million

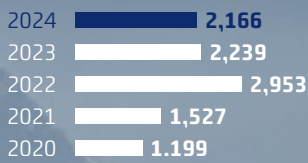
**460****Operating cash flow**

in CHF million

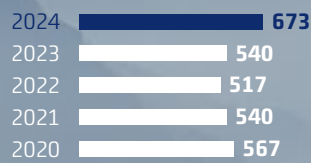
**739****Number of employees****12,100**

Five-year comparison

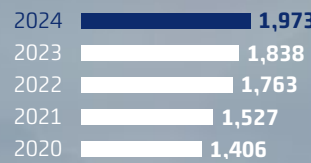
Sales Energy Solutions  
CHF millions



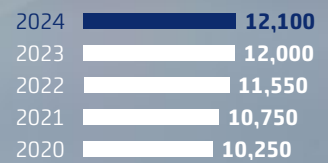
Sales Power Grid  
CHF millions



Sales Infrastructure & Buildings  
CHF millions



Employees



Key figures per share

CHF	2020	2021	2022	2023	2024
Par value	2.50	2.50	2.50	2.50	2.50
Share price					
– Year-end price	99.20	118.60	126.50	149.50	150.20
– Year high	103.20	128.80	136.20	167.40	162.40
– Year low	71.10	94.20	96.70	127.60	122.30
Earnings per share <sup>1</sup>	6.86	5.77	10.43	9.06	11.80
Equity per share <sup>1</sup>	70.05	74.24	77.05	87.44	98.77
Market capitalisation in CHF millions	5,234	6,259	6,677	7,891	7,925

<sup>1</sup> Attributable to shareholders of BKW AG

Locations and company headquarters

119

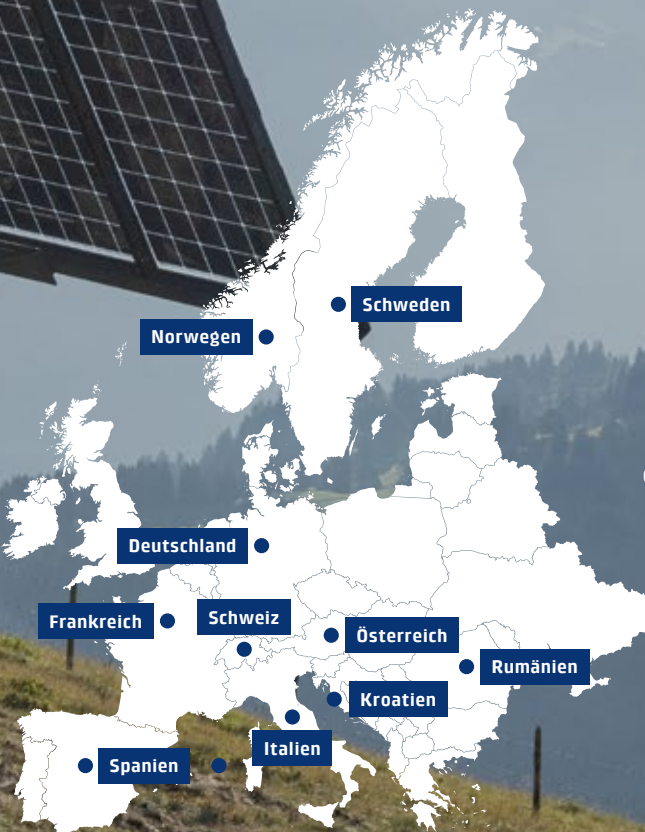
production sites

326

company offices

10

countries



## FLAGSHIP PROJECTS

# BKW continues to advance the holistic energy transition

In this annual report, we feature seven flagship projects – a small selection from our 200 Group companies along the entire value chain.



[www.bkw.ch/ar24](http://www.bkw.ch/ar24)

## CASTELLANETA WIND FARM



Margarita Aleksieva, Head of Wind and Solar, BKW Energy Production

## ROOTS WOODEN HIGH-RISE



Fynn Rösch, Project Manager, Assmann Beraten + Planen, BKW Engineering

## POWERLINE WORKER INITIATIVE



Michael Brunner, Head of the Kallnach Energy Training Center, BKW

## LINDT &amp; SPRÜNGLI



Marc Hasler, Sigren Project Manager, BKW Building Solutions

## ARZBERG



Stephan Fitze, Project Manager, BKW Energy Solutions GmbH, BKW Infra Services

## MUNICH AIRPORT, TERMINAL 1



Gregor Molnar, Project Manager, Assmann Beraten + Planen, BKW Engineering

## SCHATTENHALB SOLAR TEST FACILITY



Markus Balmer, Head of Solar Development & Energy Solutions CH, BKW Energy Production

# Table of Contents

8	Management Report
8	Letter to Shareholders – Management Report I
10	CEO Interview
16	Strategy Update
22	Focus Story
<hr/>	
32	Review of the Annual Results – Management Report II
32	BKW Generates a Successful Result in the 2024 Fiscal Year
<hr/>	
39	BKW Group Consolidated Financial Statements
40	Consolidated Income Statement
41	Consolidated Statement of Comprehensive Income
42	Consolidated Balance Sheet
43	Changes in Consolidated Equity
44	Consolidated Cash Flow Statement
45	Notes to the Consolidated Financial Statements
122	Group Companies and Associates
128	Report of the Statutory Auditor on the Consolidated Financial Statements
<hr/>	
135	Annual Financial Statements of BKW AG
136	Income Statement
137	Balance Sheet
138	Notes to the Financial Statements
140	Appropriation of Retained Earnings
141	Report of the Statutory Auditor on the Financial Statements
<hr/>	
145	Sustainability Report
146	Sustainability as a Core Element of the “Solutions 2030” Strategy
148	At a Glance: Sustainability at BKW
149	General Information
169	Environmental Information
205	Social Information
221	Governance Information
231	Company-specific Sustainability Matters
243	Notes
<hr/>	
257	BKW Green Bond
258	Reporting on Allocation and Impact
262	Independent Auditor’s Report on Allocation and Impact
<hr/>	
265	Investor Information
266	Key Facts on the Share, Bonds and Financial Calendar
269	Production Facts and Figures
<hr/>	
271	Corporate Governance
<hr/>	
297	Remuneration Report
<hr/>	
321	Addresses and Legal Notice

## LETTER TO SHAREHOLDERS

# BKW remains on its growth trajectory

The BKW Group<sup>1</sup> continued its successful trajectory in 2024. It generated strong EBIT, to which the Energy Solutions business segment made a significant contribution. The Power Grid business segment made its usual stable contribution to EBIT. The Infrastructure & Buildings business segment also closed 2024 with a positive result. The task now is to systematically implement the “Solutions 2030” growth strategy adopted in 2024.



Dear Shareholders,  
Ladies and Gentlemen,

We are pleased to present you with a strong result for 2024. BKW increased its EBIT by 27.3 percent year-on-year to CHF 789.9 million. Net operating profit amounted to CHF 550.4 million. It is particularly pleasing that the Services area, which is now managed as the Infrastructure & Buildings business segment, achieved a positive result following the completion of the two-year program to increase profitability. Now it is time for BKW to implement the “Solutions 2030” strategy adopted in 2024.

### Strong Energy business

In the past year, the Energy business, which under the new strategy is now called Energy Solutions, once again made a significant contribution to the overall result. Its EBIT increased by 9.7 percent compared to the previous year. Three one-off effects accumulated: In 2024, trading again benefited from the high volatility of electricity prices. Above-average precipitation levels ensured unusually high electricity production at hydropower plants. And the performance of the Decommissioning and Waste Disposal Funds was well above expectations.

<sup>1</sup> The BKW Group comprises BKW AG and its Group companies. For better readability, the Group will be referred to below as BKW. Where the text relates to BKW AG or BKW Energie AG, this is expressly mentioned.

“Our three business segments – Energy Solutions, Power Grid and Infrastructure & Buildings – enable us to offer our customers forward-looking solutions covering all aspects of the energy transition.”

The Grid business segment, now renamed Power Grid, also made a stable contribution to earnings in 2024. In order for the power grid to cope with the expansion of photovoltaic systems, heat pumps and charging stations, it must continue to be expanded rapidly. BKW therefore increased its investments in this area to CHF 161 million in 2024. BKW has also launched the nationwide expansion of smart meters in the past year, which will continue until 2028.

Infrastructure & Buildings had a positive result. Following a loss in 2023, Services, which is now managed as Infrastructure & Buildings, closed 2024 with positive earnings of CHF 56.9 million. This pleasing result is due to the two-year program to increase profitability, which was completed at the end of 2024.

#### Implementation of the “Solutions 2030” strategy

On November 8, 2024, BKW presented its “Solutions 2030” growth strategy at the Capital Markets Day, which we will now implement over the next six years. BKW is thus optimally positioned for the new energy world. Our three business segments – Energy Solutions, Power Grid and Infrastructure & Buildings – enable us to offer our customers forward-looking solutions covering all aspects of the energy transition, from renewable energy production, marketing and distribution to efficient use in infrastructures and buildings. This holistic approach will enable the company to increase its EBIT to CHF 1 billion by 2030 and invest around CHF 4 billion over the next six

years, half of which will be in Switzerland. In addition, BKW as a Group is aiming for net-zero emissions in Scopes 1 and 2 by 2040.

#### Stable result also expected in 2025

BKW expects another strong result in the Energy Solutions business segment in 2025. The Power Grid business segment is expected to make another solid contribution to EBIT, while BKW will further increase profitability in the Infrastructure & Buildings business segment. Overall, BKW expects a positive result for the current 2025 fiscal year with EBIT guidance of CHF 650 to 750 million.

The positive outlook shows that BKW is also on track for success in the new year and has already begun to implement the “Solutions 2030” strategy. We would therefore like to take this opportunity to thank our customers, our suppliers and partners, our shareholders and our employees, who work hard for BKW every day. We look forward to continuing on this successful trajectory with all of them.

Kind regards,



Roger Baillod  
Chairman of the Board  
of Directors



Robert Itschner  
CEO

#### Ambitious sustainability goals

BKW is pursuing ambitious sustainability goals in the areas of climate, energy, nature and people with the new “Solutions 2030” strategy. The company aims to reach net-zero emissions across the entire Group (Scopes 1 and 2) by 2040 and halve its CO<sub>2</sub> intensity by 2030 compared to 2022 levels. To achieve these targets, BKW will continue its systematic expansion of renewable energy production. The company will also significantly increase its investments in ecosystem preservation and biodiversity protection. A strong governance structure provides the foundation for these initiatives.

## CEO INTERVIEW

# Everyone wants a sustainable BKW

BKW presented its new strategy in November 2024. In this interview, BKW CEO Robert Itschner explains what he wants to achieve with “Solutions 2030.” Why sustainability and profit are not contradictory. And where he sees BKW in 2030.

## Why does BKW need a new strategy?

BKW's current strategy only extends until 2026. So it's time to look a little further into the future. In addition, the markets and needs of customers have changed massively in recent years. We are now responding to this.

## What is at the heart of the new strategy?

The name “Solutions 2030” says it all: We want to offer our customers solutions that prepare them for the challenges of the energy transition.

## Hasn't BKW already been doing this?

Yes, but we want to focus even more strongly on sustainability. BKW is pursuing ambitious sustainability goals in the areas of climate, energy, nature and people with its “Solutions 2030” strategy. This means that we are reducing our emissions, systematically continuing the expansion of renewable energies, offering customized solutions for our customers, and increasing the energy efficiency of infrastructure and buildings. Our new strategy focuses on growth, excellence and sustainability.

## Why is this interesting for BKW investors?

First, BKW operates in markets that offer attractive growth opportunities. Second, BKW has an excellent track record. And third, investors are also encouraged to invest more sustainably. And we can offer this with our sustainability goals.

## So by investing in BKW, shareholders are contributing to a renewable energy future?

Exactly. This also makes BKW attractive for green investment funds, which only invest in companies with a sustainable business model.

## Have investors put pressure on BKW to become more sustainable more quickly?

The pressure for greater sustainability is increasing from all sides: From investors, capital providers, regulators. But also from our customers. And our employees. They all want a sustainable BKW – and so do I. This is a major opportunity for us to continue to grow and remain attractive. BKW can not only offer more sustainable solutions that are actually in demand in the market, but also act as a sustainable company.

## What specific sustainability goals has BKW set for itself with the new strategy?

In the social area, our employees are particularly important. That is why we are continuing to invest in occupational health and safety. And driving forward initiatives such as diversity and inclusion as well as skills, leadership and talent development. In addition, BKW will halve the CO<sub>2</sub> intensity of its business activities in Scope 1 and 2 by 2030 compared to 2022. We want to achieve net zero in this area by 2040.



---

**EBIT by 2030**  
in CHF billion

**1.0**

---

**Investments by 2030**  
in CHF billion

**4.0**

---

**Of which investments in Switzerland**  
in %

**50**

**There is a lot to do – after all, BKW still has a stake in a coal-fired power plant in Germany.**

That's right. We are pursuing two paths to achieve our sustainability goals for climate and energy: On the one hand, we want to systematically expand renewable energy production. On the other hand, we have been saying for some time that we will phase out coal. We now have to find a viable way forward since we only have a minority stake in the coal-fired power plant and therefore have to coordinate with the other owners.

**Alongside sustainability, growth is the second pillar of the new strategy. In which areas does BKW want to grow?**

We want to grow strongly in the Energy Solutions business: We will selectively strengthen renewable energy production in this business segment, particularly with wind and solar in Switzerland and abroad. And we want to start expanding hydropower in Switzerland – even if we cannot put a new dam into operation by 2030. In addition, the installation of large batteries expands flexibilities.

**Is BKW also considering the construction of a new nuclear power plant?**

Not at this time. First, the construction of new nuclear power plants is still prohibited in Switzerland. Second, there are so many unanswered questions about this technology that it is simply not part of our strategy up to 2030. With "Solutions 2030," we want to implement projects that are actually feasible. This will generate the revenue we need for our continued growth.

**Where does BKW want to grow in the area of customized solutions for customers with high electricity requirements?**

I'll give you an example: A large bakery starts its ovens at two in the morning six days a week, resulting in very high electricity consumption well into the morning. The company needs very little energy for the rest of the day. We can offer this bakery electricity tailored to its consumption profile in the desired quality, such as completely renewable electricity. This is possible because we have a wide range of power plants that complement each other perfectly. We also know the markets very well.

**Can't other electricity companies do that?**

Yes, of course. However, such supply contracts often have long terms. It is advantageous for customers to have a partner in BKW that is financially very stable. That gives them the certainty that BKW will be able to supply electricity even if there is turbulence in the markets.

**What are your growth plans for Power Grid?**

In the Power Grid business, we are growing in line with the grid expansion required for the energy transition. This is because the grid needs to be stronger in order to be able to connect solar systems, heat pumps and charging stations.

**And in Infrastructure & Buildings?**

In this business segment, we primarily want to grow organically: The demand for energy efficiency is increasing rapidly and we see major opportunities for BKW in this area. We are already the largest listed energy and infrastructure company in Switzerland. Investors can invest in the entire energy transition with BKW: From renewable energy production and trading to power grids and the efficient use of energy in buildings and infrastructure. However, the guiding principle of the new strategy is: Profitability before growth. In other words, we only want to grow where we can make a profit.

**Alongside sustainability and growth, excellence is the third pillar of the "Solutions 2030" strategy. What does that mean?**

Excellence means we want to continuously improve our processes. It is important that we maintain our current financial stability despite growth and do not take on any unnecessary risks. Risk management is key to our business. We also want to have a strong customer focus in all our activities. In some areas we are already performing very well, while in others there is still room for improvement.

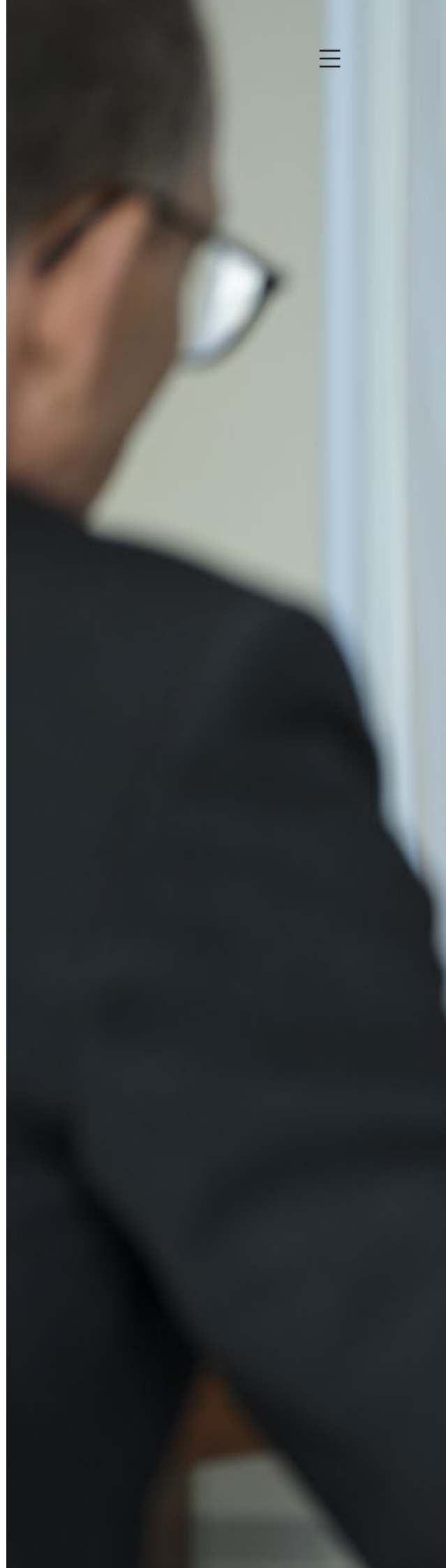
**Where does BKW still see room to improve its customer focus?**

In Infrastructure & Buildings, we are already very close to our customers – including geographically. In the regulated business, there is still room to improve our customer focus, although there is less flexibility in this area. We want to be a company that people enjoy doing business with and that offers its customers a great experience.

**The new strategy runs until 2030. What kind of company will BKW be then?**

By 2030, we want to be a company that makes a significant contribution to the energy transition. We need all the elements mentioned so that we can implement our solutions in the market. This is why the strategy is called “Solutions 2030”: We want to position ourselves as results-driven and achieve success with our customers.

“We want to offer our customers solutions that prepare them for the challenges of the energy transition.”





Robert Itschner, CEO,  
speaking with  
Philipp Mäder, Head  
of Media Relations

## STRATEGY UPDATE

## “Solutions 2030” addresses the needs of the new energy world

BKW presented the “Solutions 2030” strategy in November 2024. The company is therefore well positioned for the new energy world. With its three business segments, Energy Solutions, Power Grid and Infrastructure & Buildings, BKW offers customers forward-looking solutions for the energy transition. By 2030, the company will increase its EBIT to CHF 1 billion and invest around CHF 4 billion, half of which will be in Switzerland.

As part of its “Solutions 2030” strategic development, BKW is positioning itself in the three business segments of Energy Solutions, Power Grid and Infrastructure & Buildings. By strengthening its focus along the entire energy transition value chain, BKW has become a unique player in the energy, infrastructure and buildings markets. This is BKW’s targeted response to the changing needs of customers, investors and society in order to support the transformation of the energy system and meet the growing demand for energy and resource efficiency. With the comprehensive further development of its strategy, BKW is supporting its customers even more

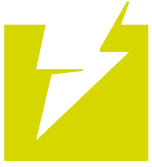
strongly in the transformation of the energy system with forward-looking solutions.

BKW is aiming for significant growth in the coming years with its “Solutions 2030” strategy. The operating profit (EBIT) is set to increase to CHF 1 billion by 2030. To achieve this goal, BKW plans to invest around CHF 4 billion over the next six years, at least CHF 2 billion of which will be in Switzerland. BKW will finance these investments entirely through its operating cash flow, which will total over CHF 5 billion between 2025 and 2030.

## OUR CONTRIBUTION

Sustainability is part of our corporate DNA. We use a holistic approach to address the energy transition and offer solutions along the entire energy, infrastructure and building value chain. We create spaces for life.

# We cover the entire energy transition value chain



## ● ENERGY SOLUTIONS

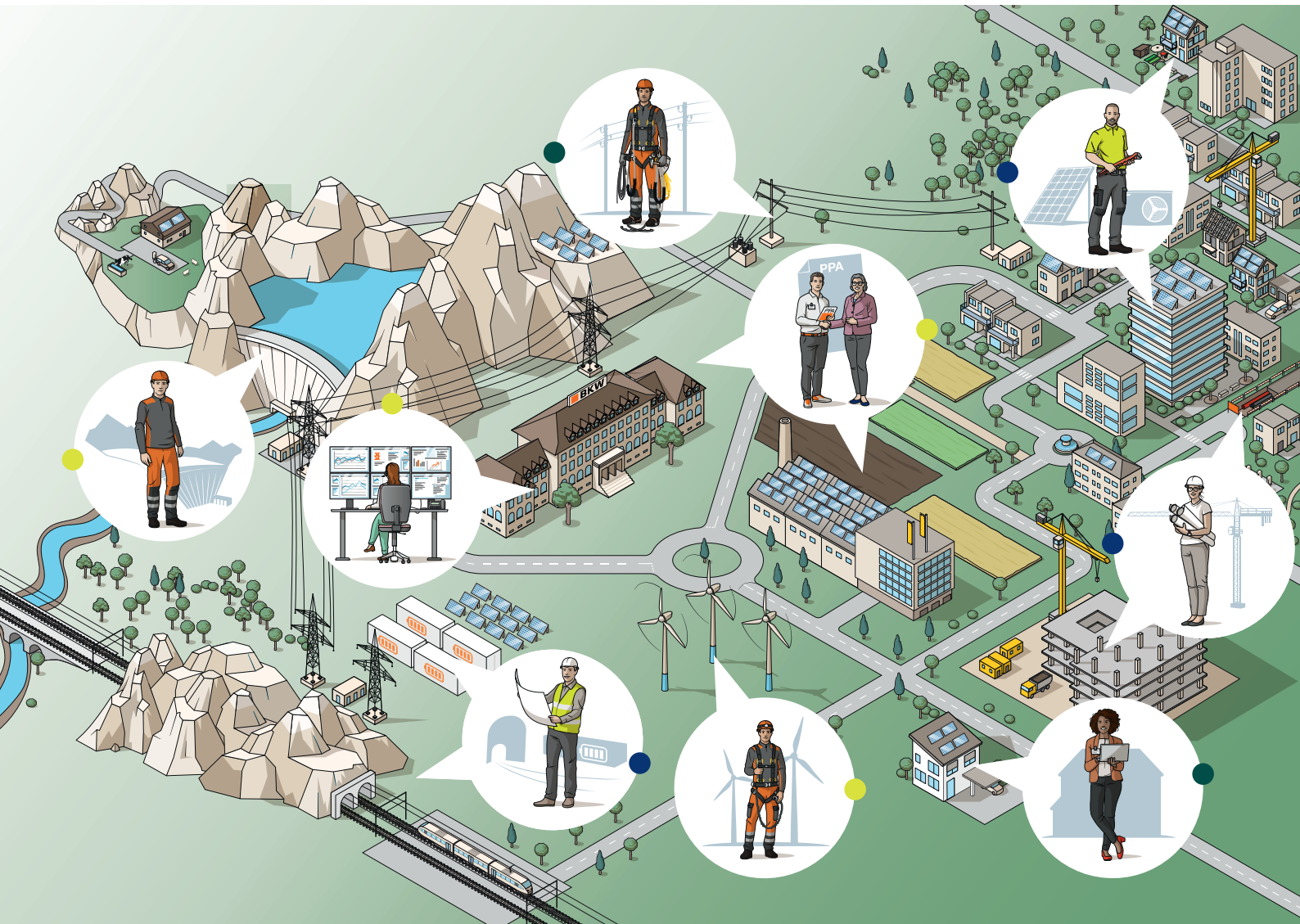
- Leading player in the European trading and customer solutions business
- Third-largest electricity producer in Switzerland (9 TWh production)

## ● POWER GRID

- Switzerland's largest distribution system operator with a grid length of 22,000 km
- Supplies over 1 million people and businesses

## ● INFRASTRUCTURE & BUILDINGS

- Leading provider of infrastructure and building solutions
- Over 260 locations in the DACH region



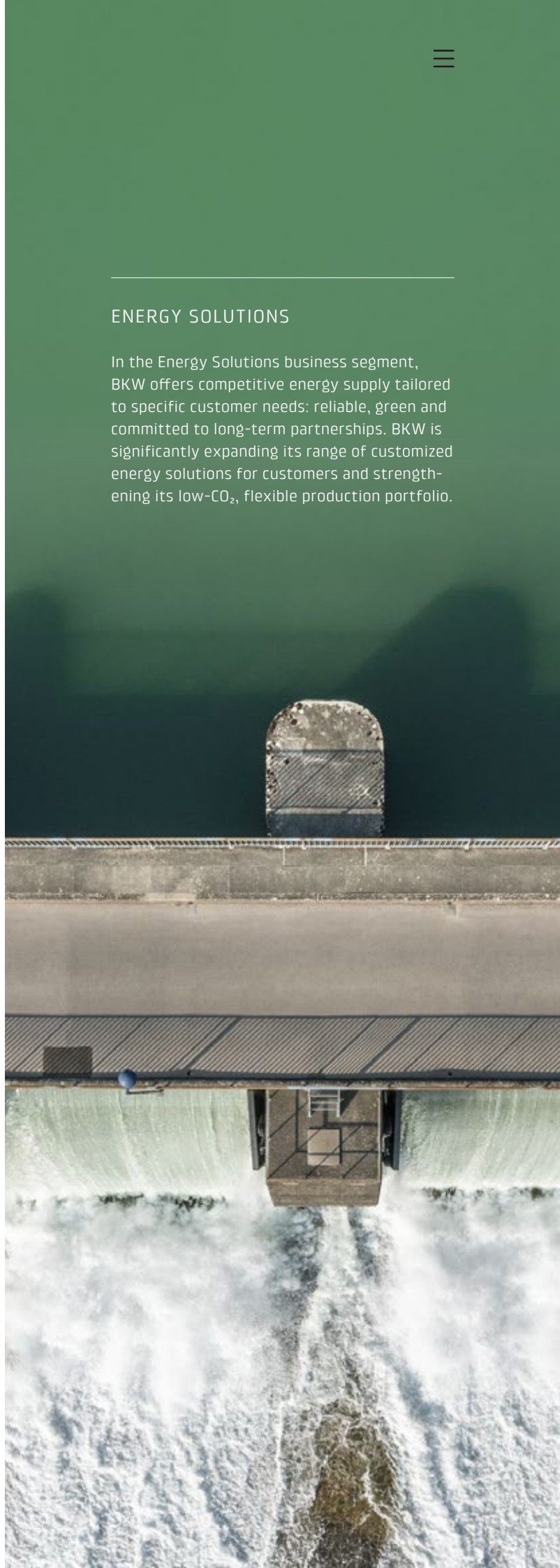
## BKW's three business segments

As part of its “Solutions 2030” strategy, BKW is organizing its activities into the three business segments of Energy Solutions, Power Grid and Infrastructure & Buildings. These segments uniquely position BKW along the energy transition value chain to implement solutions for customers holistically.

---

### ENERGY SOLUTIONS

In the Energy Solutions business segment, BKW offers competitive energy supply tailored to specific customer needs: reliable, green and committed to long-term partnerships. BKW is significantly expanding its range of customized energy solutions for customers and strengthening its low-CO<sub>2</sub>, flexible production portfolio.



---

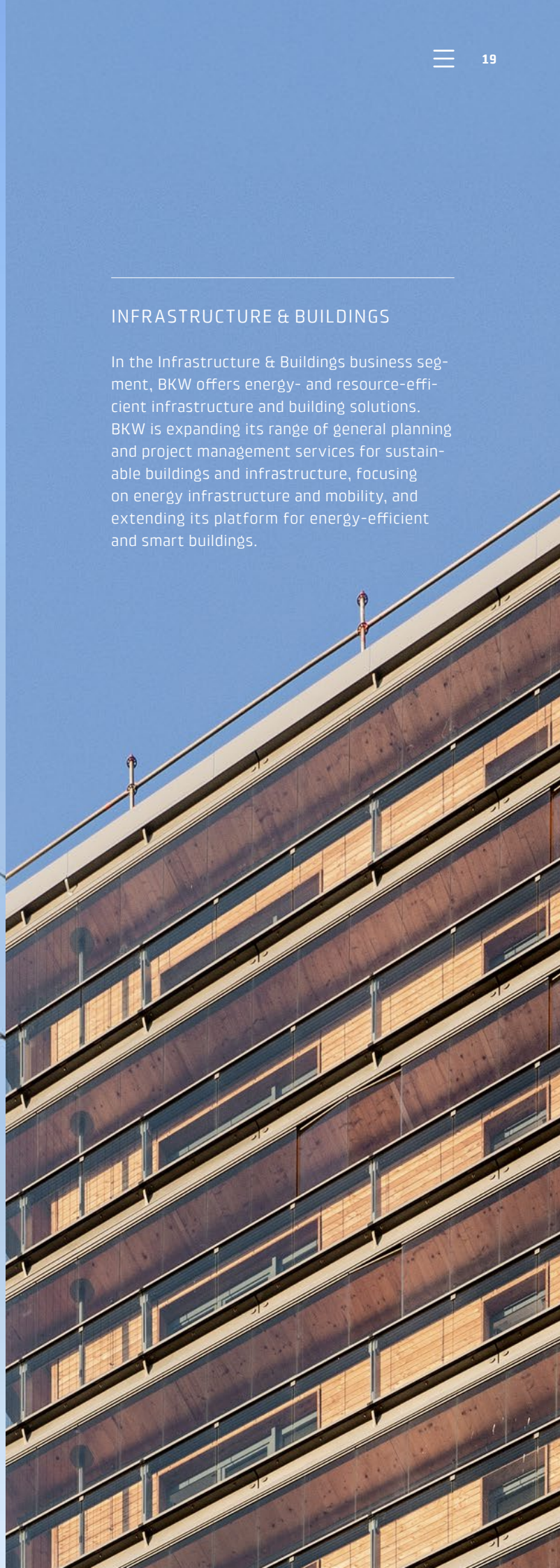
## POWER GRID

In the Power Grid business segment, BKW combines reliable and affordable electricity supply with an excellent customer experience. BKW is gradually increasing its investments in the efficient and intelligent expansion of the grid infrastructure and developing innovative tariff solutions for its regulated customers.

---

## INFRASTRUCTURE & BUILDINGS

In the Infrastructure & Buildings business segment, BKW offers energy- and resource-efficient infrastructure and building solutions. BKW is expanding its range of general planning and project management services for sustainable buildings and infrastructure, focusing on energy infrastructure and mobility, and extending its platform for energy-efficient and smart buildings.



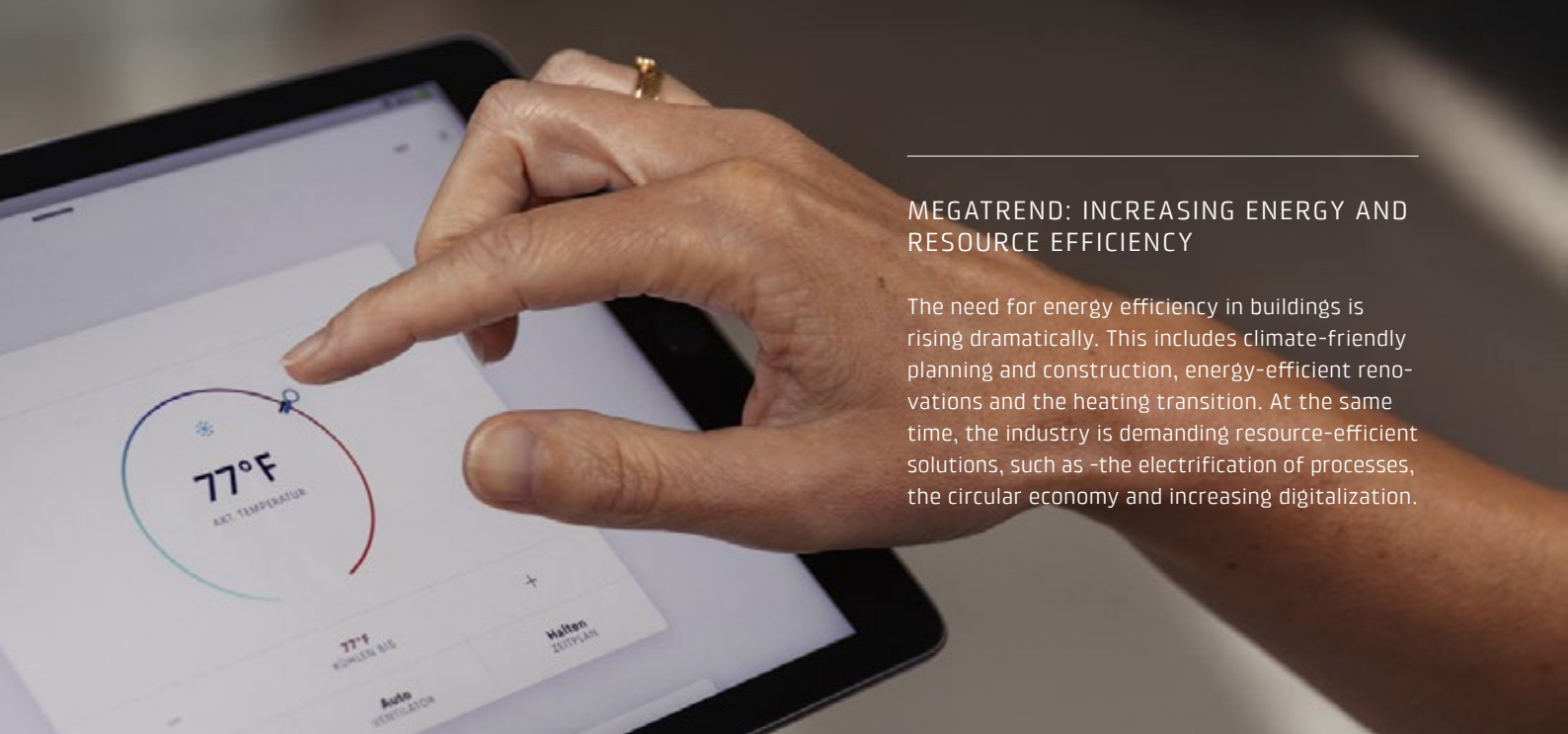
## MEGATREND: CHANGING STAKEHOLDER NEEDS

Customers are increasingly becoming prosumers who not only buy electricity, but also produce it themselves. Investors are placing greater emphasis on sustainability and transparency when making investment decisions. Meaningful work and sustainability are also becoming more important for employees. Public demand for stricter regulations is creating new investment incentives.



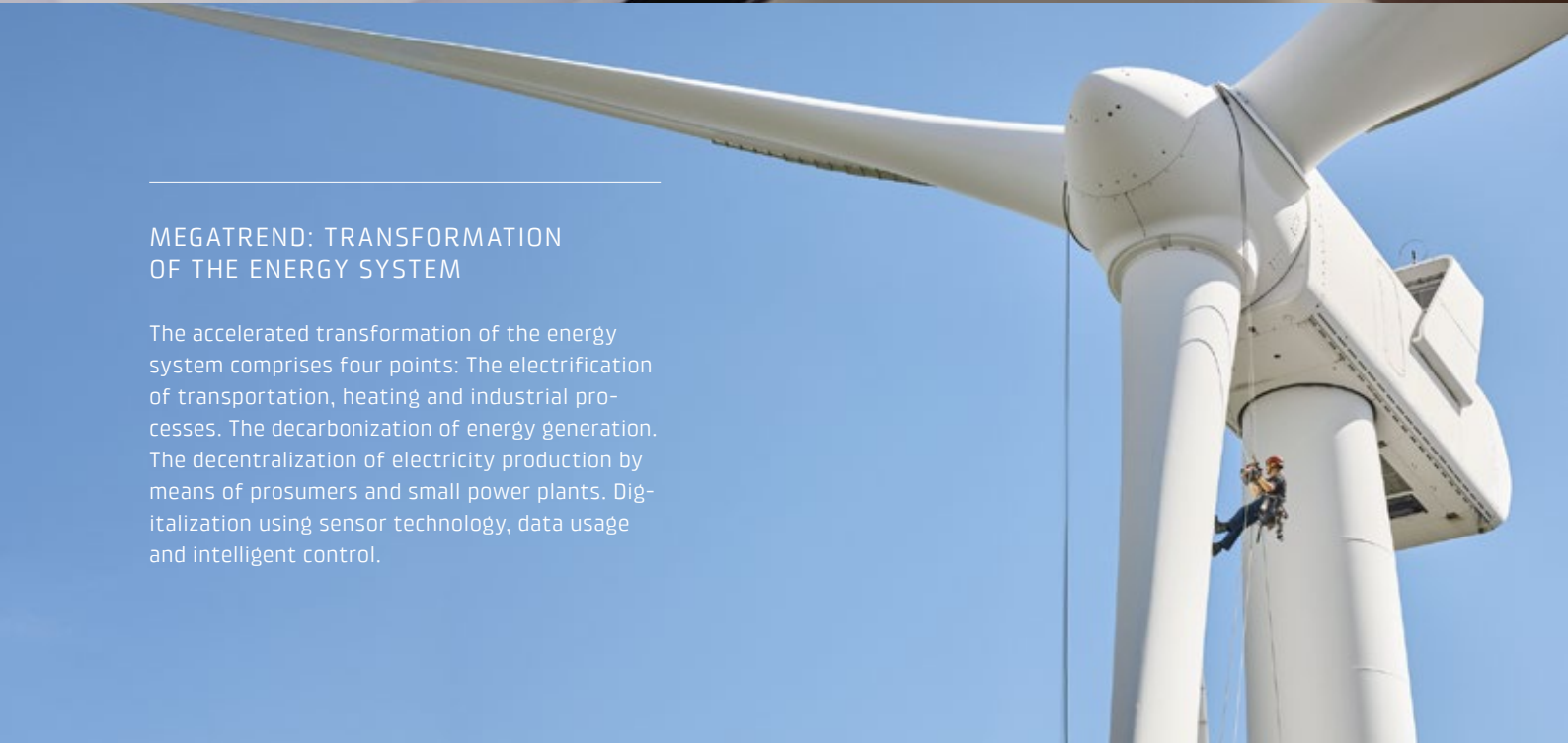
## MEGATREND: INCREASING ENERGY AND RESOURCE EFFICIENCY

The need for energy efficiency in buildings is rising dramatically. This includes climate-friendly planning and construction, energy-efficient renovations and the heating transition. At the same time, the industry is demanding resource-efficient solutions, such as the electrification of processes, the circular economy and increasing digitalization.



## MEGATREND: TRANSFORMATION OF THE ENERGY SYSTEM

The accelerated transformation of the energy system comprises four points: The electrification of transportation, heating and industrial processes. The decarbonization of energy generation. The decentralization of electricity production by means of prosumers and small power plants. Digitalization using sensor technology, data usage and intelligent control.



All of BKW's business segments will contribute to achieving these goals. BKW is investing in its strong Swiss base and pursuing targeted growth in other European countries. The expansion of the energy business is making a significant contribution to growth – both through increased renewable energy production and by expanding the range of customized energy solutions in the large customer business. Thanks to its solid balance sheet, high equity ratio and A rating, BKW is ideally positioned financially for the new energy world.

#### **Growth, excellence and sustainability**

BKW's "Solutions 2030" strategy focuses on the core elements of Growth, Excellence and Sustainability. In its growth journey, BKW prioritizes profitability, a consistent focus on customer needs, and active portfolio and risk management. The Energy Solutions business segment is further expanding its range of energy solutions and strengthening its electricity generation portfolio. In the Power Grid business segment, BKW is

continuously developing its distribution grid while maintaining a high level of grid availability, thereby making a significant contribution to the transformation of the energy system. The Infrastructure & Buildings business segment is pursuing profitable growth in the planning, construction and maintenance of infrastructure and buildings.

#### **Ambitious sustainability goals**

With "Solutions 2030," BKW is also pursuing ambitious sustainability goals for climate, energy, nature and people. In particular, BKW is aiming for net-zero emissions in Scope 1 and 2 as a Group by 2040 and will halve its CO<sub>2</sub> intensity by 2030 compared to 2022. To this end, BKW is continuing its systematic expansion of renewable energy production. BKW will also invest more in the preservation of ecosystems and the protection of biodiversity. Strong governance forms the foundation for this. Sustainability as a core element of the "Solutions 2030" strategy offers long-term growth opportunities and makes BKW attractive to investors, customers and employees.

## Three core elements of the strategy: BKW grows profitably and sustainably

### GROWTH

BKW is expanding its energy solutions business and strengthening its renewable production portfolio. It continues to develop the distribution grid while maintaining a high level of grid availability. And it aims to achieve profitable growth in the planning, construction and maintenance of infrastructure and buildings.

### EXCELLENCE

BKW prioritizes profitability over sales growth. It consistently focuses all its activities on the needs of its customers. It also operates an active portfolio and risk management system – including the continuous review of the company, product and service portfolios.

### SUSTAINABILITY

BKW offers growth opportunities along the entire energy, infrastructure and buildings value chain. It continues to develop its sustainability in line with the clearly defined strategic directions. We are committed to strong governance.

## FOCUS STORY

# From wind turbines to copper cables and wooden high-rises: BKW's future in action

What connects a wind turbine in Italy with a wooden building in Hamburg? What does a battery storage system have in common with the training of powerline workers? All of these topics are part of the new energy world. And the future of BKW.

Margarita Aleksieva tightens the fall protection harness and climbs into the wind turbine lift. A shaky ride takes her 90 meters into the air, up to the nacelle where the wind turbine's rotor blades are attached. From there, BKW's Head of Wind and Solar has a wonderful view over the Puglia plateau in southern Italy. The wind turbine is located in the Castellaneta wind farm. It produces electricity for 800 households – even in winter when the sun shines less often, even in southern Italy. "We need more wind turbines like this," says Aleksieva. "They help us ensure security of supply with renewable winter electricity."

At the other end of Europe, in the very north of Germany, Fynn Rösch proudly opens the front door of Germany's tallest wooden building. He is a project manager at Assmann Beraten + Planen, BKW Engineering. Roots is located in Hamburg's Hafencity district, a former port area now booming with new construction. Fynn Rösch and his team designed the supporting structure of the wooden high-rise and planned it down to the last screw. He is pleased that almost all of the apartments have already been sold. "Buyers particularly like the fact that a lot of CO<sub>2</sub> has been saved thanks to all the wood," he says. The construction of the wooden high-rise went quickly, safely and smoothly thanks to the high level of prefabrication of the wall and ceiling elements.

The wind turbine in southern Italy produces renewable electricity, while the wooden house in northern Germany consumes as little of it as possible. The two projects on the edges of Europe represent the beginning and end of the entire value chain in the new energy world. This value chain extends from the renewable production

of energy to its trade, distribution and efficient use in infrastructures and buildings. BKW has also been committed to a climate-friendly energy future for more than 125 years. Founded in 1898 for the construction of the Hagneck hydropower plant on Lake Biel, BKW has the production and distribution of renewable electricity in its DNA.

BKW is now intensifying its focus on the new energy world. To this end, it launched the "Solutions 2030" strategy in November 2024 (see Strategy update on page 16). The company offers customers forward-looking solutions covering all aspects of the energy transition with the three business segments Energy Solutions, Power Grid and Infrastructure & Buildings. BKW aims to achieve significant growth with its strategy. By 2030, it will increase its EBIT to CHF 1 billion and invest around CHF 4 billion over the next six years, half of which will be in Switzerland.

One billion Swiss francs will be invested in the distribution grid of the future alone. Our goal is not only to generate electricity sustainably and use it efficiently, but also to transport it reliably from the wind turbine to the socket. More importantly, with the increasing number of rooftop solar installations, and the growing use of heat pumps in households and electric vehicles, BKW is adapting its electricity grid to the new requirements and expanding its distribution grid.

At Power Grid more and more specialists are needed to plan, expand and maintain the distribution grid. However, there are too few of these specialists in Switzerland. This is where BKW is taking countermeasures with its training initiative for powerline workers. Not only young graduates are given the chance to learn this profession –

BKW ENERGY PRODUCTION

# Castellaneta wind farm in Italy

Annual production  
in GWh

# 100

## OUR SERVICES

### Project

BKW's Castellaneta wind farm in southern Italy has an annual production of over 100 GWh. The project is a prime example of the potential of wind energy, and BKW's innovative strength and environmental responsibility.

### Strategy

The wind farm fits perfectly into the portfolio of BKW Energy Production, which aims to grow profitably over the next few years with a technologically and geographically diversified portfolio.

### Contribution

The Castellaneta wind farm is making a significant contribution to Europe's sustainable energy supply.

“We need more wind turbines like this because they help us ensure security of supply with renewable winter electricity.”

Margarita Aleksieva, Head of Wind and Solar, BKW



BKW ENGINEERING

# Germany's tallest wooden high-rise

“Buyers particularly like the fact that a lot of CO<sub>2</sub> has been saved thanks to all the wood.”

Fynn Rösch, Project Manager, Assmann Consulting + Planning

## OUR SERVICES

### Project

Assmann Beraten + Planen is significantly involved in the construction of Roots in Hamburg – Germany's tallest wooden high-rise. The 65-meter-high building houses 128 condominiums and 54 subsidized apartments on 19 floors. The wood comes from certified coniferous forests, mostly from Styria in Austria.

### Strategy

BKW Engineering assumes responsibility as architects and engineers for the built environment of our future.

### Contribution

Compared to conventional construction methods, Roots saves a remarkable 31 percent CO<sub>2</sub>. That corresponds to around 3,520 tons of climate-damaging greenhouse gas.

Height  
in meters

# 65

CO<sub>2</sub> savings  
in percent

# 31





“We need committed employees who enjoy working outdoors as part of a team.”

Michael Brunner, Head of the Kallnach Energy Training Center, BKW

BKW POWER GRID

## Powerline worker initiative

### OUR SERVICES

#### Project

BKW is adapting its electricity grid to the new requirements and expanding its distribution grid. This requires more specialists. However, there are too few of these specialists in Switzerland. BKW has therefore created a program for career changers. People who have completed vocational training can pursue a shortened second apprenticeship at BKW to become certified powerline workers.

#### Strategy

The electrification of heating and mobility requires the conversion and expansion of the distribution grid. BKW needs the right specialists for this.

#### Contribution

A strong distribution grid is essential for decarbonizing our energy system and ensuring the success of the energy transition.

Number of BKW powerline workers

# 220

experienced specialists also have the opportunity to take a new direction. As career changers, they bring valuable skills and experience, and gain in-depth knowledge in a field that is of great societal importance through a second apprenticeship. Michael Brunner manages the BKW Energy Training Center in Kallnach in the Bernese Seeland, where apprentices complete an important part of their training. "We need committed employees who enjoy working outdoors as part of a team," says Brunner. "Who can rely on each other at all times."

The renewable production of sufficient electricity, its reliable supply to customers and the efficient use of energy in buildings and infrastructure: Is that enough for BKW to be prepared for the new energy world with its "Solutions 2030" strategy? Is that enough for BKW to be able to offer its customers forward-looking solutions for all aspects of the energy transition? Not quite. BKW has two additional key competencies that are crucial for the new energy world. And it will continue to strengthen these competencies with the "Solutions 2030" strategy.

The first competence is somewhat technical: Wind turbines and solar panels do not always produce the same amount of electricity. In summer and during the day there tends to be too much electricity, while in winter and at night there tends to be too little. To compensate for this, BKW has long been using the dams in the Grimsel region, which produce electricity on demand. With the enlargement of the Grimsel dam and construction of Trift, BKW also has major expansion plans for hydropower, which is always available. Now a second flexible technology has been added: Large battery storage systems. In Arzberg in northern Bavaria, BKW and its partners are building one of the largest privately financed energy storage facilities in Europe on behalf of the Swiss investor MW Storage. When the sun shines and the wind blows, there is too much electricity in the grid: The battery charges. When the sun sets and the wind dies down, there is not enough electricity: The battery feeds energy into the grid. The project in Arzberg will not be the only one: BKW intends to use the experience gained there to implement its own battery projects in the future and grow strongly in the battery sector.

## BKW BUILDING SOLUTIONS

# Lindt & Sprüngli

## OUR SERVICES

### Project

Sigren handles the building automation for the expansion and modernization of Lindt & Sprüngli's Cocoa Center in Olten. This includes nine control cabinets with programming capable of controlling over a hundred heating, ventilation and cooling systems.

### Strategy

BKW Building Solutions combines the mission of actively shaping the energy transition with entrepreneurial passion and innovative strength.

### Contribution

Modern building automation provides comprehensive options for optimizing technical systems to save energy and improve Lindt & Sprüngli's environmental footprint.



BKW INFRA SERVICES

# Arzberg



---

Storage capacity  
in MWh

# 200



---

## OUR SERVICES

### **Project**

BKW Infra Services is working with other partners on one of the largest privately financed energy storage facilities in Europe. The battery will have an output of 100 MW and a storage capacity of 200 MWh. The site is located near Arzberg in northern Bavaria.

### **Strategy**

The project shows that BKW Infra Services can cover the entire value chain in the future market of large-scale battery storage.

### **Contribution**

The project is making a significant contribution to the energy transition in Europe. It helps integrate volatile energy production from the sun and wind into the electricity system and stabilize the electrical grids.

The second competence of central importance for the new energy world is electricity trading. Large companies need significant amounts of renewable energy to decarbonize their business activities – especially when their machines and computers are in operation. In this area, BKW offers customized, sustainable and long-term solutions: It takes the electricity from its own renewable power plants, purchases additional renewable energy from producers and supplies customers with exactly the amount of renewable electricity they need at any given moment. Prominent companies such as Deutsche Bahn and Nestlé already rely on tailored solutions from BKW, and other customers will follow in the coming years.

We now return to the Castellaneta wind farm in southern Italy and renewable electricity production. Margarita Aleksieva has taken the lift back down from the wind turbine and loosens the fall protection harness. “The view up there lets me feel the full power of nature and the immense potential of wind energy,” she says enthusiastically. The outlook is bright: Not only for BKW’s Head of Wind and Solar, but the entire company.



## BKW ENERGY PRODUCTION

# Schattenhalb solar test facility

### OUR SERVICES

#### Project

In the municipality of Schattenhalb in the Bernese Oberland, BKW is planning the construction of an alpine solar plant that will supply 14 GWh of electricity per year, around half of which will be generated in winter. A test facility has already been built on site.

#### Strategy

BKW is strengthening renewable energy production in Switzerland and investing in Alpine PV systems in addition to wind and hydropower.

#### Contribution

With its Alpine solar projects, BKW is contributing to the expansion of low-emission winter electricity production and security of supply in Switzerland.

BKW ENGINEERING

# Munich Airport

Gross floor area  
in m<sup>2</sup>

# 95,000

## OUR SERVICES

### Project

Munich Airport is expanding its Terminal 1 with a state-of-the-art boarding gate so that it can meet the growing air traffic demands. The interdisciplinary project team at Assmann Beraten + Planen is planning this major project.

### Strategy

With 4,000 employees, BKW Engineering is the largest provider of integrated architectural and engineering services in the German-speaking world, and intends to continue growing in this area.

### Contribution

The new building planned by Assmann Beraten + Planen features energy-efficient plant and system technology, providing passengers with significantly improved efficiency, service and comfort.



## REVIEW OF THE ANNUAL RESULTS

# BKW generates a successful result in the 2024 fiscal year

BKW closed the 2024 fiscal year with total operating income of CHF 4.8 billion. This corresponds to an increase of 3.8% compared to the previous year. Operating profit (EBIT) was CHF 789.9 million in 2024 (+27.3% year-on-year), with all three business segments contributing to this pleasing result. BKW generated a net operating profit of CHF 550.4 million (+27.4% compared to the previous year). Reported net profit increased by 32.6% or CHF 159.1 million to CHF 647.5 million due to the higher operating profit. The higher income tax expense of CHF 69.3 million compared to the previous year is partially offset by the improved return on the Decommissioning and Waste Disposal Funds of the Mühleberg nuclear power plant (KKM) amounting to CHF 51.7 million. Cash flow from operating activities amounted to CHF 739.4 million. This covers BKW's investments of CHF 301.2 million and further strengthens its financial position. BKW can therefore look back on another very good fiscal year in the company's history.

In fiscal year 2024, BKW generated total operating income of CHF 4,772.3 million, which corresponds to a 3.8% percentage increase.

With an increase of 27.3%, EBIT rose disproportionately to total operating income by CHF 169.6 million to CHF 789.9 million. All three business segments increased earnings and contributed to the improvement.

The financial result improved by CHF 58.9 million year-on-year. The main drivers for this positive development were an even better stock market year than 2023 and the associated better performance of the KKM Funds.

Income tax expense for the 2024 fiscal year was CHF 173.4 million (previous year: CHF 104.1 million), which corresponds to an effective tax rate of 21.1% (previous year: 17.6%). The increase in the effective tax rate compared to the previous year is attributable in particular to the higher positive effects of the investment deduction in the 2023 fiscal year and the subsequent taxes recognized in the reporting year for previous fiscal years (mainly due to the introduction of a resource rent tax in Norway).

CHF millions	2024	2023	% change
<b>Total operating income</b>	<b>4,772.3</b>	<b>4,597.7</b>	<b>3.8%</b>
Energy procurement/transport	-1,367.1	-1,450.3	
Operating costs	-2,332.1	-2,194.6	
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>1,073.0</b>	<b>952.8</b>	<b>12.6%</b>
Depreciation, amortization and impairment	-330.3	-381.8	
Income from associates	47.2	49.3	
<b>Earnings before interest and taxes (EBIT)</b>	<b>789.9</b>	<b>620.3</b>	<b>27.3%</b>
Financial result	31.0	-27.9	
Income taxes	-173.4	-104.1	
<b>Net profit</b>	<b>647.5</b>	<b>488.4</b>	<b>32.6%</b>
<b>Operating net profit<sup>1</sup></b>	<b>550.4</b>	<b>431.9</b>	<b>27.4%</b>

1 The operating net profit is the net profit adjusted for the performance of the Decommissioning and Waste Disposal Funds of KKM.

Reported net profit increased by 32.6% or CHF 159.1 million to CHF 647.5 million due to the higher operating profit. The higher income tax expense of CHF 69.3 million compared to the previous year is partially offset by the improved KKM Funds return of CHF 51.7 million.

Operating net profit rose by 27.4% or CHF 118.5 million to CHF 550.4 million. Operating net profit is the net profit adjusted for the performance the Mühleberg Nuclear Plant Decommissioning and Waste Disposal Funds and thus represents the Group's operating performance.

CHF millions	2024	2023	% change
<b>Cash flow from operating activities before utilization of nuclear provisions<sup>1</sup></b>	<b>843.3</b>	<b>811.7</b>	<b>3.9%</b>
- Payments for decommissioning and disposal	-103.9	-108.1	
Cash flow from operating activities	739.4	703.7	5.1%
<b>Cash flow from investing activities before reimbursement from STENFO<sup>1</sup></b>	<b>-395.2</b>	<b>-485.3</b>	
+ Reimbursements from STENFO	93.9	37.6	
Cash flow from investing activities	-301.2	-447.7	
<b>Cash flow from financing activities</b>	<b>-342.6</b>	<b>-260.9</b>	
Cash and cash equivalents as at 31.12	872.2	771.5	13.0%

1 To improve comparability and assist with interpretation, BKW uses the cash flow indicators before the utilization of nuclear provisions and payments for decommissioning and disposal of the Mühleberg Nuclear Plant.

Cash flow from operating activities before utilization of nuclear provisions exceeded the previous year's level and amounted to CHF 843.3 million (previous year: CHF 811.7 million). After utilization of nuclear provisions, the reported cash flow from operating activities was CHF 739.4 million.

In the 2024 fiscal year, BKW invested CHF 301.2 million; excluding STENFO refunds, the amount was CHF 395.2 million (previous year: CHF 447.7 million; excluding STENFO refunds, CHF 485.3 million). Around 60% of the capital expenditure relates to growth investments, while 40% was spent on maintenance. With mainte-

nance of the existing grid infrastructure amounting to around CHF 100 million, the Power Grid business segment is the main driver of maintenance investments. Thanks to a strong cash flow from operating activities, investments can once again be financed in full from the operating cash flow generated.

Cash flow from financing activities amounted to CHF 342.6 million in the reporting period (previous year: CHF 260.9 million). The increase in financing activities compared to the previous year was primarily due to the sale of minority interests in wind turbines (capital-light model) in



the 2023 fiscal year. At the end of 2024, cash and cash equivalents were CHF 100.7 million higher than in the previous year's value and were at a high level of CHF 872.2 million.

CHF millions	2024	2023	% change
Current assets	3,118.7	2,780.1	12.2%
Non-current assets	8,476.7	8,231.4	3.0%
Current liabilities	2,104.5	2,162.8	-2.7%
Non-current liabilities	3,831.4	3,801.8	0.8%
Shareholders' equity	5,659.5	5,047.0	12.1%
<b>Balance sheet total</b>	<b>11,595.4</b>	<b>11,011.6</b>	<b>5.3%</b>

Total assets at the end of the 2024 fiscal year had increased by CHF 583.8 million or 5.3% year-on-year. The CHF 338.6 million increase in current assets is mainly due to the increase in inventories (CHF +137.2 million), cash and cash equivalents (CHF +95.8 million excluding cash and cash equivalents of the assets held for sale), as well as derivatives (CHF +64.8 million). Non-current assets increased by CHF 245.3 million, mainly due to investment activity.

Current and non-current liabilities decreased by a total of CHF -28.7 million, in particular due to significantly lower negative replacement values of derivatives (CHF -155.1 million) and lower provisions (CHF -100.5 million), partially offset by the

increase in liabilities from customer orders (CHF +74.2 million), as well as other liabilities and deferred income.

Equity increased by CHF 612.5 million to CHF 5,659.5 million. While the net profit of CHF 647.5 million led to a strengthening of equity, the dividends distributed reduced equity by CHF 196.4 million. In addition, equity (net of tax effects) increased by CHF 106.2 million due to actuarial gains from the recalculation of pension obligations in accordance with IAS 19. Despite the dividend payment, the equity ratio increased by three percentage points to 48.8% (previous year: 45.8%).

**Dividend increase to CHF 3.70 per share**

BKW aims to maintain a consistent dividend payout based on a payout ratio of 35% to 50% of net operating profit. On this basis, a dividend increase to CHF 3.70 per share will be proposed to the

General Meeting. The amount of CHF 3.70 per share corresponds to a payout ratio of approximately 35% of operating net profit and is therefore within the indicated range of 35% to 50%.

Continual increases in dividends are consistent with BKW's dividend policy and reflect the Group's positive expectations for the future. The dividend yield thus amounts to 2.5% of the share price at year's end (previous year: 2.3%).

CHF	2024	2023	% change
Dividend	3.70	3.40	8.8%
Dividend yield	2.5%	2.3%	

**Outlook**

After one-off items impacted the 2024 annual result, BKW expects a return to the company's long-term growth course for the 2025 fiscal year. In the Energy Solutions business segments, BKW expects further normalization of the markets, and thus the results at Energy Markets. The majority of own power production for 2025 has

already been secured at attractive prices. In the Infrastructure & Buildings business segment, BKW will continue on its path and further increase profitability and EBIT. In the Power Grid business segment, BKW again expects stable earnings. Overall, BKW expects EBIT in the range of CHF 650 to 750 million in the 2025 fiscal year.

## Energy Solutions business segment benefits from extraordinary effects

The Energy Solutions business segment is consistently focusing on the opportunities and challenges of the changing energy market. It comprises the production, sale, and trading of electricity, certificates, and energy-related raw materials. It also includes production-related wind and solar services.

CHF millions	2024	2023	% change
Electricity sales Switzerland	978.2	918.8	6.5%
Other electricity sales	950.6	1,025.7	-7.3%
Income from proprietary energy trading	61.2	82.6	-25.9%
Other energy business	149.1	173.0	-13.8%
Other operating income and own work capitalized	27.1	38.9	-30.3%
<b>Total operating income</b>	<b>2,166.2</b>	<b>2,239.0</b>	<b>-3.3%</b>
Energy procurement	-1,172.3	-1,324.8	-11.5%
Operating costs	-281.6	-252.3	11.6%
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>712.3</b>	<b>661.9</b>	<b>7.6%</b>
Depreciation, amortization and impairment	-134.3	-139.6	
Income from associates	8.5	12.3	
<b>Earnings before interest and taxes (EBIT)</b>	<b>586.5</b>	<b>534.6</b>	<b>9.7%</b>
Employees	959	959	
Investments	187	276	

Mainly due to the generally lower price level on the energy markets, total operating income in the Energy Solutions business segment fell by CHF 72.8 million or 3.3% to CHF 2,166.2 million. The main driver was the lower price level on the energy markets, which was neutralized at the EBIT level due to the procurement costs that were also lower.

The tariff increases in the basic electricity supply and additional volumes for independent customers increased electricity sales in Switzerland by CHF 59.4 million compared to the previous year.

Other electricity sales fell by 7.3% or CHF 75.1 million. Despite the prices being secured at a higher level and the increased volumes, particularly at hydropower plants, electricity sales are falling due to the generally lower market price level on the energy markets.

Income from proprietary energy trading fell by CHF 21.4 million and amounted to CHF 61.2 million in the reporting period. The other energy business declined CHF 23.9 million or 13.8% due to price-related lower sales of emission certificates.

Energy procurement costs fell by 11.5% or CHF 152.5 million to CHF 1,172.3 million. While the

lower price level on the energy markets reduced procurement costs with no impact on earnings, the improved fund performance of the Leibstadt nuclear power plant (KKL) had a positive effect on earnings.

### More renewable energy production

BKW produced 10.6 TWh of energy in the past year. The wetter weather led to a 0.9 TWh increase in production at hydropower and small hydropower plants. Thanks to the three new wind farms in southern Sweden, production from wind and PV systems was maintained at the previous year's level. The existing turbines produced less due to the low wind levels.

## Power Grid business segment makes its usual stable contributions

Power Grid builds, operates, and maintains BKW's distribution grid. The grid not only transports electricity from power plants to consumers but also measures production and consumption, transforms voltage, monitors and analyzes load flows, integrates decentralized production facilities such as photovoltaic systems and wind turbines and ensures an overall secure, efficient and effective operation of its distribution grid. The minority interest in Swissgrid AG (earnings from associates) was transferred from the Power Grid segment to the Other segment in the 2024 fiscal year. The restructuring was based on the similarity to a financial investment. The previous year's figures have been adjusted accordingly.

CHF millions	2024	2023	% change
<b>Total operating income</b>	<b>673.0</b>	<b>540.1</b>	<b>24.6%</b>
Energy transport expense	-195.3	-125.9	
Operating costs	-237.6	-212.7	
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>240.0</b>	<b>201.5</b>	<b>19.1%</b>
Depreciation, amortization and impairment	-99.9	-91.8	
Income from associates	0.3	0.2	
<b>Earnings before interest and taxes (EBIT)</b>	<b>140.4</b>	<b>109.8</b>	<b>27.9%</b>
Employees	1,070	802	
Investments	161	138	

In the Power Grid business segment, tariff increases (Swissgrid and BKW) led to an increase in total operating income of CHF 132.9 million or 24.6%. Together with the higher transmission and lower procurement of electricity from the high

voltage network, EBIT increased by a total of CHF 30.6 million.

BKW increased investments in its distribution grid from CHF 138 million to CHF 161 million in the 2024 fiscal year.



## Infrastructure & Buildings business segment posts positive earnings

Infrastructure & Buildings comprises BKW Engineering (engineering planning and consulting), BKW Building Solutions (building technology), and BKW Infra Services (services for energy, water, and telecommunications networks and grids). The strong network of specialized companies and their respective competencies enable BKW to be a relevant provider of comprehensive services.

CHF millions	2024	2023	% change
<b>Total operating income</b>	<b>1,973.1</b>	<b>1,837.8</b>	<b>7.4%</b>
Operating costs	-1,838.8	-1,746.0	
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>134.3</b>	<b>91.8</b>	<b>46.4%</b>
Depreciation, amortization and impairment	-77.4	-132.0	
<b>Earnings before interest and taxes (EBIT)</b>	<b>56.9</b>	<b>-40.2</b>	<b>241.4%</b>
Employees	9,490	9,520	
Investments	71	75	

Total operating income in the Infrastructure & Buildings business segment rose by 7.4% to CHF 1,973.1 million and EBIT to CHF 56.9 million, which corresponds to a year-on-year increase of CHF 97.1 million.

Excluding the impairment losses on customer lists and brand rights of CHF 48.3 million recog-

nized in the previous year, EBIT increased by CHF 48.8 million. The current result even slightly exceeded the communicated target of achieving EBIT in the Infrastructure & Buildings business segment at the 2022 level (CHF 53.3 million). The EBIT margin in the 2024 fiscal year was 2.9%.

# Group Consolidated Financial Statements

39	Consolidated Financial Statements of the BKW Group
40	Consolidated Income Statement
41	Consolidated Statement of Comprehensive Income
42	Consolidated Balance Sheet
43	Changes in Consolidated Equity
44	Consolidated Cash Flow Statement
45	Notes to the Consolidated Financial Statements
122	Group Companies and Associates
128	Report of the Statutory Auditor on the Consolidated Financial Statements

# Consolidated Income Statement

CHF millions	Note	2024	2023 <sup>1</sup>
Net sales <sup>1</sup>	7	4,548.6	4,273.5
Own work capitalized		97.3	77.7
Other operating income <sup>1</sup>		126.4	246.5
<b>Total operating income</b>		<b>4,772.3</b>	<b>4,597.7</b>
Energy procurement/transport	8	-1,367.1	-1,450.3
Material and third-party services		-874.2	-822.1
Personnel expenses	9	-1,138.8	-1,087.6
Other operating expenses	10	-319.2	-284.9
<b>Total operating expenses</b>		<b>-3,699.2</b>	<b>-3,644.9</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>1,073.0</b>	<b>952.8</b>
Depreciation, amortization and impairment	11	-330.3	-381.8
Income from associates	21	47.2	49.3
<b>Earnings before interest and taxes (EBIT)</b>		<b>789.9</b>	<b>620.3</b>
Financial income	12	137.4	88.8
Financial expenses	12	-106.4	-116.7
<b>Earnings before taxes (EBT)</b>		<b>820.9</b>	<b>592.5</b>
Income taxes	13	-173.4	-104.1
<b>Net profit</b>		<b>647.5</b>	<b>488.4</b>
attributable to:			
– BKW shareholders		622.2	478.0
– Non-controlling interests		25.3	10.3
Earnings per share in CHF (basic and diluted)	14	11.80	9.06

1 Adjusted, refer to note 3.5

# Consolidated Statement of Comprehensive Income

CHF millions	Note	2024	2023
<b>Other comprehensive income</b>			
<b>Net profit</b>		<b>647.5</b>	<b>488.4</b>
Actuarial gains/losses (Group companies)	27		
– Actuarial gains/losses (–)		134.5	19.5
– Income taxes		–27.3	–4.2
Actuarial gains/losses (associates)	21		
– Actuarial gains/losses (–)		–1.9	12.6
– Income taxes		0.9	–0.9
Financial assets at fair value through other comprehensive income	29		
– Value adjustments		–0.7	0.1
– Income taxes		0.1	0.0
<b>Total items that will not be reclassified to income statement, net of tax</b>		<b>105.7</b>	<b>27.1</b>
Currency translations	29		
– Currency translations		16.4	–79.6
– Reclassification to the income statement		1.2	0.0
– Income taxes		0.8	–3.1
Hedging transactions (Group companies)	29		
– Value adjustments		3.3	190.3
– Reclassification to the income statement		34.8	191.8
– Income taxes		–8.0	–78.3
Hedging transactions (associates)	29		
– Value adjustments		–0.8	–2.4
– Reclassification to the income statement		–0.2	0.0
<b>Total items that may be reclassified to income statement, net of tax</b>		<b>47.5</b>	<b>218.6</b>
<b>Other comprehensive income</b>		<b>153.2</b>	<b>245.7</b>
<b>Comprehensive income</b>		<b>800.7</b>	<b>734.1</b>
attributable to:			
– BKW shareholders		776.6	725.4
– Non-controlling interests		24.1	8.7

# Consolidated Balance Sheet

CHF millions	Note	31.12.2024	31.12.2023
<b>Assets</b>			
Cash and cash equivalents	32	867.3	771.5
Trade accounts receivable and other receivables	15	1,011.9	1,041.1
Contract assets	16	266.6	234.7
Current tax receivables		27.0	35.9
Financial assets	20	157.9	155.4
Derivatives	33.2	266.1	201.3
Inventories	17	347.7	210.5
Prepaid expenses and accrued income	18	161.7	129.7
Assets held for sale	19	12.5	0.0
<b>Total current assets</b>		<b>3,118.7</b>	<b>2,780.1</b>
Financial assets	20	1,179.4	1,172.5
Derivatives	33.2	32.4	197.1
Credit from employee pension plans	27	203.2	71.6
Investments in associates	21	1,409.4	1,407.3
Property, plant and equipment	22	4,288.3	4,035.1
Intangible assets	23	1,299.4	1,291.4
Deferred tax assets	13	64.5	56.4
<b>Total non-current assets</b>		<b>8,476.7</b>	<b>8,231.4</b>
<b>Total assets</b>		<b>11,595.4</b>	<b>11,011.6</b>
<b>Shareholders' equity and liabilities</b>			
Trade accounts payable and other liabilities	24	692.4	626.3
Contract liabilities	16	329.9	255.7
Current tax liabilities		214.6	197.1
Financial liabilities	25	298.9	317.1
Derivatives	33.2	108.4	295.9
Provisions	26	114.8	154.9
Deferred income and accrued expenses	18	342.0	315.9
Liabilities held for sale	19	3.3	0.0
<b>Total current liabilities</b>		<b>2,104.5</b>	<b>2,162.8</b>
Financial liabilities	25	1,605.9	1,561.3
Derivatives	33.2	38.8	6.4
Pension liability	27	65.5	65.1
Other liabilities	28	340.5	372.2
Provisions	26	1,218.1	1,278.5
Deferred tax liabilities	13	562.7	518.2
<b>Total non-current liabilities</b>		<b>3,831.4</b>	<b>3,801.8</b>
<b>Total liabilities</b>		<b>5,935.9</b>	<b>5,964.6</b>
Share capital	29	132.0	132.0
Capital reserves	29	41.3	41.3
Retained earnings	29	5,120.1	4,675.2
Other reserves	29	-76.0	-230.4
Treasury shares	29	-5.9	-2.8
<b>Equity attributable to BKW shareholders</b>		<b>5,211.5</b>	<b>4,615.2</b>
Equity attributable to non-controlling interests		448.0	431.8
<b>Total shareholders' equity</b>		<b>5,659.5</b>	<b>5,047.0</b>
<b>Total shareholders' equity and liabilities</b>		<b>11,595.4</b>	<b>11,011.6</b>

## Changes in Consolidated Equity

CHF millions	Share capital	Capital reserves	Retained earnings	Other reserves	Treasury shares	Attributable to BKW shareholders	Attributable to non-controlling interests	Total
<b>Equity at 31.12.2022</b>	<b>132.0</b>	<b>41.3</b>	<b>4,401.9</b>	<b>-506.2</b>	<b>-2.1</b>	<b>4,066.9</b>	<b>312.7</b>	<b>4,379.6</b>
Net profit			478.0			478.0	10.3	488.4
Other comprehensive income				247.3		247.3	-1.6	245.7
<b>Comprehensive income</b>			<b>478.0</b>	<b>247.3</b>		<b>725.4</b>	<b>8.7</b>	<b>734.1</b>
Dividends			-213.8			-213.8	-13.8	-227.6
Distribution on hybrid capital <sup>1</sup>						0.0	-2.1	-2.1
Transactions in treasury shares			-11.0		-0.7	-11.8		-11.8
Share-based payments			11.1			11.1		11.1
Sale of non-controlling interests			9.0	28.4		37.4	125.6	163.1
Contribution to equity from non-controlling interests						0.0	0.6	0.6
<b>Equity at 31.12.2023</b>	<b>132.0</b>	<b>41.3</b>	<b>4,675.2</b>	<b>-230.4</b>	<b>-2.8</b>	<b>4,615.2</b>	<b>431.8</b>	<b>5,047.0</b>
Net profit			622.2			622.2	25.3	647.5
Other comprehensive income				154.4		154.4	-1.2	153.2
<b>Comprehensive income</b>			<b>622.2</b>	<b>154.4</b>		<b>776.6</b>	<b>24.1</b>	<b>800.7</b>
Dividends			-179.5			-179.5	-17.0	-196.4
Distribution on hybrid capital <sup>1</sup>						0.0	-3.5	-3.5
Transactions in treasury shares			-9.7		-3.1	-12.8		-12.8
Share-based payments			12.0			12.0		12.0
Changes in the scope of consolidation						0.0	6.6	6.6
Contribution to equity from non-controlling interests						0.0	6.0	6.0
<b>Equity at 31.12.2024</b>	<b>132.0</b>	<b>41.3</b>	<b>5,120.1</b>	<b>-76.0</b>	<b>-5.9</b>	<b>5,211.5</b>	<b>448.0</b>	<b>5,659.5</b>

1 refer to note 29.3

# Consolidated Cash Flow Statement

CHF millions	Note	2024	2023
Earnings before income taxes (EBT)		820.9	592.5
Financial result	12	-31.0	27.9
Adjustment for non-cash transactions	32	242.6	227.1
Change in net working capital (excl. financial assets/liabilities and derivatives)		-43.2	118.2
Income taxes paid		-136.2	-129.5
Other financial expenses/income		-9.8	-24.4
<b>Cash flow from operating activities before utilization of nuclear provisions</b>		<b>843.3</b>	<b>811.7</b>
Utilization of nuclear provisions		-103.9	-108.1
<b>Cash flow from operating activities</b>		<b>739.4</b>	<b>703.7</b>
Investments in property, plant and equipment	22	-431.4	-332.7
Disposal of property, plant and equipment		17.1	12.3
Acquisition of Group companies	5/32	-32.9	-148.0
Disposals of Group companies		0.8	2.8
Investments in associates	21	0.0	-8.3
Disposals of associates	21	23.9	17.3
Refunds of STENFO		93.9	37.6
Investments in other current and non-current financial assets		-18.2	-111.6
Disposals of other current and non-current financial assets		31.0	63.0
Investments in intangible assets	23	-21.2	-21.3
Disposals of intangible assets		4.3	0.0
Interest received		10.1	13.9
Dividends received		21.4	27.1
<b>Cash flow from investing activities</b>		<b>-301.2</b>	<b>-447.7</b>
Purchase of treasury shares	29	-41.0	-44.3
Sale of treasury shares	29	28.2	32.3
Sale of non-controlling interests		0.0	195.3
Contribution to capital from non-controlling interests		4.1	0.6
Distribution on hybrid capital <sup>1</sup>		-3.5	-2.1
Increase in current and non-current financial liabilities	25	235.2	24.6
Decrease in current and non-current financial liabilities	25	-322.8	-255.7
Increase in other long-term liabilities	25	18.2	50.9
Decrease in other long-term liabilities	25	-27.5	0.0
Interest paid		-37.1	-35.0
Dividends paid		-196.4	-227.6
<b>Cash flow from financing activities</b>		<b>-342.6</b>	<b>-260.9</b>
Translation adjustments on cash and cash equivalents		5.1	-21.4
<b>Net change in cash and cash equivalents</b>		<b>100.6</b>	<b>-26.3</b>
Cash and cash equivalents at the beginning of the reporting period		771.5	797.8
Cash and cash equivalents at the end of the reporting period	32	872.2	771.5

# Notes to the Consolidated Financial Statements

The financial report is a translation from the original German version. In case of any inconsistency the German version shall prevail.

## 1 General Information

BKW AG, along with its Group companies (hereinafter "BKW" or the "BKW Group"), is an international energy and infrastructure company. Its network of companies and extensive expertise allow it to offer customers a full range of integrated solutions. The Group plans, builds and operates infrastructure to produce and supply energy to businesses, households and the public sector, and offers digital business models for renewable energies. The BKW Group's portfolio of services ranges from engineering planning and consulting for energy, infrastructure and environmental projects, integrated building technology solutions, and the construction and maintenance

of energy, telecommunications, transport and water utility networks.

BKW AG, the parent company, is headquartered at Viktoriaplatz 2 in Bern, Switzerland. BKW shares are traded on the SIX Swiss Exchange under ISIN CH0130293662.

BKW's Board of Directors approved the release of these consolidated financial statements on March 10, 2025. The 2024 consolidated financial statements will be submitted to the General Meeting for approval on April 29, 2025.

## 2 Accounting Principles

### 2.1 Basis of Preparation

The consolidated financial statements provide a true and fair view of the financial position, results of operations, and cash flows of the BKW Group in accordance with IFRS Accounting Standards and comply with Swiss law. The closing date for the consolidated financial statements is December 31. The consolidated financial statements are presented in Swiss francs (CHF).

The consolidated financial statements were prepared based on historical cost. Exceptions to this are described in the accounting policies.

Due to rounding and the presentation in CHF million, it is possible that individual figures in the consolidated financial statements do not add up exactly to the totals shown. All key performance indicators and deviations are calculated based on the underlying unrounded amount.

### 2.2 Adoption of new standards and interpretations

Since January 1, 2024, BKW has applied various amended standards which have no material

impact on the financial position, results of operations and cash flows of BKW.

### 2.3 Future adoption of new standards and interpretations

The following new and amended standards have been published by the balance sheet date but will not be applied until subsequent fiscal years. BKW intends to apply the changes from the date on which they come into force (entry into force for fiscal years beginning on or after the dates in brackets):

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" (January 1, 2025)
- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" (January 1, 2026)
- IFRS 18 – "Presentation and Disclosure in Financial Statements," new accounting standard (January 1, 2027)

No material effects on BKW's consolidated financial statements are expected. The application of IFRS 18 will have an effect on the classification of the income statement and on various disclo-

sure details but will not affect the measurement of the items contained therein. BKW is currently analyzing the effects, particularly with regard

to the structure of the consolidated financial statements.

## 3 Consolidation

### 3.1 Consolidation principles

#### Accounting principles

Consolidation is based on the closing statements of the individual Group companies prepared according to uniform measurement and classification principles. Intercompany balances, transactions and profits are eliminated in full.

The closing date for all Group companies is December 31. The closing date for some associates differs from that of BKW since these companies close their accounts on September 30 in line with the hydrological year.

For these companies, consolidation is generally based on the financial statements as of September 30. Adjustments are made for material transactions that occur between the closing date of the companies and the closing date of BKW.

### 3.2 Scope of consolidation

#### Accounting principles

##### Group companies

Group companies are included in the consolidated financial statements in their entirety starting from the date on which control is acquired. There are no material restrictions on the transfer of funds from subsidiaries to the parent company.

##### Joint arrangements

Companies over which there is joint control are treated as joint ventures or joint operations. Joint operations are accounted for in the consolidated financial statements by recognizing the Group's share of the assets and liabilities and of the revenues and expenses. The Group's joint ventures are accounted for using the equity method.

### 3.3 Currency translation

#### Accounting principles

The reporting currency is the Swiss franc (CHF), which corresponds to BKW's functional currency. BKW recognizes foreign currency transactions at the prevailing exchange rates on the transaction date. Exchange rate gains and losses arising from such transactions and the translation of foreign currency balances on the balance sheet date are recognized in the financial result.

Foreign currency financial statements of Group companies are translated into the reporting currency (Swiss francs) according to the following principles:

- Balance sheet, at the closing rates on December 31,
- Income statement, at average rates for the reporting year,
- Cash flow statement, at average rates for the reporting year.

		Closing date 31.12.2024	Closing date 31.12.2023	Average 2024	Average 2023
Eurozone	1 EUR	0.9412	0.9260	0.9524	0.9719
Norway	100 NOK	7.9797	8.2381	8.1931	8.5182
Great Britain	1 GBP	1.1351	1.0655	1.1251	1.1173
United States of America	1 USD	0.9060	0.8380	0.8801	0.8990
Sweden	100 SEK	8.2136	8.3454	8.3333	8.4730

Goodwill and adjustments to the fair value of identified net assets made as part of the pur-

chase price allocation for companies in foreign currencies are carried in the foreign currency.

### 3.4 Adjustment to presentation

BKW adjusted the presentation of the annual financial statements in the reporting year. The figures for the reporting period are now shown first, followed by the figures for the previous year's period.

This corresponds to the presentation by the vast majority of corporate groups and thus increases the comparability of the financial statements.

### 3.5 Adjustments during the fiscal year

#### Breakdown of total operating income

The classification of total operating income was adjusted in the reporting year. There are various concepts for disclosing net revenue in the energy sector. BKW has analyzed the various concepts and has adjusted the disclosure of net revenue in the 2024 reporting year. BKW believes that transactions involving financial instruments (proprietary energy trading and hedging instruments) should be presented as other operating income. Only effective revenue from operating activities

in accordance with IFRS 15 is now shown as revenue. Accordingly, CHF 159.2 million was reclassified from net revenue to other operating income for the prior-year period. BKW considers this accounting principle to be more suitable than the previous presentation as it corresponds to the majority practice in German-speaking countries and will apply this presentation going forward. The change has no impact on the balance sheet or cash flow statement in the 2024 annual financial statements.

The figures from the comparative period have been adjusted accordingly:

CHF millions	2023	Adjustments	2023 adjusted
Net sales	4,432.7	-159.2	4,273.5
Own work capitalised	77.7		77.7
Other operating income	87.3	159.2	246.5
<b>Total operating income</b>	<b>4,597.7</b>	<b>0.0</b>	<b>4,597.7</b>

**Disclosure of the carrying amounts of derivatives**

In previous years, futures were incorrectly included in the disclosure of the carrying amounts of derivatives for hedging transactions in Note 33.

The other derivatives were calculated as the difference between the total derivatives item; the values of the derivatives as of December 31, 2023 have been corrected accordingly.

- Derivative assets measured at fair value through profit or loss now amount to CHF 367.5 million (previous year: CHF 295.7 million), and derivative

assets measured at fair value through other comprehensive income amount to CHF 30.9 million (previous year: CHF 102.7 million).

- Derivative liabilities measured at fair value through profit or loss now amount to CHF 268.5 million (previous year: CHF 100.8 million), and derivative liabilities measured at fair value through other comprehensive income amount to CHF 33.8 million (previous year: CHF 201.5 million).

The adjustment has no impact on other disclosures in the 2024 annual report.

## 4 Significant accounting judgments, estimation uncertainties and assumptions

The preparation of the financial statements in accordance with the applicable accounting standards necessitates the use of estimates and assumptions that affect the reported amounts of assets, provisions, liabilities and contingent liabilities on the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on both past

findings and the best possible assessment of future developments. Actual results may differ from these estimates. Estimates and assumptions are regularly reviewed, and changes are recognized in the period in which they are identified.

BKW has made accounting judgments in various areas that have an impact on the accounting.

Areas that require a higher degree of accounting judgments or are associated with greater uncertainty are disclosed and explained in the corresponding notes. These include the following items in particular:

	Note
Net revenue	7
Income taxes	13
Financial assets	20
Property, plant and equipment	22
Intangible assets incl. goodwill	23
Provisions	26
Pension plans	27
Energy derivatives	33.2

## 5 Business combinations

### Accounting principles

Business combinations are recognized using the purchase method. The acquisition costs comprise the purchase price as well as contingent and non-contingent purchase price elements. Transaction costs incurred in connection with the acquisitions are recognized under "Other operating expenses."

Newly acquired companies are included in the consolidated financial statements as of the acquisition date (acquisition of control); sold companies are deconsolidated as of the sale date (loss of control).

The net assets acquired (identifiable assets, liabilities and contingent liabilities) are measured at fair value on the acquisition date. The recoverability of the receivables was taken into account; due to the insignificant loss ratios in the past, no significant valuation allowances were recognized. The receivables are not discounted due to the generally short maturity structure.

The difference from the purchase price is recognized as goodwill or negative goodwill and allocated to the business segment that will benefit from the synergies.

In the case of step-up acquisitions, existing shares are measured at fair value through profit or loss as of the acquisition date. This remeasurement is recognized in profit or loss.

### Business combinations 2024

CHF millions	HelveticWind	plan & co Gruppe	studio grün- grau GmbH	Miscellaneous	Total
Cash and cash equivalents	23.3	0.8	0.7	1.7	26.6
Trade accounts receivable and other receivables	2.9	2.7	0.6	1.2	7.4
Other current assets	5.1	2.4	0.6	0.4	8.5
Financial assets	1.1	0.0	0.0	0.0	1.2
Derivatives	0.8	0.0	0.0	0.0	0.8
Property, plant and equipment	51.5	0.3	0.4	0.9	53.0
Intangible assets	0.1	0.4	0.0	0.7	1.2
Deferred tax assets	0.9	0.1	0.0	0.0	0.9
Current liabilities	-6.7	-3.5	-0.6	-1.2	-12.0
Financial liabilities	-50.0	-0.2	-0.4	-0.7	-51.2
Provisions	-7.1	0.0	0.0	0.0	-7.1
Deferred tax liabilities	-3.7	-0.1	-0.0	-0.2	-4.1
Pension liability	0.0	0.0	0.0	-0.2	-0.2
<b>Fair value of acquired net assets</b>	<b>18.2</b>	<b>2.8</b>	<b>1.3</b>	<b>2.7</b>	<b>25.0</b>
Non-controlling interests	-7.3	0.0	0.0	0.0	-7.3
Fair value of interests already held	-5.3	0.0	0.0	0.0	-5.3
<b>Newly acquired share of net assets</b>	<b>5.6</b>	<b>2.8</b>	<b>1.3</b>	<b>2.7</b>	<b>12.4</b>
Goodwill	0.0	6.1	1.9	6.4	14.4
<b>Purchase price</b>	<b>5.6</b>	<b>8.9</b>	<b>3.2</b>	<b>9.1</b>	<b>26.8</b>
Cash and cash equivalents acquired	-23.3	-0.8	-0.7	-1.7	-26.6
Contingent consideration	0.0	-2.2	-1.0	-2.8	-6.0
Deferred consideration	0.0	-0.5	-0.2	-0.7	-1.3
<b>Cash outflow (+) / Cash Inflow (-)</b>	<b>-17.7</b>	<b>5.4</b>	<b>1.2</b>	<b>4.0</b>	<b>-7.1</b>

BKW acquired the companies listed below during the 2024 fiscal year. The values for the transactions listed are provisional, as the purchase price allocations have not been finalized.

#### HelveticWind

In the Energy Solutions business segment, BKW acquired additional participation rights in the wind farm companies HelveticWind Italia s.r.l.

(additional 31%) and HelveticWind Deutschland GmbH (additional 30%) in June 2024. By increasing its equity stake, BKW can expand its existing portfolio of renewable energy generation plants in its core markets. HelveticWind owns the Gross Welle, Lüdersdorf-Parstein, Sendenhorst and Wulkow wind farms in Germany and the Ventisei and Eolo wind farms in Italy.

No goodwill was recognized, and no transaction costs were incurred.

Had the company already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 9.8 million higher and net profit CHF 1.7 million higher. Between the consolidation date and December 31, 2024, the acquired company generated total operating income of CHF 8.7 million and a net profit of CHF 3.5 million.

#### **plan & co Group**

In the Engineering business area of the Infrastructure & Buildings business segment, BKW acquired 100% of the shares in the plan & co Group in August 2024. The Group comprises the three companies plan & co. das zeichenbüro GmbH, based in Gilching, Germany, plan & co. das zeichenbüro GmbH, based in Wiener Neudorf, Austria, and DCMVN Company Limited, based in Ho Chi Minh City, Vietnam. The group is active in the field of technical building services and mainly provides 3D and BIM planning for complex projects.

Contingent purchase price liabilities of CHF 2.2 million and goodwill of CHF 6.1 million were recognized as of the acquisition date. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. Transaction costs of CHF 0.6 million were incurred.

Had the company already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 4.6 million higher and net profit CHF 0.6 million higher. Between the consolidation date and December 31, 2024, the acquired company generated total operating income of CHF 1.9 million and a net loss of CHF 0.5 million.

#### **studio grüngrau GmbH**

In June 2024, BKW acquired 100% of the shares in studio grüngrau GmbH, based in Düsseldorf, Germany, in the Engineering business area of the Infrastructure & Buildings business segment. The company has urban planning expertise in the field of landscape architecture and offers property planning, open space planning, landscape planning, and urban development and structural planning services throughout Germany.

Contingent purchase price liabilities of CHF 1.0 million and goodwill of CHF 1.9 million were recognized as of the acquisition date. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. Transaction costs of CHF 0.1 million were incurred.

Had the company already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 3.1 million higher and net profit CHF 0.5 million higher. Between the consolidation date and December 31, 2024, the acquired company generated total operating income of CHF 1.7 million and a net profit of CHF 0.3 million.

#### **Miscellaneous**

BKW made a number of other acquisitions during the 2024 fiscal year. Due to the number of acquisitions and their low key financial figures, aggregated figures are shown and individual business combinations are not presented separately.

In the Infrastructure & Buildings business segment, Engineering business area, BKW also acquired 100% of the shares in ProBAS AG, headquartered in Weier in Emmental, Switzerland, in May 2024 and the operating business of Elpro Engineering AG, Brig, Switzerland, as part of an asset deal.

In the Infrastructure & Buildings business segment, BKW acquired a 100% stake in Groupe Gaspar, with three subsidiaries focusing on heating services based in Sullens, Switzerland, in September 2024.

The transactions resulted in total goodwill of CHF 6.4 million. The goodwill recognized is mainly attributable to the expected future synergies

and the acquisition of a qualified workforce. There were no transaction costs.

Had the company already been acquired as of January 1, 2024, total operating income in the 2024 reporting year would have been CHF 17.6 million higher and net profit CHF 5.8 million higher. Between the consolidation date and

December 31, 2024, the acquired companies generated total operating income of CHF 12.5 million and net profit of CHF 4.6 million.

CHF 10.6 million was paid for contingent consideration and CHF 29.4 million for deferred consideration for acquisitions made in the previous years.

### Business combinations 2023

CHF millions	Wind park Sweden	Veneta Energia S.r.l.	Miscellaneous <sup>1</sup>	Total
Cash and cash equivalents	1.1	1.6	3.5	6.2
Trade accounts receivable and other receivables	0.0	1.6	5.0	6.6
Other current assets <sup>1</sup>	0.2	0.1	55.5	55.8
Financial assets	0.0	0.0	0.3	0.3
Property, plant and equipment	108.2	60.2	12.1	180.5
Intangible assets	0.0	0.0	5.2	5.2
Deferred tax assets <sup>1</sup>	0.0	0.0	1.0	1.0
Current liabilities	-0.1	0.0	-58.4	-58.5
Financial liabilities	-4.9	0.0	-7.5	-12.4
Provisions	-0.7	-1.4	-4.4	-6.5
Deferred tax liabilities <sup>1</sup>	-4.8	-16.5	-2.4	-23.7
<b>Fair value of acquired net assets</b>	<b>99.0</b>	<b>45.6</b>	<b>9.9</b>	<b>154.5</b>
Goodwill <sup>1</sup>	0.0	0.0	20.5	20.5
<b>Purchase price</b>	<b>99.0</b>	<b>45.6</b>	<b>30.4</b>	<b>175.0</b>
Cash and cash equivalents acquired	-1.1	0.0	-5.1	-6.2
Contingent consideration	0.0	0.0	-5.5	-5.5
Deferred consideration	0.0	-33.0	-1.9	-34.9
<b>Cash outflow</b>	<b>97.9</b>	<b>12.6</b>	<b>17.9</b>	<b>128.4</b>

1 Adjusted values

The values for the transactions conducted in the previous year were provisional since the purchase price allocations had not been finalized. The purchase price allocations are now final. In the 2023 fiscal year BKW made the following acquisitions.

#### Wind farms in Sweden

In the Energy Solutions business segment, BKW acquired 100% of three wind farms with 19 wind turbines in Tjörnäs, Skallberget/Utterberget and Rosenskog, Sweden in June 2023. The wind turbines are still under construction and have a planned total capacity of 125 MW.

Transaction costs CHF 0.3 million were incurred.

Had the company already been acquired as of January 1, 2023, the total operating income in the 2023 reporting year would have been unchanged and the net profit CHF 0.2 million

higher. Between the consolidation date and December 31, 2023, the acquired company generated total operating income of CHF 1.5 million and a net profit of CHF 0.9 million.

#### Veneta Energia S.r.l.

In the Energy Solutions business segment, BKW acquired 100% of the rights to two wind farm projects in Puglia in July 2023. The projects comprise 31 wind turbines with a planned combined capacity of 130 MW. Construction started in 2024, and commissioning of the wind turbines is planned for the end of 2025. Investments of EUR 190 million will be made during the construction phase.

Transaction costs of CHF 0.1 million were incurred.



Had the company already been acquired as of January 1, 2023, the total operating income in the 2023 reporting year would have been unchanged and the net profit CHF 0.1 million higher. Between the consolidation date and December 31, 2023, the acquired company generated no operating income and a net profit of CHF 0.1 million.

#### Miscellaneous

BKW made a number of other acquisitions during the 2023 fiscal year. Due to the number of acquisitions and their low key financial figures, aggregated figures are shown and individual business combinations are not presented separately.

In the Engineering business area of the Infrastructure & Buildings business segment, BKW acquired the remaining 50% of the shares in Lindschulte Ingenieurgesellschaft GmbH based in Meppen, Germany, as well as 100% of the shares in Planquadrat Eifers Geskes Krämer Partnerschafts GmbH based in Darmstadt, Germany, Architektengruppe Schweitzer GmbH based in Braunschweig, Germany, and ABES Wagner & Partner ZT-GmbH based in Graz, Austria.

In the Infra Services business area, BKW acquired 100% of the shares in the ABE Group based in Barsbüttel, Germany.

The transactions resulted in total goodwill of CHF 20.5 million. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. The transaction costs incurred were CHF 0.4 million.

In the course of the final purchase price allocation, the customer credit balances were valued CHF 3.4 million lower in the second half of the year and the goodwill value increased by CHF 2.4 million as reported in the 2023 Annual Report.

Between the consolidation date and December 31, 2023, the acquired companies generated total operating income of CHF 15.3 million and a loss of CHF 0.9 million.

CHF 6.6 million was paid for contingent consideration and CHF 12.5 million for deferred consideration for acquisitions made in previous years.

## 6 Segment reporting

### Accounting principles

Segments and segment results are defined based on the management approach. In line with the strategy, BKW's reporting is structured around the Energy Solutions, Power Grid, and Infrastructure & Buildings business segments. The CEO, who has prime decision-making authority, uses operating profit before interest and taxes (EBIT) as the basis for allocating resources and measuring performance.

Segment figures are determined in accordance with the same accounting policies that are applied for the Group-level presentation of consolidated figures. The prices for intercompany transactions (transfer prices) are based on the market price on the transaction date.

- The Energy Solutions business segment builds, operates and maintains BKW's portfolio of power plants in Switzerland and abroad. It also includes the sale of energy in Switzerland, trading in electricity, certificates and raw materials as well as wind, solar and smart energy services.
- The Power Grid business segment builds, operates, and maintains BKW's distribution grid.
- The Infrastructure & Buildings business segment includes engineering planning and consulting for energy, infrastructure and environmental projects, integrated building technology solutions, and the construction and maintenance of energy, telecommunications, transport and water utility networks.

The "Other" column covers activities that are centrally managed within the Group, consisting

mainly of Group financing, real estate, fleet management, procurement, financial assets, other energy-related services and taxes. Some of the costs that arise in conjunction with the build-up of segments (acquisition/integration costs, technology development costs, etc.) are borne centrally.

As the investment in Swissgrid AG is of a financial rather than operational nature, it was decided to report it now under "Other" rather than under "Power Grid" in internal reporting. Segment reporting is structured in accordance with the new definition and the previous year has been adjusted accordingly. For 2023, this means that the result from associates of Swissgrid AG for the 2023 fiscal year of CHF 36.9 million will now be reported under "Other" and no longer under "Power Grid".

## Information by business segment

2024 CHF millions	Energy Solutions	Power Grid	Infra- structure & Buildings	Other	Consoli- dation	Total
External revenue	2,148.5	653.3	1,914.5	26.2	29.8	4,772.3
– Net sales	2,049.0	591.0	1,891.5	17.1	0.0	4,548.6
– Own work capitalized	9.6	57.2	0.5	0.2	29.8	97.3
– Other operating income	89.9	5.1	22.5	8.9	0.0	126.4
Internal revenue	17.7	19.6	58.6	177.6	–273.5	0.0
– Net sales	13.7	1.2	54.6	4.2	–73.7	0.0
– Other operating income	4.0	18.4	4.0	173.4	–199.8	0.0
<b>Total operating income</b>	<b>2,166.2</b>	<b>673.0</b>	<b>1,973.1</b>	<b>203.8</b>	<b>–243.7</b>	<b>4,772.4</b>
Energy procurement/transport	–1,172.3	–195.3	0.0	0.0	0.5	–1,367.1
Material and third-party services	–69.4	–36.1	–805.6	–7.3	44.2	–874.2
Personnel expenses	–94.9	–110.7	–846.0	–93.6	6.4	–1,138.8
Other operating expenses	–117.3	–90.8	–187.2	–112.9	189.0	–319.2
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>712.3</b>	<b>240.0</b>	<b>134.3</b>	<b>–10.0</b>	<b>–3.6</b>	<b>1,073.0</b>
Depreciation, amortization and impairment	–134.3	–99.9	–77.4	–22.6	3.9	–330.3
Income from associates	8.5	0.3	0.0	38.4	0.0	47.2
<b>Earnings before interest and taxes (EBIT)</b>	<b>586.5</b>	<b>140.4</b>	<b>56.9</b>	<b>5.8</b>	<b>0.3</b>	<b>789.9</b>
Financial result						31.0
<b>Earnings before taxes (EBT)</b>						<b>820.9</b>

In the Energy Solutions business segment, impairment losses of CHF 16.4 million were recognized on a new construction project in the Hydro Switzerland division. At the same time, impairment losses of CHF 7.6 million were

reversed in the same area. Impairment losses of CHF 31.6 million had to be recognized on wind turbines. For more information, see Notes 11 and 22.

2023 CHF millions	Energy Solutions <sup>1</sup>	Power Grid <sup>2</sup>	Infra-structure & Buildings	Other <sup>2</sup>	Consolidation	Total
External revenue	2,218.9	534.2	1,791.9	30.3	22.3	4,597.7
– Net sales	2,024.5	482.6	1,753.3	13.0	0.0	4,273.5
– Own work capitalized	6.7	47.3	0.1	1.2	22.3	77.7
– Other operating income	187.7	4.2	38.5	16.1	0.0	246.5
Internal revenue	20.1	5.9	45.9	183.2	–255.0	0.0
– Net sales	16.5	1.0	45.9	15.9	–79.2	0.0
– Other operating income	3.7	4.8	0.0	167.3	–175.8	0.0
<b>Total operating income</b>	<b>2,239.0</b>	<b>540.1</b>	<b>1,837.8</b>	<b>213.5</b>	<b>–232.7</b>	<b>4,597.7</b>
Energy procurement/transport	–1,324.8	–125.9	0.0	0.0	0.4	–1,450.3
Material and third-party services	–53.6	–47.7	–763.1	–8.2	50.5	–822.1
Personnel expenses	–85.1	–90.5	–812.2	–100.2	0.4	–1,087.6
Other operating expenses	–113.6	–74.5	–170.7	–105.1	179.0	–284.9
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>661.9</b>	<b>201.5</b>	<b>91.8</b>	<b>0.0</b>	<b>–2.4</b>	<b>952.8</b>
Depreciation, amortization and impairment	–139.6	–91.8	–132.0	–22.5	4.1	–381.8
Income from associates	12.3	0.2	0.0	36.9	0.0	49.3
<b>Earnings before interest and taxes (EBIT)</b>	<b>534.6</b>	<b>109.8</b>	<b>–40.2</b>	<b>14.4</b>	<b>1.7</b>	<b>620.3</b>
Financial result						–27.9
<b>Earnings before taxes (EBT)</b>						<b>592.5</b>

1 Adjusted, refer to note 3.5

2 Disclosure of the result from associates (Swissgrid AG) adjusted

In the Energy Solutions business segment, impairments of CHF 53.0 million were recognized on wind turbines. The remaining amounts are made up of current depreciation on fixed assets. In addition, impairment losses of CHF 48.3 million

were recognized in the Infrastructure & Buildings business segment in connection with brands and customer lists. For more information, see Notes 11, 22 and 23.

### Information by country

Net revenue to external customers by country are broken down according to the place of delivery for the respective product. Non-current assets cover property, plant and equipment, intangible assets and investments in associates in the respective countries.

CHF millions	Switzerland		Germany		Italy		France		Other countries		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
Net sales <sup>1</sup>	3,076.5	2,940.9	871.7	878.9	203.2	160.5	128.1	151.5	269.1	141.7	4,548.6	4,273.5
Non-current assets	5,042.5	4,873.3	858.0	832.4	536.8	461.6	264.4	289.5	295.5	277.0	6,997.2	6,733.8

1 Adjusted, refer to note 3.5

### Information on significant customers

There are no transactions with individual external customers that generate revenue accounting for 10% or more of net revenue.

## 7 Net revenue

### Accounting principles

#### Energy Solutions

Revenue in the Energy Solutions business segment mainly comprises income from the sale of energy to end customers and distribution partners in Switzerland, income from energy trading from the sale of electricity, certificates and raw materials on the wholesale market, income from the direct feed-in of energy from power plants with feed-in tariffs, and income from the production of heat as well as wind, solar and other energy-related services.

In the energy sector, “own-use” transactions (“own-use exemption” according to IFRS 9) fall under the provisions of IFRS 15. The revenues from these business activities are generally realized over the period of the agreed service provision.

However, since energy is consumed at the same time it is delivered, the sale of energy immediately creates a right to payment that corresponds directly to the consideration for the energy supplied. Thus, in these cases, an exemption under IFRS 15 is applied to revenue recognition, and revenue is recognized in the amount that can be invoiced. Thus, the income is considered to be realized and recognized as revenue when delivery has taken place.

#### Power Grid

The Power Grid business segment mainly generates income from transmission fees for the distribution grid (grid usage fees). Income from the transmission of energy must be recognized over the duration of the agreed performance. When energy is transmitted, there is immediate entitlement to remuneration, which corresponds directly to the value for the energy transmitted. This performance falls under the exemption for revenue recognition in IFRS 15. BKW applies this exemption and recognizes revenue in the amount that may be invoiced. Thus, the income is considered to be realized and recognized as revenue when delivery has taken place.

Fees charged to customers for compensatory feed-in remuneration (KEV) and grid usage fees of third-party grid operators are not recognized as revenue owing to the provisions governing principal-agent relationships, but are shown net against the corresponding energy procurement/transport costs.

#### Infrastructure & Buildings

In the Infrastructure & Buildings business segment, revenue is generated mainly through the provision of engineering planning and consulting services for energy, infrastructure and environmental projects, planning and installation services in building technology, and construction and maintenance services for energy, telecommunications, transport and water utility networks. These are primarily customer-specific construction contracts. Owing to the contractual provisions governing these services, which grant BKW the right to compensation for the performance, revenue is recognized over a specified period. The extent of performance is measured using the cost-to-cost method. The costs incurred to obtain customer contracts are not capitalized if these costs are amortized within one year.

### Significant accounting judgments, estimation uncertainties and assumptions

Energy trading transactions are recognized in net revenue or other operating income according to their classification. A distinction is made between transactions at fair value and transactions under the “own use” exemption.

Transactions may fall under the “own use” exemption if they are carried out for the purpose of selling own production volumes or covering the distribution portfolio. The decision to classify a transaction under the “own use” exemption is made based on the “first trade” approach. Accordingly, physical transactions are allocated to “own use” until the necessary volumes have been sold or procured. There must be a high correlation between the allocated transactions and the underlying transaction. Transactions that fall under the “own use” exemption are recognized at gross in net revenue as well as in energy procurement costs.

Transactions entered into solely for the purpose of resale and portfolio optimization are measured at fair value and recognized at net under “Other operating income” in the income statement. In addition to realized gains and losses, this also includes the change in unrealized measurement gains and losses on outstanding positions.

When measuring transactions and other assets, assumptions may be made that influence the fair values and therefore the income statement. The assumptions are based on validated valuation techniques, taking into account historical findings and estimates of future events. Assumptions are made in particular when measuring Level 3 derivatives for which numerous inputs that determine value are not observable in a market.

Net revenue per business segment is broken down as follows between Switzerland and abroad:

CHF millions	Switzerland 2024	Abroad 2024	Switzerland 2023	Abroad 2023
Energy Solutions	1,232.0	817.0	1,194.4	830.1
Power Grid	591.0	0.0	482.6	0.0
Infrastructure & Buildings	1,236.5	655.0	1,250.8	502.5
Other	17.1	0.0	13.0	0.0
<b>Total net sales<sup>1</sup></b>	<b>3,076.6</b>	<b>1,472.0</b>	<b>2,940.8</b>	<b>1,332.6</b>

1 Adjusted, refer to note 3.5



## 8 Energy procurement/transport

<b>CHF millions</b>	2024	2023
Cost of energy procurement from third parties and associates	1,192.5	1,318.6
Provision for onerous energy procurement contracts		
– Provisions used	–28.0	–23.0
– Provisions added (+) / released (–)	7.2	28.8
Total energy procurement expenses	1,171.7	1,324.4
Energy transport expenses	195.4	125.9
<b>Total</b>	<b>1,367.1</b>	<b>1,450.3</b>

Expenses for energy transport include expenses for system services and municipal taxes, while expenses for water rates are included in energy procurement costs.

## 9 Personnel expenses

CHF millions	2024	2023
Salaries and wages	927.5	891.2
Social security contributions and other personnel expenses	211.2	196.4
<b>Total</b>	<b>1,138.8</b>	<b>1,087.6</b>

### 9.1 Share-based payments

#### Accounting principles

BKW has various plans for share-based remuneration: an unconditional purchase right for employees, a performance-related salary component for senior management, a long-term incentive plan (LTI) for members of Group Executive Board and a portion of the Board of Directors' fees.

The fair value of the share-based payment is determined on the grant date. The corresponding expense is recognized systematically over the vesting period and credited to equity.

The allocation of shares to employees and the Board of Directors is not subject to any other conditions, hence there is no vesting period, and the remuneration is recognized on the grant date. The stock market price serves as the basis for measuring fair value. The corresponding expense is recognized in personnel expenses on the grant date. For the employee stock participation program, personnel expenses correspond to the difference between the fair value and the preferential price paid.

The LTI is based on performance-based and market-based criteria. In the case of performance-based criteria, an estimate of the final instruments to be allocated is made on each balance sheet date. A pro-rata expense is recognized accordingly. In the case of market-based criteria, the estimated cost of the shares allocated is recognized at the grant date. The market value is calculated taking into account the market conditions that determine the value. After the initial measurement, a change in these market conditions does not lead to an adjustment of the expense recognized.

Share-based payments are settled exclusively in BKW AG shares.

BKW employees have the opportunity to purchase BKW AG shares on preferential terms. Full-time employees of BKW (except the Board of Directors, the Group Executive Board and senior management) are offered a limited number of BKW shares every year at a fixed preferential price set for that year, subject to a blocking period. In the reporting year, it was possible to acquire up to 793,325 BKW shares (previous year: 747,800 shares) at a preferential price. In the 2024 fiscal year, 140,432 shares (previous year: 161,281 shares) were purchased at a price of CHF 105.50 per share (previous year: CHF 85.15). The fair value per share amounted to CHF 156.30 (previous year: CHF 133.40). Personnel expenses for these share-based payments amounted to CHF 7.1 million (previous year: CHF 7.8 million). No

purchase right remained open on the balance sheet date.

As part of the performance management process, BKW shares are allocated to senior management in March of the following year. In the 2024 fiscal year, 9,805 shares (previous year: 12,398 shares) from the previous year were allocated at a fair value of CHF 136.70 (previous year: CHF 147.90). The shares are subject to a lock-up period. The expected allocation of CHF 1.4 million for the current year has been accrued.

In addition, until 2023, members of the Group Executive Board were allocated a performance-related bonus in the form of BKW shares, as part of their fixed annual base salary. The shares were



allocated annually in the first quarter of each calendar year following the assessment year. In the 2024 fiscal year, 10,272 shares (previous year: 11,519 shares) were allocated at a fair value of CHF 131.20 (previous year: CHF 129.20) for the 2023 assessment year. The shares are also subject to a lock-up period.

The members of the Board of Directors receive 25% of their fee in BKW shares. CHF 0.2 million was recognized for this in the current year (previous year: CHF 0.2 million).

## 9.2 Long-term incentive plan (LTI)

The previous profit-sharing plan for members of the Group Executive Board was replaced in 2024 by the plan described below: The members of BKW's Group Executive Board participate in a new long-term incentive plan (LTI plan) introduced in 2024 for the allocation of performance share units (PSUs). The number of these PSUs depends on the extent to which defined long-term performance targets such as the return on capital employed (ROCE), the cash conversion rate (CCR), and the relative total shareholder return (TSR) are achieved. All three criteria are weighted at one third each and measured over

the three-year vesting period. The TSR is measured as a percentile ranking against a peer group consisting of the SPI Middle Index. An LTI plan has a term of three years, beginning on March 1 and ending on February 28, thus for the first tranche from March 1, 2024, to February 28, 2027. A new LTI plan with a three-year term is launched at the beginning of each fiscal year. At the beginning of the vesting period, a specific number of PSUs are allocated individually, which are calculated by dividing the LTI target amount by the share reference price (average price of BKW shares in the January prior to the allocation of PSUs). The number of PSUs allocated is therefore fixed, but the number of shares to be transferred is variable depending on the LTI payout factor and the target achievement of the three criteria. At the end of the vesting period, the PSUs are issued to the beneficiaries in the form of shares in BKW AG. For the 2024 LTI Plan, 9,504 PSUs were allocated to the beneficiaries at the beginning of the reporting period at a fair value of CHF 117.65, whereby the TSR element was determined based on a Monte Carlo simulation. The reported expense for the 2024 fiscal year amounts to CHF 0.3 million for the period from March 1 to December 31, 2024.

## 10 Other operating expenses

CHF millions	2024	2023
Charges, levies and other taxes	19.0	19.6
Maintenance of real estate and other property, plant and equipment	36.1	31.2
Miscellaneous operating expenses	264.0	234.0
– IT expenses	93.5	84.8
– Marketing, communication and consulting fees	59.3	55.2
– Other items	111.2	94.0
<b>Total</b>	<b>319.2</b>	<b>284.9</b>

## 11 Depreciation, amortization and impairment

CHF millions	2024	2023
Depreciation		
– Property, plant and equipment	254.4	240.5
– Intangible assets	33.9	39.4
Impairment		
– Property, plant and equipment	49.6	53.5
– Intangible assets	0.0	48.3
Reversal of impairments		
– Property, plant and equipment	–7.6	0.0
<b>Total</b>	<b>330.3</b>	<b>381.8</b>

An impairment loss of CHF 16.4 million had to be recognized on a new construction project in the Hydro Switzerland division due to unplanned additional construction costs. At the same time, impairment losses of CHF 7.6 million were reversed in the same area due to lower capital costs. Higher expected operating costs in the area of wind turbines led to impairment losses of CHF 31.6 million. For further information, see Note 22.

In the previous year, impairment losses of CHF 53.0 million had to be recognized on the wind turbines, which were attributable to the generally higher interest rate level and corresponding higher WACC. The impairment loss of CHF 48.3 million recognized on intangible assets in the previous year relates to the additional intangible assets (brands, customer lists) in the Infrastructure & Buildings business segment identified on acquisition (see Note 23).



## 12 Financial result

CHF millions	2024	2023
Interest income	10.3	14.2
Dividend income	0.8	0.7
Value adjustment on STENFO <sup>1</sup>	122.8	71.1
Gains from the disposal of financial assets	0.6	0.3
Reversal of impairment of financial assets	0.9	0.2
Other financial income	1.9	2.3
<b>Financial income</b>	<b>137.4</b>	<b>88.8</b>
Interest expenses	-40.2	-36.6
Capitalized borrowing costs	0.6	0.2
Interest on provisions	-36.2	-36.8
Losses from the disposal of financial assets	-0.0	0.0
Value adjustment of financial assets at fair value through profit or loss	-4.7	-3.5
Impairment of financial assets	-0.9	0.0
Currency translations	-6.1	-12.8
Other financial expenses	-18.8	-27.1
<b>Financial expenses</b>	<b>-106.4</b>	<b>-116.7</b>
<b>Financial result</b>	<b>31.0</b>	<b>-27.9</b>

1 See note 20

## 13 Income taxes

### Accounting principles

The taxes item includes current and deferred income taxes. Income taxes are recognized in the income statement, with the exception of income taxes on items recognized directly in equity or other comprehensive income, which in such cases are also recognized in equity or other comprehensive income.

Deferred taxes are based on temporary differences between the tax basis of assets and liabilities and the values in the consolidated financial statements. In addition, deferred taxes are recognized on unused tax loss carryforwards.

The deferred tax rate applied corresponds to the rate that is expected to apply at the time the temporary difference is reversed or the tax loss carryforwards are utilized. Deferred taxes are calculated using the liability method using tax rates that have been enacted or substantively enacted by the balance sheet date. Any changes in tax rates are recognized in the income statement, except for items recognized directly in equity or other comprehensive income. Deferred taxes are calculated on all taxable temporary differences. This does not apply to non-tax-deductible goodwill. Deferred tax assets are only recognized if it is probable that sufficient taxable income will be generated in the future.

### Significant accounting judgments, estimation uncertainties and assumptions

The taxes recognized in the consolidated financial statements are based on management's estimates, taking into account the facts known at the balance sheet date that have a potential impact on income taxes and the resulting assets and liabilities. Differences between the estimated values and taxes actually payable are recognized in profit or loss in the period in which they are determined. Deferred tax assets are dependent on the expected taxable profit. For each company with deferred tax assets, BKW assesses whether capitalization is justified.

CHF millions	2024	2023
Current income taxes	168.5	136.9
Deferred taxes	4.9	-32.9
<b>Total</b>	<b>173.4</b>	<b>104.1</b>

### Reconciliation with reported income taxes

CHF millions	2024	2023
Profit/loss before income taxes	820.9	592.5
Tax expenses at anticipated rate of 20.7% (2023: 20.4%)	169.9	120.9
Effects of changes in tax rate	0.2	-3.3
Participation reduction and non-taxable income	-10.9	-15.9
Use/capitalization of uncanceled tax losses	-11.5	-2.7
Non-tax-deductible expenses	7.7	3.3
Uncanceled or partially canceled tax losses	6.4	1.7
Taxes in respect of previous years	9.1	-0.7
Write-down/reversal of write-down of participations	1.8	-1.2
Other items	0.7	2.0
<b>Total income taxes</b>	<b>173.4</b>	<b>104.1</b>
Effective tax rate	21.1%	17.6%

On May 23, 2023, the amendment to IAS 12 regarding the temporary exception to the recognition of deferred tax assets and liabilities due to the OECD tax reform was published. BKW is applying the amendments, including the corresponding disclosures, for this fiscal year.

The anticipated tax rate is determined annually as a weighted average (based on the pre-tax earnings of individual Group companies and the applicable local tax rate).

The increase in the effective tax rate compared to the previous year is attributable in particular to the higher positive effects of the investment deduction in the 2023 fiscal year and the subsequent taxes recognized in the reporting year for previous fiscal years (mainly due to the introduction of a resource rent tax in Norway).

### Changes in deferred tax assets/liabilities

CHF millions	2024	2023
<b>Net deferred tax liabilities at 01.01.</b>	<b>-461.8</b>	<b>-474.8</b>
Changes in the scope of consolidation	-3.1	-24.0
Addition/release in the income statement	-4.9	32.9
– due to change in temporary differences	-13.5	18.5
– due to recognition/value adjustment of loss carryforwards	8.6	14.3
Taxes on actuarial gains/losses	-27.3	-4.1
Currency translations	-1.1	8.2
<b>Net deferred tax liabilities at 31.12.</b>	<b>-498.2</b>	<b>-461.8</b>

### Deferred tax assets/liabilities by origin of the temporary difference

CHF millions	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Current assets	0.3	-49.5	0.7	-45.8
Financial assets and holdings	0.9	-85.6	3.9	-59.3
Property, plant and equipment	15.8	-349.6	12.2	-337.1
Intangible assets	0.0	-29.0	0.0	-31.4
Current liabilities	12.1	-33.7	14.1	-17.5
Provisions	3.0	-111.9	1.4	-113.9
Other non-current liabilities	56.2	-3.3	50.3	-6.7
<b>Credit/liability for deferred taxes due to temporary differences</b>	<b>88.3</b>	<b>-662.6</b>	<b>82.6</b>	<b>-611.7</b>
Capitalized loss carryforwards	76.1	0.0	67.5	0.0
<b>Credit/liability for gross deferred taxes</b>	<b>164.3</b>	<b>-662.6</b>	<b>150.0</b>	<b>-611.7</b>
Netting of assets and liabilities	-99.9	99.9	-93.6	93.6
<b>Assets/Liabilities for deferred taxes according to balance sheet</b>	<b>64.5</b>	<b>-562.7</b>	<b>56.4</b>	<b>-518.2</b>

No deferred tax liabilities on temporary differences of associates were recognized as of December 31, 2024 (previous year: none). No deferred taxes are recognized for Group companies, joint arrangements or partner plants at which a dividend payment is contractually agreed, since BKW is able to help control the reversal of

the temporary difference and such a difference is not probable in the foreseeable future. The temporary differences for which no deferred tax liabilities have been recognized in this respect total CHF 4,508.8 million (previous year: CHF 3,863.5 million).

### Tax loss carryforwards

As of December 31, 2024, there were tax loss carryforwards in the amount of CHF 56.4 million (previous year: CHF 14.5 million) for which no deferred taxes were capitalized. These were not capitalized since their offsetting against future

taxable earnings within the permissible tax period is not regarded as probable. The average tax rate applicable to the non-capitalized loss carryforwards is 21.3% (previous year: 14.3%). The non-capitalized loss carryforwards expire in the following periods:

in CHF millions	31.12.2024	31.12.2023
Expiry within 1 year	0.0	0.0
Expiry within 2 to 5 years	0.8	2.9
Expiry after 5 years	51.8	10.3
Valid indefinitely	3.8	1.3
<b>Total</b>	<b>56.4</b>	<b>14.5</b>

### Global minimum taxation

The Organisation for Economic Co-operation and Development (OECD) and the G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two rules in 2021, the aim of which is to ensure that large international groups are subject to a minimum taxation of 15% in every country in which the group operates. As an international group with consolidated revenue of more than EUR 750 million, the BKW Group is subject to these rules.

In December 2023, the Swiss Federal Council decided to introduce a Swiss top-up tax (QDMTT) as of January 1, 2024. In September 2024, the decision was finally taken to implement the Income Inclusion Rule (IIR) in Switzerland starting January 1, 2025, and to waive the introduction of the Undertaxed Profit Rule (UTPR) for the time being. In the EU, the BKW Group's main area of operations outside Switzerland, the IIR was already introduced for fiscal years beginning on or after December 31, 2023, and the introduction of the UTPR is planned for fiscal years beginning on or after December 31, 2024.

The BKW Group is not active in any low-tax countries and its activities within Switzerland are concentrated in cantons with a higher tax burden. Nevertheless, the BKW Group conducts analyses to identify potential risks of falling below the 15% minimum taxation in a country, evaluates the situation when expanding activities in new countries, and continuously monitors the development of Pillar Two rules and their implementation.

For the 2024 fiscal year, the BKW Group has used the OECD's Transitional Safe Harbor (TSH) rules, which allow simplified calculations to identify low-risk countries that are exempt from the complex Pillar Two calculation. For the 2024 annual financial statements, the TSH calculations were carried out based on the IFRS values of the BKW companies for the 2024 fiscal year, applying the current OECD rules on TSH and the country-specific report.

This assessment showed that at least one of the three available TSH tests will presumably be met in all countries in which the BKW Group operates. For this reason, the BKW Group does not expect any top-up taxes for the 2024 fiscal year.

## 14 Earnings per share

Earnings per share are calculated based on the weighted average number of shares. There are no circumstances that would result in a material dilution of earnings per share.

### Earnings per share

	2024	2023
<b>Net profit attributable to BKW shareholders, in CHF millions</b>	<b>622.2</b>	<b>478.0</b>
Number of shares issued (weighted average)	52,800,000	52,800,000
Less treasury shares (weighted average)	-66,548	-28,469
<b>Number of outstanding shares (weighted average)</b>	<b>52,733,452</b>	<b>52,771,531</b>
<b>Earnings per share in CHF (diluted and undiluted)</b>	<b>11.80</b>	<b>9.06</b>

## 15 Trade receivables and other receivables

### Accounting principles

Depending on the amount, trade receivables are assessed individually for their recoverability and, if necessary, individual loss allowances are recognized. In the case of trade receivables from energy trading, probabilities of default are calculated based on externally or internally determined counterparty ratings and corresponding impairments are recognized for losses expected to occur within the next 12 months. The simplified impairment model is applied to the remaining trade receivables. Assets are assessed here on the basis of being in arrears and grouped into various categories. Different impairment rates for the expected losses over the entire residual term are allocated to these groups based on historical values.

CHF millions	31.12.2024	31.12.2023
Trade accounts receivable <sup>1</sup>	824.3	848.9
Other financial receivables	109.3	144.8
Other receivables	78.2	47.4
<b>Total</b>	<b>1,011.9</b>	<b>1,041.1</b>

1 Of which, an amount of CHF 694.1 million (previous year: CHF 737.2 million) stems from contracts with customers pursuant to IFRS 15.

Other financial receivables include collateral deposited with stock exchanges for the trading of energy derivatives.

The following table shows the ageing structure of trade receivables:

CHF millions	31.12.2024			31.12.2023		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
Trade accounts receivable	851.9	-27.6	824.3	870.5	-21.6	848.9
of which:						
– not past due	712.7	-2.1	710.6	749.4	-1.6	747.8
– 1–30 days past due	67.6	-0.5	67.1	61.3	-1.2	60.1
– 31–360 days past due	43.6	-5.7	37.9	41.8	-5.5	36.3
– over 360 days past due	28.0	-19.3	8.8	18.0	-13.3	4.7

Most of the trade receivables are due for payment between 30 and 60 days.

The allowances for trade receivables, other financial receivables and loans developed as follows:

CHF millions	Trade receivables	Other financial receivables	Loans
<b>Loss allowances at 31.12.2022</b>	<b>22.6</b>	<b>2.6</b>	<b>8.3</b>
Addition/release	1.4	-0.3	
Derecognition of uncollectable receivables	-1.9		
Currency translations	-0.5		
Removal from scope of consolidation		-0.6	
<b>Loss allowances at 31.12.2023</b>	<b>21.6</b>	<b>1.7</b>	<b>8.3</b>
Addition/release	8.5	-0.9	0.5
Derecognition of uncollectable receivables	-2.8		
Currency translations	0.2	0.0	
Removal from scope of consolidation	-0.0		
<b>Loss allowances at 31.12.2024</b>	<b>27.6</b>	<b>0.8</b>	<b>8.8</b>

There is no material loss allowance for other financial assets.

The other balance sheet items do not include any material financial assets that are overdue but not impaired.

## 16 Contract assets and contract liabilities

### Accounting principles

"Contract assets" exist in connection with the provision of engineering planning and consulting services for energy, infrastructure and environmental projects, planning and installation services in the field of building technology, and the construction, servicing and maintenance of energy, telecommunications, transport and water networks in Infra Services. These are primarily customer-specific construction contracts for which a right to consideration exists for goods or services that are transferred to the customer. If consideration is received before goods or services are transferred to the customer, a contract liability is recognized.

BKW evaluates the extent of performance for the purposes of measuring customer contracts. The extent of performance is measured using the cost-to-cost method. Customer contracts are assessed for credit risk and measured using the simplified impairment model under IFRS 9. A provision is recognized for the full amount of impending losses.

CHF millions	31.12.2024	31.12.2023
Credit balances from customer orders before value adjustments	275.3	244.5
Value adjustments on credit balances from customer orders	-8.7	-9.8
<b>Contract assets</b>	<b>266.6</b>	<b>234.7</b>

Contract assets and liabilities as of December 31, 2024, include a valuation allowance of CHF 0.4 million for expected defaults on receivables in accordance with the provisions of IFRS 9 (previous year: CHF 0.2 million).

Recognized revenue from contract liabilities included at the beginning of the reporting period were CHF 188.3 million (previous year: CHF 104.2 million).

CHF millions	2024	2023
<b>Expected future income from existing contracts</b>	<b>2,059.4</b>	<b>1,948.2</b>
thereof:		
– expected within the next 12 months	1,092.3	1,114.3
– expected after 12 months	967.2	834.0

## 17 Inventories

### Accounting principles

#### Stock material and gas inventories

The costs of raw and auxiliary materials are measured at the weighted moving average. Semi-finished and finished products include the directly assignable costs and a share of production overheads. Stock materials with insufficient inventory turnover are written off in full or in part. Gas inventories are measured at cost less any necessary write-downs. For transactions in gas inventories conducted with the sole intention of achieving a trading margin, BKW applies the brokerage exemption for traders in raw materials and commodities. Under the exemption, these transactions can be recognized at fair value less costs to sell. Changes in value on the balance sheet date as well as realized purchases and sales are recognized in profit and loss and presented at net in the income statement.

#### Emission rights and green certificates

For emission rights held under national or international emissions allowance schemes for the purpose of compliance with carbon emission allowances, the net liability method is used. These emission rights are recognized at the lower of cost or net realizable value. A provision is recognized as soon as the carbon output exceeds the emission allowances originally allocated and still held. The value of the emission rights and certificates is realized when they are sold or returned to the authorities as compensation for emissions.

Green certificates certify the generation of electricity from renewable energies and can be sold separately from the delivery of electricity. Income from green certificates from BKW's own production is accrued at the time the energy is produced based on the expected proceeds from the sale. Purchased green certificates are recognized at cost.

For transactions in emission rights and certificates conducted with the sole intention of achieving a trading margin, BKW applies the brokerage exemption for traders in raw materials and commodities. Under the exemption, these transactions can be recognized at fair value less costs to sell. Changes in value on the balance sheet date as well as realized purchases and sales are recognized in profit and loss and presented at net in the income statement. Transactions in derivatives on emission rights which are conducted with the intention of achieving a trading margin are treated in the same way as energy trading derivatives (see Note 33.2).

CHF millions	31.12.2024	31.12.2023
Goods and materials	278.2	140.8
Valuation adjustments on goods and materials	-2.1	-1.9
Certificates (proprietary trading)	14.1	18.0
Certificates (own use)	57.5	53.6
Valuation adjustment on certificates (own use)	-0.0	0.0
<b>Total</b>	<b>347.7</b>	<b>210.5</b>

## 18 Deferred income and accrued expenses

CHF millions	31.12.2024	31.12.2023
Financial accruals	143.0	101.9
Other prepaid expenses and accrued income	18.7	27.8
<b>Total prepaid expenses and accrued income</b>	<b>161.7</b>	<b>129.7</b>
Financial accruals	287.0	262.4
Other deferred income and accrued expenses	55.0	53.5
<b>Total deferred income and accrued expenses</b>	<b>342.0</b>	<b>315.9</b>

Sales not yet invoiced and advance payments made are recognized under deferred income and prepaid expenses, respectively. This concerns in particular electricity deliveries not yet invoiced, for which there is an unconditional right to

payment. In the case of financial accruals and deferrals, a general impairment is recognized in accordance with the simplified impairment model pursuant to IFRS 9.

## 19 Assets and liabilities held for sale

### Accounting principles

BKW recognizes assets and liabilities held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are recognized at the lower of the carrying amount or net realizable value.

The criteria for classification as held for sale are only deemed to be met if the sale is highly probable and the assets are available for immediate sale in their current condition. Furthermore, management must have decided to sell the asset, and the sale must be expected to be completed within one year.

As of the reclassification date, non-current assets are no longer depreciated and all assets and liabilities held for sale are reported separately in the balance sheet under current assets or current liabilities.

On December 20, 2024, the BKW Group signed an agreement to sell its cc energie sa subsidiary, in which BKW holds a 66.7% stake. In the past, the company provided customer service and billing services as well as IT application services, which were reported in the Energy Solutions business segment.

As of December 31, 2024, cc energie sa was classified as a disposal group held for sale. The transaction closed on January 20, 2025. The sale of the subsidiary has no material impact on the Group's net assets and financial position.

As of December 31, 2024, assets and liabilities held for sale are reported at carrying amount. The main categories of cc energie sa's assets and liabilities classified as held for sale as of December 31, 2024, are presented below:

CHF millions	Note	31.12.2024
<b>Assets</b>		
Cash and cash equivalents	32	4.9
Trade accounts receivable and other receivables		4.3
Prepaid expenses and accrued income		1.8
<b>Total current assets</b>		<b>11.0</b>
Property, plant and equipment	22	1.0
Intangible assets	23	0.5
<b>Total non-current assets</b>		<b>1.5</b>
<b>Total assets held for sale</b>		<b>12.5</b>
<b>Shareholders' equity and liabilities</b>		
Trade accounts payable and other liabilities		1.1
Financial liabilities	25	0.2
Deferred income and accrued expenses		1.3
<b>Total current liabilities</b>		<b>2.5</b>
Financial liabilities	25	0.8
<b>Total non-current liabilities</b>		<b>0.8</b>
<b>Total liabilities held for sale</b>		<b>3.3</b>

No accumulated income or expenses relating to the disposal group are recognized in other comprehensive income.

## 20 Financial assets

### Accounting principles

Financial assets include equity investments, securities, loans, term deposits and other financial assets. Also presented under financial assets are interests in "STENFO", the Federal Decommissioning and Waste Disposal Funds, which are recognized in accordance with the provisions of IFRIC 5 and therefore do not fall under the scope of IAS 32, IFRS 7 or IFRS 9.

Financial assets are recognized and derecognized on the trade date.

Exchange-listed securities that constitute part of a portfolio of financial instruments, that are jointly managed and that are regularly purchased and sold are categorized as "Assets at fair value through profit or loss" and presented under current assets. Other equity investments and securities are classified as "Financial assets at fair value through other comprehensive income" and reported under non-current assets. Term deposits, loans and other financial assets are measured at amortized cost. Pursuant to IFRS 9, probabilities of default are calculated for term deposits and loans based on externally or internally determined counterparty ratings, and corresponding impairments are recognized for losses expected to occur within the next 12 months.

The operators of nuclear power plants are required by law to make annual payments to STENFO. STENFO compensates the operators for the future costs for disposal and decommissioning according to the statutory requirements. Such payments are regarded as reimbursements and are capitalized as shares in state funds pursuant to IFRIC 5. Changes in fund valuations are recorded in the financial result through profit or loss.

### Significant accounting judgments, estimation uncertainties and assumptions

Loss allowances for debt instruments that are not measured at fair value are recognized in accordance with the expected credit losses (ECL) over the entire term. Due to the low default risk of debt instruments, BKW generally applies a 12-month ECL for their measurement, where the ECL reflects the difference between the agreed cash flows and the cash flows expected by BKW.

CHF millions	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Loans	Term deposits	Interest in STENFO	Other non-current assets	Total
<b>At 31.12.2023</b>	<b>14.4</b>	<b>49.8</b>	<b>28.4</b>	<b>1.1</b>	<b>1,196.5</b>	<b>37.7</b>	<b>1,327.9</b>
Changes in the scope of consolidation	0.3		-9.5	0.8		0.0	-8.4
Additions	0.6	0.0	15.3	0.5		3.8	20.2
Disposals	-1.7	-0.0	-5.2	-0.0	-93.9	-25.6	-126.5
Value adjustment in the income statement		-0.1			122.8	1.8	124.5
Value adjustment in other comprehensive income	-0.7						-0.7
Impairment			-0.5			-0.4	-0.9
Reversal of impairment				0.1		0.8	0.9
Currency translations	-0.0		0.3	0.0		0.1	0.3
<b>At 31.12.2024</b>	<b>12.9</b>	<b>49.7</b>	<b>28.7</b>	<b>2.5</b>	<b>1,225.4</b>	<b>18.2</b>	<b>1,337.4</b>
of which:							
– Current financial assets		49.7	12.9	1.4	94.0		157.9
– Non-current financial assets	12.9		15.8	1.1	1,131.4	18.2	1,179.4
of which:							
– Financial assets according to IAS 32 and IFRS 9	12.9	49.7	28.7	2.5		18.2	112.0
– Other assets					1,225.4		1,225.4

STENFO is managed by the Swiss federal government. BKW has no access to the assets under management. The change in the scope of consolidation includes a disposal of loans to associates

in the amount of CHF 9.5 million, which were consolidated for the first time in the reporting year as a result of the acquisition of control.

CHF millions	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Loans	Term deposits	Interest in STENFO	Other non-current assets	Total
<b>At 31.12.2022</b>	<b>7.2</b>	<b>0.1</b>	<b>30.4</b>	<b>1.2</b>	<b>1,163.0</b>	<b>37.8</b>	<b>1,239.7</b>
Changes in the scope of consolidation						0.3	0.3
Additions	7.5	50.0	7.9	51.0		3.4	119.8
Disposals	-0.2		-9.4	-51.2	-37.6	-2.4	-100.8
Value adjustment in the income statement		-0.4	0.1		71.1	-1.2	69.6
Reversal of impairment				0.2			0.2
Currency translations			-0.7	-0.1		-0.2	-0.9
<b>At 31.12.2023</b>	<b>14.4</b>	<b>49.8</b>	<b>28.4</b>	<b>1.1</b>	<b>1,196.5</b>	<b>37.7</b>	<b>1,327.9</b>
of which:							
– Current financial assets		49.8	11.1	0.5	94.0		155.4
– Non-current financial assets	14.4		17.3	0.6	1,102.5	37.7	1,172.5
of which:							
– Financial assets according to IAS 32 and IFRS 9	14.4	49.8	28.4	1.1		37.7	131.4
– Other assets					1,196.5		1,196.5

## 21 Investments in associates

### Accounting principles

Investments in companies in which BKW is able to exercise significant influence but not overall control are classified as associates and accounted for using the equity method. Significant influence is generally assumed if 20% to 50% of the voting power is held. Rights agreed in contract may in some circumstances mean that a significant influence can be exerted even though the share of voting rights is smaller than 20%. This applies in particular in the case of partner plants.

There are onerous contracts in connection with investments in associates for which provisions are recognized. See note 26 in this regard.

Partner plants comprise companies that build and operate power plants or manage energy procurement rights as well as plan and operate nuclear storage facilities. The energy produced by partner plants and other services provided in accordance with contractual agreements are purchased at annual cost (including interest on capital). The partner plants are allocated to the Energy Solutions business segment.

CHF millions	Total
At 31.12.2022	1,425.2
Additions	8.3
Disposals	- 23.3
Dividends	- 26.5
Pro rata income	49.3
Actuarial gains/losses	11.7
Hedging transactions	- 2.4
Currency translations	- 34.9
At 31.12.2023	1,407.3
Adjustment due to the acquisition of control	- 2.3
Changes in the consolidation method	- 5.3
Disposals	- 23.9
Dividends	- 20.5
Pro rata income	50.4
Actuarial gains/losses	- 1.0
Hedging transactions	- 0.8
Currency translations	5.6
At 31.12.2024	1,409.4

The disposals show capital reductions at Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG of CHF 21.0 million (previous year: CHF 17.3 million) and at EP Produzione Centrale Livorno Ferraris S.p.A. of CHF 2.9 million (previous year: CHF 0 million).

The adjustment due to the acquisition of control includes the revaluation of HelveticWind Deutschland GmbH and HelveticWind Italia S.r.l. at the acquisition date of the majority shareholding. The change in the scope of consolidation shows the disposal of the two companies as investments in associates, as they are consolidated for the first time as a result of the transfer of control in the reporting year.

**BKW's pro-rata share of key figures in associates as of 31.12.2024**

The table below gives the pro-rata key figures for associates by business segment. The Energy Solutions business segment is also subdivided by type of power plant.

BKW share CHF millions	Hydro	Nuclear	Fossil-fuel	New renewable energy	Other technologies	Total Energy Solutions	Power Grid	Other	Total
Current assets	39.0	72.0	57.3	9.4	9.6	187.3	1.6	321.8	510.7
Non-current assets	983.3	833.3	323.2	130.6	26.7	2,297.1	1.5	1,123.0	3,421.6
Current liabilities	-194.4	-127.2	-31.2	-8.0	-4.9	-365.7	-0.4	-283.0	-649.1
Non-current liabilities	-529.3	-628.8	-17.2	-63.9	-15.8	-1,255.0	-0.4	-618.4	-1,873.8
Shareholders' equity	298.6	149.3	332.1	68.1	15.6	863.7	2.3	543.4	1,409.4
Income	192.9	133.9	124.3	23.4	21.7	496.2	1.9	465.7	963.8
Expenses	-183.8	-131.1	-123.7	-24.3	-21.6	-484.5	-1.7	-427.2	-913.4
Net profit/loss	9.1	2.8	0.6	-0.9	0.1	11.7	0.2	38.4	50.4
Other comprehensive income	1.7	3.0	0.0	-0.8	0.0	3.9	0.0	-5.7	-1.8
Comprehensive income	10.8	5.8	0.6	-1.7	0.1	15.6	0.2	32.8	48.6

All associates are measured using the equity method.

Of the total pro-rata assets and liabilities, CHF 1,618.5 million (previous year: CHF 1,771.9 million) is attributable to net financial debt (financial liabilities less cash and cash equivalents and current financial assets). Associates in the Energy Solutions business segment primarily consist of partner plants. For these, BKW is obligated to pay the annual costs due on its share (including interest and repayment of borrowed funds). Energy produced by partner plants is billed to shareholders on the basis of existing agreements – irrespective of the current market prices – at the cost of production. Provisions for onerous energy procurement contracts are established if the cost of production is above the future expected market price due to the contractual obligation to pay

energy production costs. Based on the obligation of the shareholders to pay production costs, the recoverability of the holdings in partner plants measured at the proportional equity value are considered to be a given.

BKW's pro-rata annual costs for the purchase of energy in 2024 amounted to CHF 454.3 million (previous year: CHF 531.1 million). These costs are included in the energy procurement costs. The operating costs charged by nuclear storage facilities in 2024 amounted to CHF 11.8 million (previous year: CHF 14.1 million) and are presented under cost of materials and third-party services. Of the total pro-rata assets and liabilities of the partner plants, CHF 723.4 million (previous year: CHF 703.1 million) is attributable to net financial debt.

**BKW's pro-rata share of key figures in associates as of 31.12.2023**

The table below gives the pro-rata key figures for associates by business segment. The Energy Solutions business segment is also subdivided by type of power plant.

BKW share CHF millions	Hydro	Nuclear	Fossil-fuel	New renewable energy	Other technologies	Total Energy Solutions	Power Grid <sup>1</sup>	Other <sup>1</sup>	Total
Current assets	34.2	105.8	46.8	22.0	4.8	213.6	1.5	289.9	505.0
Non-current assets	982.2	777.4	340.8	146.1	26.3	2,272.8	1.5	1,406.7	3,681.0
Current liabilities	-186.6	-51.2	-24.2	-15.3	-3.3	-280.6	-0.5	-326.9	-608.0
Non-current liabilities	-533.7	-685.6	-14.0	-77.4	-16.0	-1,326.7	-0.3	-843.7	-2,170.7
Shareholders' equity	296.1	146.4	349.4	75.4	11.8	879.1	2.2	526.0	1,407.3
Income	204.8	129.3	159.9	25.9	10.2	530.1	1.9	700.2	1,232.2
Expenses	-198.4	-124.3	-159.0	-26.0	-10.0	-517.7	-1.8	-663.4	-1,182.9
Net profit/loss	6.4	5.0	0.9	-0.1	0.2	12.4	0.1	36.9	49.3
Other comprehensive income	3.6	2.7	0.0	-2.4	0.0	3.9	0.0	5.3	9.2
Comprehensive income	10.0	7.7	0.9	-2.5	0.2	16.3	0.1	42.1	58.5

1 Adjusted, refer to note 6

**Key figures for major associates**

The table below gives the 100% key figures for the major associates. The investments in Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG and Kraftwerke Oberhasli AG are allocated to the Energy Solutions business segment. Since the 2024 fiscal year, the investment in Swissgrid AG has been allocated to the Other segment and no longer to the Power Grid segment.

100% key figures CHF millions	Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG		Kraftwerke Oberhasli AG		Swissgrid AG	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Current assets	19.7	30.2	28.4	21.6	854.6	760.4
Non-current assets	921.6	977.1	834.8	803.4	2,967.8	3,716.4
Current liabilities	-14.8	-32.9	-173.8	-154.6	-751.5	-866.9
Non-current liabilities	-47.1	-37.8	-440.4	-430.3	-1,642.5	-2,238.4
Shareholders' equity	879.4	936.6	249.0	240.1	1,428.4	1,371.5
Shareholding in % as at 31.12.	33.0%	33.0%	50.0%	50.0%	37.7%	37.7%
Goodwill	0.0	0.0	0.0	0.0	5.6	5.6
Reported carrying amount of the investment	290.2	309.1	124.5	120.1	543.4	522.0
Income	140.3	129.3	166.1	175.1	1,236.8	1,849.8
Expenses	-149.9	-138.3	-159.1	-167.7	-1,134.7	-1,751.6
Net profit/loss	-9.6	-9.0	7.0	7.4	102.1	98.2
Other comprehensive income	0.0	0.0	1.7	3.6	-15.3	14.3
Comprehensive income	-9.6	-9.0	8.7	11.0	86.8	112.5
Recognized proportionate result from associates	-3.2	-3.0	3.5	3.7	38.4	36.9
Dividend received	0.0	0.0	0.0	0.0	18.0	18.0

The reported figures are provisional values of the respective companies, with the exception of Swissgrid AG, which is listed with bonds on the SIX Swiss Exchange. BKW has no final figures for Swissgrid AG. BKW estimates the key figures as of December 31, including the income statement

and net profit, based on Swissgrid AG's annual report from the previous year as well as relevant press releases issued in the current fiscal year, and reconciles them to IFRS. Deviations from Swissgrid AG's actual results are recognized through profit or loss in the following year.

## 22 Property, plant and equipment and leases

### Accounting principles

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. Depreciation is taken on a straight-line basis over the expected useful life of the assets. Property, plant and equipment dependent on concession arrangements that are revertible without compensation are depreciated over no longer than the expected term of the concession.

Present values of estimated decommissioning and disposal costs are capitalized together with the acquisition or manufacturing costs (see also Note 26).

Borrowing costs for long-term investment projects are capitalized during the construction phase. Land is measured at cost.

The estimated useful lives of property, plant and equipment lie within the ranges listed below and are unchanged compared with the previous year:

Buildings	50 years
Power plants	12 to 80 years
Distribution grid	20 to 60 years
IT systems	10 to 30 years
Operating facilities and vehicles	3 to 20 years

### Impairment

Property, plant and equipment are tested for recoverability if there are indications of an impairment (triggering event). Recognized assets are tested for impairment by comparing the carrying amount with the recoverable amount of the corresponding cash-generating units. The recoverable amount corresponds to the value in use. The calculations are made based on estimated cash flows from the business plans for the individual assets over their useful lives.

### Significant accounting judgments, estimation uncertainties and assumptions

The impairment test includes various estimates regarding future cash flows, primarily relating to the discounted present value in the last year of the calculation (terminal value) and the appropriate discount rate to be applied. BKW uses sector-specific WACC rates. These estimates have a significant impact on the impairment test.

## 22.1 Property, plant and equipment

	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Construction in progress	Right-of-Use Assets	Total
<b>CHF millions</b>							
<b>Gross values at 31.12.2023</b>	<b>2,796.0</b>	<b>3,688.7</b>	<b>272.8</b>	<b>416.9</b>	<b>348.8</b>	<b>465.5</b>	<b>7,988.6</b>
Changes in the scope of consolidation	44.9			0.6	-0.2	5.5	50.8
Additions	40.1	8.5	0.1	40.8	344.7	52.2	486.3
Disposals	-28.3	-24.4	-0.2	-37.2	-0.1	-38.6	-128.7
Reclassifications	60.3	125.4	3.7	20.2	-173.1	-36.5	0.0
Reclassification to assets held for sale <sup>1</sup>				-0.6		-2.2	-2.8
Contract adjustments						13.0	13.0
Currency translations	19.7		0.2	1.0	0.0	3.4	24.3
<b>Gross values at 31.12.2024</b>	<b>2,932.8</b>	<b>3,798.2</b>	<b>276.5</b>	<b>441.7</b>	<b>520.1</b>	<b>462.3</b>	<b>8,431.6</b>
<b>Accumulated depreciation and impairments at 31.12.2023</b>	<b>1,493.8</b>	<b>1,845.8</b>	<b>144.9</b>	<b>245.8</b>	<b>0.6</b>	<b>222.6</b>	<b>3,953.5</b>
Changes in the scope of consolidation				0.0	-1.7	-0.2	-1.9
Depreciation	75.0	86.9	6.7	33.0		52.7	254.4
Impairment	31.6				18.1		49.6
Disposals	-28.3	-24.0	-0.2	-23.2		-36.4	-112.1
Reversal of impairment	-7.6						-7.6
Reclassifications	26.6		0.0	0.0		-26.6	0.0
Reclassification to assets held for sale <sup>1</sup>				-0.6		-1.3	-1.8
Currency translations	7.1		0.0	0.5	0.0	1.4	9.0
<b>Accumulated depreciation and impairments at 31.12.2024</b>	<b>1,598.3</b>	<b>1,908.6</b>	<b>151.5</b>	<b>255.5</b>	<b>17.0</b>	<b>212.3</b>	<b>4,143.3</b>
<b>Net values at 31.12.2024</b>	<b>1,334.5</b>	<b>1,889.5</b>	<b>125.1</b>	<b>186.2</b>	<b>503.1</b>	<b>250.0</b>	<b>4,288.3</b>
– thereof pledged for liabilities	9.9		2.8				12.7

<sup>1</sup> See Note 19 for information on assets and liabilities of a disposal group classified as held for sale as of December 31, 2024.

CHF 53.0 million of the change in the gross values in the scope of consolidation relates to business combinations (see Note 5) and CHF –2.2 million relates to disposals of companies.

The additions to right-of-use assets from leases of CHF 52.2 million are non-cash items. The capitalization of dismantling and restoration provisions in the amount of CHF 1.9 million and the acquisition of vehicles not yet paid for as of the reporting date in the amount of CHF 0.8 million are also non-cash items.

Borrowing costs of CHF 0.6 million were capitalized in the reporting year (previous year: CHF 0.1 million). In the year under review, compensation of CHF 0.2 million for property, plant and equipment which was impaired, lost or decommissioned was recognized through profit and loss (previous year: CHF 4.4 million).

The property, plant and equipment of the Mühleberg Nuclear Plant, which is being dismantled and was already written off in full at the end of 2019, will no longer be presented separately but under power plant facilities. As of December 31, 2024, the gross value of these assets was still

CHF 259.9 million (previous year: CHF 287.3 million).

### Impairment

The calculation for the impairment test was based on a (pre-tax) WACC of 4.9% to 8.9% (previous year: 8.0% to 9.2%).

In the case of a new construction project in the Hydro Switzerland division, it became apparent that despite complex geological forecasts prepared in advance during the project phase, the extensive impassability encountered did not meet expectations.

The necessary project changes will result in unplanned additional costs. In June 2024, the Group Executive Board approved an additional loan for this purpose. As a result of the cost overruns that can now be determined, BKW has reviewed the recoverability of the project. The impairment test resulted in an impairment requirement of CHF 16.4 million, which is recognized accordingly in the reporting year. At the same time, impairment losses of CHF 7.6 million were reversed in the Hydro Switzerland division due to lower capital costs. Higher expected operating costs in the area of wind turbines led to impairment losses of CHF 31.6 million.

CHF millions	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Construction in progress	Right-of-Use Assets	Total
<b>Gross values at 31.12.2022</b>	<b>2,835.9</b>	<b>3,591.0</b>	<b>263.9</b>	<b>365.4</b>	<b>288.2</b>	<b>431.0</b>	<b>7,775.4</b>
Changes in the scope of consolidation				3.2	163.4	11.0	177.6
Additions	0.2	8.8	0.5	38.8	284.3	34.3	367.1
Disposals	-206.0	-8.8	-1.4	-18.2	-0.2	-20.8	-255.3
Reclassifications	241.6	97.6	10.6	31.9	-383.1	1.3	0.0
Contract adjustments						24.8	24.8
Currency translations	-75.7		-0.8	-4.2	-3.8	-16.3	-100.9
<b>Gross values at 31.12.2023</b>	<b>2,796.0</b>	<b>3,688.7</b>	<b>272.8</b>	<b>416.9</b>	<b>348.8</b>	<b>465.5</b>	<b>7,988.6</b>
<b>Accumulated depreciation and impairments at 31.12.2022</b>	<b>1,613.0</b>	<b>1,775.3</b>	<b>139.5</b>	<b>231.0</b>	<b>0.7</b>	<b>184.0</b>	<b>3,943.5</b>
Changes in the scope of consolidation				-0.8		-0.6	-1.4
Depreciation	66.9	79.2	6.5	32.9		55.1	240.5
Impairment	47.9				0.1	5.5	53.5
Disposals	-205.8	-8.7	-0.9	-15.3	-0.1	-13.8	-244.7
Currency translations	-28.2		-0.1	-1.9		-7.6	-37.8
<b>Accumulated depreciation and impairments at 31.12.2023</b>	<b>1,493.8</b>	<b>1,845.8</b>	<b>144.9</b>	<b>245.8</b>	<b>0.6</b>	<b>222.6</b>	<b>3,953.5</b>
<b>Net values at 31.12.2023</b>	<b>1,302.2</b>	<b>1,843.0</b>	<b>127.9</b>	<b>171.1</b>	<b>348.2</b>	<b>242.8</b>	<b>4,035.1</b>
- thereof pledged for liabilities	12.1		2.8				14.9

CHF 180.5 million of the change in the gross values in the scope of consolidation relates to business combinations (see Note 5) and CHF -2.9 million relates to disposals of companies.

The additions to right-of-use assets from leases of CHF 34.3 million are non-cash items.

### Impairment

The impairment test led to an impairment requirement on wind turbines of CHF 53.0 million in the previous year.

## 22.2 Leases

### Accounting principles

Assets from leased right-of-use assets are presented in the balance sheet item "Property, plant and equipment" (see Note 22.1). Adjustments to leased right-of-use assets due to remeasurements of lease liabilities are presented as "Contract adjustments."

Lease liabilities are presented in the balance sheet under current and non-current financial liabilities.

The terms of the lease liabilities are disclosed in Note 33.4. The lease liability is discounted by applying an incremental borrowing rate specific to maturities and countries, unless the interest rate on which the lease payments are based is available.

When determining the terms of leases, extension and termination options are only taken into account in the contract term if it is reasonably certain that they will be exercised. The assessment is reviewed if a significant event or material change in circumstances occurs that could have influenced the previous assessment, provided these are within the control of BKW.

The following table contains information on the right-of-use assets from leases by asset class.

CHF millions	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Total
<b>Gross values at 31.12.2023</b>	<b>104.3</b>	<b>8.5</b>	<b>296.0</b>	<b>56.6</b>	<b>465.5</b>
Changes in the scope of consolidation			5.4	0.1	5.5
Additions		0.1	30.1	22.0	52.2
Disposals			-14.8	-23.7	-38.6
Reclassifications	-37.6		1.2	-0.1	-36.5
Reclassification to assets held for sale <sup>1</sup>			-2.2		-2.2
Contract adjustments		-0.2	18.8	-5.6	13.0
Currency translations	1.1	0.0	2.0	0.2	3.4
<b>Gross values at 31.12.2024</b>	<b>67.8</b>	<b>8.3</b>	<b>336.6</b>	<b>49.6</b>	<b>462.3</b>
<b>Accumulated depreciation and impairments at 31.12.2023</b>	<b>68.1</b>	<b>6.2</b>	<b>119.5</b>	<b>28.7</b>	<b>222.6</b>
Changes in the scope of consolidation			-0.1	0.0	-0.2
Depreciation	2.2	1.1	36.1	13.2	52.7
Disposals		0.0	-13.3	-23.2	-36.4
Reclassifications	-26.6			0.0	-26.6
Reclassification to assets held for sale <sup>1</sup>			-1.3		-1.3
Currency translations	0.7	0.0	0.7	0.1	1.4
<b>Accumulated depreciation and impairments at 31.12.2024</b>	<b>44.4</b>	<b>7.4</b>	<b>141.7</b>	<b>18.8</b>	<b>212.3</b>
<b>Net values at 31.12.2024</b>	<b>23.4</b>	<b>0.9</b>	<b>194.9</b>	<b>30.8</b>	<b>250.0</b>
– of which land lease for wind parks			51.4		51.4

<sup>1</sup> See Note 19 for information on assets and liabilities of a disposal group classified as held for sale as of December 31, 2024.

The following table contains information from the previous year on the right-of-use assets from leases by asset class.

CHF millions	Power plants	Distribution grid	Buildings and land	Other property, plant and equipment	Total
<b>Gross values at 31.12.2022</b>	<b>110.7</b>	<b>7.5</b>	<b>262.9</b>	<b>49.9</b>	<b>431.0</b>
Changes in the scope of consolidation			10.9	0.1	11.0
Additions		1.0	19.2	14.1	34.3
Disposals			-13.9	-6.9	-20.8
Reclassifications	0.2		1.1		1.3
Contract adjustments			24.5	0.3	24.8
Currency translations	-6.6		-8.7	-1.0	-16.3
<b>Gross values at 31.12.2023</b>	<b>104.3</b>	<b>8.5</b>	<b>296.0</b>	<b>56.6</b>	<b>465.5</b>
<b>Accumulated depreciation and impairments at 31.12.2022</b>	<b>62.8</b>	<b>5.1</b>	<b>95.5</b>	<b>20.6</b>	<b>184.0</b>
Changes in the scope of consolidation			-0.4	-0.1	-0.6
Depreciation	4.1	1.1	34.5	15.4	55.1
Impairment	5.5				5.5
Disposals			-7.1	-6.7	-13.8
Currency translations	-4.2		-2.9	-0.5	-7.6
<b>Accumulated depreciation and impairments at 31.12.2023</b>	<b>68.1</b>	<b>6.2</b>	<b>119.5</b>	<b>28.7</b>	<b>222.6</b>
<b>Net values at 31.12.2023</b>	<b>36.2</b>	<b>2.2</b>	<b>176.5</b>	<b>27.9</b>	<b>242.8</b>
– of which land lease for wind parks			49.2		49.2

The lessee arrangements relate to wind farms, leases for land and distribution facilities, ease-

ments on land, building rentals, vehicles and other movable property, plant and equipment.

CHF millions	2024	2023
Income from operating leases	0.7	0.7
Expense relating to short-term leases	-0.3	-0.3
Expense relating to low-value assets	-1.4	-0.3
Expense relating to variable lease payments not included in the measurement of lease liabilities	-0.4	-0.8
Interest expense on lease liabilities	-4.4	-4.0
<b>Leases in the consolidated income statement</b>	<b>-5.8</b>	<b>-4.7</b>
<b>Leases in the consolidated cash flow statement</b>	<b>59.6</b>	<b>60.6</b>

The lessor arrangements mainly concern heating systems under heating contracts. The future undiscounted lease payments as at the balance sheet date were:

CHF millions	31.12.2024	31.12.2023
Up to 1 year	0.7	0.7
Later than 1 year and not later than 2 years	0.5	0.6
Later than 2 years and not later than 3 years	0.5	0.5
Later than 3 years and not later than 4 years	0.4	0.5
Later than 4 years and not later than 5 years	0.4	0.4
More than 5 years	3.9	4.1
<b>Total</b>	<b>6.4</b>	<b>6.8</b>

## 23 Intangible assets

### Accounting principles

Intangible assets include right-of-use assets as well as contractual or legal rights acquired as part of acquisitions, such as brands, customer relationships, software and goodwill.

### Brands with an indefinite life

Brands include assets with national and international appeal acquired and recognized as part of business combinations. They are long-standing brand names with no expiration date, under which significant revenues are achieved and cash flows generated. BKW intends to continue to maintain and use these brands in the future. For this reason, the brands have an indefinite useful life and are tested annually for their recoverability.

### Right-of-use assets

Right-of-use assets comprise contractually agreed one-off compensation to a contractual partner for the use of its operating installations as well as licenses for the construction and operation of BKW's own installations.

### Goodwill

Goodwill represents a residual value from business combinations that exceeds the fair value of the identifiable assets and liabilities. Goodwill is recognized as an asset in the balance sheet but is not systematically amortized (impairment-only approach).

Intangible assets are amortized over their useful life, or at most the contract period, using the straight-line method. Goodwill and brands are not amortized but allocated to the relevant cash-generating units and subjected to impairment testing annually or whenever there are indications of impairment.

### Right of use

Licenses	60 to 80 years
Energy procurement rights	36 to 60 years
Installation utilization rights	7 to 50 years
Transit right	25 to 60 years

### Other

Software	3 to 8 years
Customer lists, technologies	4 to 10 years

### Impairment

Intangible assets with indefinite useful lives and goodwill are tested for impairment annually in the fourth quarter or when there are indications of impairment (triggering events). Other intangible assets are tested for impairment if there are indications of impairment (triggering events).

### Significant accounting judgments, estimation uncertainties and assumptions

The impairment test includes various estimates regarding future cash flows, primarily relating to the discounted present value in the last year of the calculation (terminal value) and the appropriate discount rate to be applied. BKW uses sector-specific WACC rates. These estimates have a significant impact on the impairment test.

CHF millions	Goodwill	Rights of use	Brands with indefinite useful life	Other	Total
<b>Gross values at 31.12.2023</b>	<b>1,178.1</b>	<b>169.7</b>	<b>67.7</b>	<b>368.6</b>	<b>1,784.2</b>
Changes in the scope of consolidation	16.7	0.1		1.0	17.8
Additions from acquisitions		0.5		11.7	12.2
Additions from internally generated intangible assets				9.9	9.9
Disposals		-3.9	-9.7	-1.1	-14.7
Reclassifications		-0.1		0.1	0.0
Reclassification to assets held for sale <sup>1</sup>				-4.2	-4.2
Currency translations	6.0	1.1		1.6	8.7
<b>Gross values at 31.12.2024</b>	<b>1,200.9</b>	<b>167.4</b>	<b>58.0</b>	<b>387.5</b>	<b>1,813.8</b>
<b>Accumulated depreciation and impairments at 31.12.2023</b>	<b>93.6</b>	<b>127.8</b>	<b>9.7</b>	<b>261.7</b>	<b>492.8</b>
Changes in the scope of consolidation				-0.1	-0.1
Depreciation		2.3		31.6	33.9
Disposals			-9.7	-0.7	-10.4
Reclassification to assets held for sale <sup>1</sup>				-3.7	-3.7
Currency translations	-0.0	1.0		0.9	1.9
<b>Accumulated depreciation and impairments at 31.12.2024</b>	<b>93.6</b>	<b>131.0</b>	<b>0.0</b>	<b>289.8</b>	<b>514.4</b>
<b>Net values at 31.12.2024</b>	<b>1,107.3</b>	<b>36.4</b>	<b>58.0</b>	<b>97.8</b>	<b>1,299.4</b>

1 See Note 19 for information on assets and liabilities of a disposal group classified as held for sale as of December 31, 2024.

CHF 17.9 million of the change in gross values in the scope of consolidation relates to business combinations (previous year: CHF 23.5 million) and CHF -0.1 million (previous year: CHF -3.0 million) to disposals of companies.

It also includes a subsequent adjustment to goodwill of CHF 2.3 million from an acquisition in the previous year, which has been included in the table for the 2023 fiscal year in Note 5. Additions to other intangible assets include CHF 0.9 million in non-cash items.

Other intangible assets and software include customer lists and software recognized from acquisitions.

#### Brands with an indefinite useful live

Recognized brands were tested for impairment by comparing the carrying amount with the recoverable amount of the corresponding cash-generating unit. The calculations were based on estimated cash flows, long-term growth rates of 1% and a (pre-tax) WACC of 8.1%–8.4%. Impairment testing of the recognized brands resulted in no need for impairment (previous year: CHF 9.7 million).

#### Customer lists

Other intangible assets include customer lists amounting to CHF 47.9 million (previous year: CHF 61.6 million). There were no indications of impairment in the current fiscal year.

CHF millions	Goodwill	Rights of use	Brands with indefinite useful life	Other	Total
<b>Gross values at 31.12.2022</b>	<b>1,184.8</b>	<b>167.6</b>	<b>67.7</b>	<b>394.8</b>	<b>1,814.9</b>
Changes in the scope of consolidation	16.5			4.0	20.5
Additions from acquisitions		6.8		6.5	13.4
Additions from internally generated intangible assets				7.9	7.9
Disposals				-38.9	-38.9
Currency translations	-23.2	-4.6		-5.6	-33.5
<b>Gross values at 31.12.2023</b>	<b>1,178.1</b>	<b>169.7</b>	<b>67.7</b>	<b>368.6</b>	<b>1,784.2</b>
<b>Accumulated depreciation and impairments at 31.12.2022</b>	<b>93.6</b>	<b>129.8</b>	<b>0.0</b>	<b>228.9</b>	<b>452.3</b>
Changes in the scope of consolidation				-0.5	-0.5
Depreciation		2.4		37.0	39.4
Impairment			9.7	38.6	48.3
Disposals		-0.1		-38.8	-38.9
Currency translations		-4.5		-3.2	-7.8
<b>Accumulated depreciation and impairments at 31.12.2023</b>	<b>93.6</b>	<b>127.8</b>	<b>9.7</b>	<b>261.7</b>	<b>492.8</b>
<b>Net values at 31.12.2023</b>	<b>1,084.5</b>	<b>42.0</b>	<b>58.0</b>	<b>106.9</b>	<b>1,291.4</b>

In the previous year, a brand was impaired in the amount of CHF 9.7 million. Impairment testing of the recognized customer lists in the previous year resulted in an impairment requirement of

CHF 38.6 million. This was due to lower customer revenues (core customers) in the corresponding cash-generating units compared to the acquisition date.

Goodwill and brands were allocated to the following cash-generating units on the balance sheet date:

CHF millions	31.12.2024		31.12.2023	
	Goodwill	Brands	Goodwill	Brands
Energy Solutions	155.5	0.0	155.3	0.0
Infrastructure & Buildings	951.7	58.0	929.2	58.0
<b>Total</b>	<b>1,107.3</b>	<b>58.0</b>	<b>1,084.5</b>	<b>58.0</b>

Recognized goodwill was tested for impairment by comparing the carrying amount with the realizable value of the cash-generating units. The recoverable amount corresponds to the value in use. The calculations were made based on estimated cash flows from business projections approved by the Board of Directors over a period

of four years. Cash flows beyond this period were extrapolated using an estimated growth rate. The impairment test of the goodwill recognized in the balance sheet did not reveal any need for impairment in either the reporting year or the previous year.

The value in use is measured based on the following material assumptions:

%	WACC (before tax)		WACC (after tax)		Long-term growth rate	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Energy Solutions	6.5	7.1	5.1	5.6	1.0	1.0
Infrastructure & Buildings	8.5	9.1	6.7	7.2	1.0	1.0

The sensitivity analysis for 2024 showed that a reasonably possible change in the assumptions would not lead to an impairment. In the previous year, an increase in the WACC of 0.5% or a reduc-

tion in the sustainably achieved margin of 0.5% would have used up the headroom of the Infrastructure & Buildings unit.

## 24 Trade payables and other liabilities

CHF millions	31.12.2024	31.12.2023
Trade accounts payable	468.7	389.0
Other financial liabilities	134.4	154.4
Other liabilities	77.9	72.7
Pension plans	11.5	10.2
<b>Total</b>	<b>692.4</b>	<b>626.3</b>

Other financial liabilities comprise non-interest-bearing obligations that result in a future cash outflow. This includes the purchase price liabilities from acquisitions.

The table on Financing activities in Note 25 also shows the movements in these items.

## 25 Financial liabilities

Financial liabilities comprise interest-bearing financial obligations, namely bonds, loans and leasing liabilities. Bonds and loans are measured

at amortized cost using the effective interest method. Lease liabilities are accounted for in accordance with IFRS 16.

CHF millions	31.12.2024	31.12.2023
Bonds	1,197.3	1,191.0
Registered bonds	241.2	236.4
Lease liabilities	224.9	209.1
Bank liabilities	172.0	169.7
Other financial liabilities	69.4	72.2
<b>Total</b>	<b>1,904.8</b>	<b>1,878.5</b>
of which:		
– Current financial liabilities	298.9	317.1
– Non-current financial liabilities	1,605.9	1,561.3

The item "Other financial liabilities" comprises interest-bearing loans.

CHF millions	31.12.2023	Financing cash inflows	Financing cash out-flows	Currency translations	Changes in fair values	Other	31.12.2024
<b>Current financial liabilities</b>	<b>317.1</b>	<b>11.3</b>	<b>-291.5</b>	<b>0.9</b>	<b>0.0</b>	<b>261.1</b>	<b>298.9</b>
– Bonds	199.9		-200.5			200.5	199.9
– Lease liabilities	51.8	0.3	-53.6	0.4		50.2	49.1
– Bank liabilities	17.7	1.0	-4.7	0.2		11.6	25.8
– Other financial liabilities	47.7	10.0	-32.7	0.3		-1.2	24.1
Contingent considerations	11.8			0.3		2.7	14.7
<b>Non-current financial liabilities</b>	<b>1,561.4</b>	<b>223.9</b>	<b>-31.2</b>	<b>7.0</b>	<b>3.9</b>	<b>-159.1</b>	<b>1,605.9</b>
– Bonds	991.1	202.3		0.0	3.9	-199.9	997.4
– Registered bonds	236.3			3.9		1.0	241.2
– Lease liabilities	157.3			1.3		17.2	175.8
– Bank liabilities	152.3	6.6	-14.5	1.9		-0.1	146.2
– Other financial liabilities	24.4	15.0	-16.7	-0.1		22.7	45.3
<b>Other non-current liabilities</b>	<b>355.0</b>	<b>18.2</b>	<b>-27.5</b>	<b>0.8</b>		<b>-13.6</b>	<b>333.0</b>
Contingent considerations	16.6			0.1		-9.2	7.6
<b>Total liabilities from financing activities</b>	<b>2,261.9</b>	<b>253.4</b>	<b>-350.2</b>	<b>9.1</b>	<b>3.9</b>	<b>82.0</b>	<b>2,245.3</b>

Due to changes in the scope of consolidation, liabilities from financing activities increased by CHF 51.2 million in the reporting year (previous year: CHF 14.8 million). The "Other" category includes in particular reclassifications between non-current and current liabilities. The net effect of CHF 82.0 million is mainly due to additions to

lease liabilities and the reversal of liabilities from the assignment of right-of-use assets through profit or loss. The net effect also includes reclassifications of current and non-current financial liabilities to liabilities held for sale in the amount of CHF 1.0 million.

CHF millions	31.12.2022	Financing cash inflows	Financing cash out-flows	Currency translations	Changes in fair values	Other	31.12.2023
<b>Current financial liabilities</b>	<b>264.1</b>	<b>15.0</b>	<b>-238.4</b>	<b>-3.3</b>	<b>0.0</b>	<b>279.7</b>	<b>317.1</b>
– Bonds	0.0					199.9	199.9
– Lease liabilities	49.7	0.0	-55.2	-1.4		58.7	51.8
– Bank liabilities	180.1	6.0	-167.0	-0.8		-0.6	17.7
– Other financial liabilities	34.3	9.0	-16.2	-1.1		21.7	47.7
Contingent considerations	17.4			-0.5		-5.1	11.8
<b>Non-current financial liabilities</b>	<b>1,807.8</b>	<b>9.6</b>	<b>-17.3</b>	<b>-27.7</b>	<b>2.4</b>	<b>-213.4</b>	<b>1,561.4</b>
– Bonds	1,187.9				2.4	-199.2	991.1
– Registered bonds	250.5	0.0	-0.1	-15.0		0.9	236.3
– Lease liabilities	157.4	0.0	0.0	-5.4		5.3	157.3
– Bank liabilities	166.0	9.5	-17.0	-7.3		1.1	152.3
– Other financial liabilities	46.0	0.1	-0.2	0.0		-21.5	24.4
<b>Other non-current liabilities</b>	<b>324.1</b>	<b>50.9</b>	<b>0.0</b>	<b>-1.7</b>		<b>-18.3</b>	<b>355.0</b>
Contingent considerations	26.7			-0.3		-9.8	16.6
<b>Total liabilities from financing activities</b>	<b>2,440.1</b>	<b>75.5</b>	<b>-255.7</b>	<b>-33.5</b>	<b>2.4</b>	<b>33.1</b>	<b>2,261.9</b>

## 26 Provisions, contingent liabilities and capital expenditure commitments

### Accounting principles

Provisions are recognized when a past event gives rise to a legal or constructive obligation that is likely to result in an outflow of resources, the timing and amount of which are uncertain but can be reliably estimated.

BKW has non-controlling interests in power generation companies where it has an obligation to purchase the energy produced at production cost. Provisions are recognized for energy purchasing obligations at production costs that exceed the expected selling prices that can be realized in the future (onerous contracts). The calculations are made using the discounted cash flow (DCF) method.

Interest on provisions calculated at present value is charged through financial expenses.

### Contingent liabilities and assets

Contingent liabilities and assets are any obligations and rights that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of BKW. Contingent liabilities are not recognized as long as the recognition criteria for a provision are not met. Contingent assets are only recognized when the recognition criteria for an asset are met.

### Significant accounting judgments, estimation uncertainties and assumptions

Obligations for legal disputes include management's estimate of the outcome based on the facts known at the balance sheet date.

In accordance with IFRIC 1, provisions must be recognized for power plants for which there is a restoration obligation (e.g., wind power plants, nuclear power plants, hydropower plants), i.e., an obligation to dismantle and dispose of the power plants at the end of the license or useful life (restoration of the site). The amount of the provisions is largely determined by the estimate of the future costs for dismantling and restoration as well as the timing. The dismantling costs are measured at the present value of the total future costs and capitalized as part of the acquisition cost of the assets and depreciated over the useful life of the assets.

Provisions for onerous contracts, particularly in energy trading, include assumptions and estimates, forecasts of future electricity and gas prices, investments, the regulatory environment, growth rates, discount rates and forecasts for the pro-rata annual expenses for energy procurement costs as of the balance sheet date.

Provisions are recognized at present value (DCF method) and discounted using the segment-specific WACC rates. BKW considers the value of associated companies with cost-covering purchase agreements to be recoverable. Any impairments are recognized as provisions for onerous contracts at the acquiring company.

The provisions recognized correspond to the best possible estimate of the obligation on the balance sheet date. Changes in assumptions may lead to significant adjustments in subsequent periods.

## 26.1 Provisions

CHF millions	Nuclear waste disposal	Onerous contracts	Other provisions	Total
<b>At 31.12.2023</b>	<b>1,141.6</b>	<b>204.8</b>	<b>87.0</b>	<b>1,433.4</b>
Changes in the scope of consolidation			7.0	7.0
Provisions added		13.3	9.0	22.4
Interest	30.9	4.6	0.7	36.2
Provisions used	-103.9	-28.0	-24.9	-156.8
Provisions released		-4.8	-7.1	-11.9
Change in estimate for nuclear disposal	2.1			2.1
Currency translations			0.5	0.5
<b>At 31.12.2024</b>	<b>1,070.7</b>	<b>190.0</b>	<b>72.3</b>	<b>1,332.9</b>
of which:				
– Current provisions	96.4	9.2	9.2	114.8
– Non-current provisions	974.3	180.8	63.1	1,218.1

CHF millions	Nuclear waste disposal	Onerous contracts	Other provisions	Total
<b>At 31.12.2022</b>	<b>1,228.4</b>	<b>201.6</b>	<b>76.0</b>	<b>1,506.0</b>
Changes in the scope of consolidation			6.6	6.6
Provisions added	19.7	50.9	17.1	87.7
Interest	31.5	4.5	0.8	36.8
Provisions used	-108.1	-38.2	-7.7	-154.0
Provisions released	-30.0	-14.0	-3.4	-47.3
Currency translations			-2.4	-2.4
<b>At 31.12.2023</b>	<b>1,141.6</b>	<b>204.8</b>	<b>87.0</b>	<b>1,433.4</b>
of which:				
– Current provisions	96.1	32.8	26.0	154.9
– Non-current provisions	1,045.5	172.0	61.0	1,278.5

### Nuclear waste disposal

As of December 31, 2024, the provision for nuclear waste disposal was comprised as follows:

- CHF 369.6 million (previous year: CHF 445.1 million) is provided for the decommissioning of the Mühleberg nuclear power plant. This covers the costs of the post-operational phase after shutdown, dismantling, disposing of the plant and restoration of the surrounding area. Payments are anticipated to continue until the conclusion of the decommissioning activities, anticipated in 2034. Costs for the disposal of decommissioning waste will be incurred until the waste is placed in the repository for low-to-intermediate-level waste (scheduled for 2061).

Provisions for decommissioning and post-operational activities amounting to CHF 89.5 million were utilized in the reporting year (previous year: CHF 87.5 million).

- An additional CHF 701.1 million (previous year: CHF 696.4 million) is earmarked for the disposal of spent fuel elements and radioactive waste outside the power plant site. These payments will continue until the final repository for high-level waste is closed, probably in 2126. Provisions for waste disposal amounting to CHF 14.4 million were utilized in the reporting year (previous year: CHF 20.6 million).

### Mühleberg Nuclear Power Plant (KKM)

As the owner of the Mühleberg Nuclear Plant, BKW is required by law to decommission the plant after the operating phase ended on December 20, 2019, and to dispose of the nuclear waste. Measurement of the provision for decommissioning and nuclear waste disposal is material for assessing BKW's balance sheet and income statement. Detailed costs for decommissioning nuclear power plants and nuclear waste disposal are jointly calculated by the industry and updated every five years (most recently in 2021) in accordance with the Ordinance on the Decommissioning and Waste Disposal Funds for Nuclear Installations (SEFV). These cost calculations are reviewed by independent cost specialists and the Swiss Federal Nuclear Safety Inspectorate (ENSI). The 2021 Cost Study (KS21) estimates the overall costs (referred to as overnight costs) in the baseline variant for the Mühleberg Nuclear Plant to be CHF 3.0 billion. BKW considers it most likely that the "combination repository" (cost-reducing) scenario envisaged in KS21 will be implemented. In addition, BKW takes plant-specific costs (cost-increasing) into account. BKW thus assumes overnight costs of CHF 3.0 billion for the calculation of provisions for nuclear waste disposal. The difference between BKW's estimated overnight costs and the provisions of CHF 1.1 billion recognized as of December 31, 2024, is due to costs of around CHF 1.6 billion that had already been paid by the end of 2024 and the discounting effect of CHF 0.3 billion.

In principle, BKW had to make payments to the state funds for decommissioning and waste disposal until 2022. Since then, based on the KS21 cost estimate, no further payments will be required from 2022 onwards. The funds reimburse operators for decommissioning and waste disposal payments after plants have been decommissioned. In the reporting year, BKW received refunds from STENFO in the amount of CHF 93.9 million (previous year: CHF 37.6 million).

Shares in governmental funds are presented under financial assets (see Note 20).

Work in connection with decommissioning is expected to last until 2034. Costs for operations related to the repository and monitoring of stored nuclear materials are expected to be incurred until 2126.

The SEFV, which was revised in 2019, defines the parameters that are decisive for the determination of contributions. The inflation rate was set at 0.5% and the return on investment at 2.1%.

No macroeconomic studies are available for the period up to 2126 to provide parameters for calculation of long-term provisions. For this reason, BKW applies parameters that have been agreed upon with other nuclear power plant operators for the purposes of decommissioning and waste disposal. A rate of 1% is applied to long-term inflation, based on the Swiss National Bank's target range of 0%–2%. Based on historical real yields on long-term government bonds, an expected real interest rate of 1.75% has been estimated, leading to a nominal discount rate of 2.75% (previous year: 2.75%). Due to the short-term time horizon (until 2027), an inflation rate of 0.7% (previous year: 1.4%) and an expected real interest rate of 0.014% (previous year: 0.9%) are applied to the plant-specific provisions. This results in a nominal discount rate of 0.7% (previous year: 2.3%). Changes to cost calculations and the statutory requirements for nuclear waste disposal may have a material effect on the Group's financial position and cash flows. The inflation and discount rate parameters are also particularly relevant when determining the amount of provisions to be made for decommissioning (expected costs until 2034) and nuclear waste disposal (expected costs until 2126). In the event of an increase or decrease in the assumptions shown below, provisions as of December 31, 2024, would change as follows (+ increase in provisions/– decrease in provisions):

CHF millions	Inflation + 0.5%	Inflation – 0.5%	Discount rate + 0.5%	Discount rate – 0.5%
Decommissioning	18.3	–17.0	–9.3	10.2
Waste disposal	126.1	–101.8	–87.3	107.7
Total	144.3	–118.8	–96.9	117.9



### Onerous contracts

Provisions for onerous contracts relate mainly to energy procurement contracts and cover future energy purchases from partner plants at production costs that are expected to exceed the achievable selling prices. As of the balance sheet date, of the total amount of provisions recognized for onerous contracts, CHF 178.8 million (previous year: CHF 194.9 million) relate to the energy procurement contract from the Wilhelmshaven fossil-thermal power plant in Germany. In the reporting year, provisions were increased by a net CHF 3.9 million based on updated expectations for future production volumes and electricity price developments (previous year: net increase of CHF 38.8 million).

The cash outflow from provisions results from BKW's obligation to take the electricity produced at production cost and extends over a period of 10 to 15 years. Provisions for onerous contracts also include provisions for impending losses on customer contracts. The cash outflow from these provisions is mainly expected in the next two years.

### Provision for the onerous energy procurement contract for the Wilhelmshaven coal-fired power plant

BKW has a 33% equity interest in the Wilhelmshaven coal-fired power plant. The partners are contractually obliged to take the energy produced in proportion to their share. Due to the higher estimated production costs compared to the expected electricity market prices, a provi-

sion for the obligation to purchase energy had to be recognized in the past.

In January 2020, the German government enacted the Coal Phase-Out Act, which set a timetable for phasing out coal by 2038. BKW assumes that expected capacity bottlenecks will result in the continued operation of the latest generation of coal-fired power plants, such as Wilhelmshaven, until the end of 2038. The estimate of future income and expenses depends to a large extent on the estimate of future energy prices, the estimate of the production costs of the power plants, and the assumed discount rates. These estimations and assumptions constitute uncertainties and may deviate significantly from the actual results. At the end of 2024, the pro-rata carrying amount of the investment in the Wilhelmshaven power plant was CHF 290.2 million and the provision for onerous contracts was CHF 178.8 million.

### Other provisions

Other provisions include warranty obligations, personnel-related obligations, payments arising from legal disputes that are considered likely as well as various smaller items. The outflow of resources from these provisions is mainly expected over the next three years. In addition, provisions are made for the dismantling and demolition of power plant facilities and for restoration of the surrounding area. These costs are incurred at the end of the useful life of the respective power plants. The cash outflow is expected within the next 20 to 25 years.

## 26.2 Contingent liabilities and investment obligations

CHF millions	31.12.2024	31.12.2023
Guarantees		
– in favor of associates	6.7	6.6
– in favor of third parties	41.2	35.4
Investment obligations	0.0	4.1
<b>Total</b>	<b>47.9</b>	<b>46.1</b>

### Contingent liabilities

Of the guarantees provided, CHF 9.9 million (previous year: CHF 5.0 million) have a term of up to twelve months. Guarantees in the amount of CHF 14.6 million (previous year: CHF 13.3 million) are open-ended.

Nuclear power plant operators are under a limited obligation to make supplementary contributions to the decommissioning and waste disposal funds in the event that an individual primary contributor is unable to pay. As of the balance sheet date, there were no indications that BKW would have to make additional contributions.

Due to existing partner contracts, shareholders in partner plants are obligated to pay the annual costs attributable to their shareholding (including interest and repayment of borrowed capital).

### Fosen wind farm

BKW indirectly holds an 11% stake in six wind farms on the Norwegian peninsula of Fosen through Nordic Wind Power DA. In 2021, the Norwegian Supreme Court issued a ruling on the

permits for two wind farms, which together comprise half of all the turbines of Fosen Vind: The permits would violate the Sami's right to maintain their cultural heritage. The operation of the wind farms is not directly affected by the ruling. The responsible Norwegian ministry has confirmed that a new administrative procedure is required, aimed at finding compensatory measures to ensure that the rights of the Sami reindeer herders are guaranteed. An agreement was reached with the Sami people in 2023 as part of the mediation process for the Storheia wind farm and in 2024 for the Roan wind farm.

### EICom proceedings

The tariffs which BKW is permitted to charge its customers for grid usage and energy are partly reviewed by the Federal Electricity Commission (EICom). Currently several proceedings are in progress. The main object of the proceedings is to rule on the chargeable capital and operating costs. Final decisions by EICom may have implications for BKW's future financial position, results of operations and cash flows.

## 27 Pension plans

### Accounting principles

BKW maintains defined benefit and defined contribution pension plans.

The latter are generally state pension plans for which there are no further obligations beyond the contributions made.

BKW has additional obligations for defined benefit plans. As a rule, the assets cover the pension obligations in independent pension funds. The contributions are made by both BKW and employees. Each fund determines its net pension obligation and net pension assets individually, resulting from the difference between the pension obligation and plan assets. The pension obligation is generally calculated annually on the basis of valuations carried out by independent actuaries using the projected unit credit method. The pension expense consists of the current service cost, past service cost and interest income. The effects from the actuarial valuation are recognized in other comprehensive income.

### Significant accounting judgments, estimation uncertainties and assumptions

The recognition of defined benefit obligations is based on numerous assumptions such as future salary and pension developments, employee turnover rates, life expectancy and an appropriate discount rate. The actuarial assumptions used in the calculation and a corresponding sensitivity analysis are disclosed in Note 27.8.

The assumptions have a material impact on the amounts recognized in the consolidated financial statements.

Pension funds in Switzerland are regulated by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). It stipulates that pension funds are to be managed by independent, legally autonomous bodies. Employees and their surviving dependents are insured against the economic consequences of old age, disability and death within the framework of the pension plans. All actuarial risks are borne by the pension fund. Pension plans are financed by contributions and returns on assets. The affiliated companies and insured persons pay contributions to the pension fund as a percentage of the

insured salary of the insured persons. The Board of Trustees is responsible for investment of the pension assets.

BKW employees in Switzerland are insured with the BKW Pension Fund and other autonomous pension funds, whose pension plans qualify as defined benefit plans under IAS 19. Some employees abroad are also insured under IAS 19 defined pension plans. Expert opinions are prepared annually by independent pension experts in accordance with IAS 19 based on the projected unit credit method.

**BKW Pension Fund**

Most of the employees of the BKW Group working in Switzerland are insured with the Pension Fund of the Bernische Kraftwerke (BKW Pension Fund). The pension fund is set up as a foundation under private law whose pension plan corresponds to a defined contribution plan in accordance with Swiss law. The governing body of the foundation is the Board of Trustees, which is composed of an equal number of employee and employer representatives. The benefits payable by the pension fund are set out in pension fund regulations. These are determined by the Board of Trustees. The Board of Trustees delegates the management of the Foundation's business to a management team. The Foundation is subject to the supervisory authority of the canton concerned.

The pension assets are invested in a broadly diversified manner in Switzerland and abroad within the framework of the legal provisions and the guidelines issued by the Board of Trustees. The assets are invested so as to ensure the security of and appropriate return on the investments, a balanced distribution of risks and coverage of foreseeable cash requirements. The occupational pension plan auditor prepares the annual actuarial balance

sheet and reviews the financial and actuarial situation of the pension fund. The unaudited actuarial funding ratio of the BKW Pension Fund in accordance with the BVG as of December 31, 2024, is 116.1% (previous year: 111.2%) based on a technical discount rate of 1.50% (previous year: 1.50%).

In the event of a shortfall in cover under the BVG, suitable restructuring measures (e.g., increasing the ordinary contributions or levying restructuring contributions) must be taken by the Board of Trustees in consultation with the pension actuary. The contribution made by the employer must be at least equivalent to the total contributions paid by the employee.

As of December 31, 2024, the BKW Pension fund reported a surplus pursuant to IAS 19. The asset ceiling in accordance with IAS 19 no longer applies as of the 2024 balance sheet date. At the end of 2023, the asset ceiling applied as the present value of the future service cost was lower than the present value of the future contributions to be paid.

**27.1 Pension plan items recognized in the balance sheet**

CHF millions	31.12.2024	31.12.2023
Present value of defined benefit obligations	-2,358.9	-2,229.7
Fair value of plan assets	2,496.6	2,343.6
Adjustment due to asset ceiling	0.0	-107.4
<b>Net pension assets recognized in the balance sheet</b>	<b>137.8</b>	<b>6.5</b>
of which amount disclosed as credit	203.2	71.6
of which amount disclosed as liability	-65.5	-65.1

**27.2 Pension plan costs according to IAS 19**

CHF millions	2024	2023
Current service cost (employer)	49.7	41.3
Past service cost (employer)	1.4	-10.3
Interest expenses on defined benefit obligation	29.8	40.1
Interest income from plan assets	-31.8	-44.1
Administration costs excluding costs for management of plan assets	0.9	0.9
Interest on effect of asset ceiling	1.6	3.8
<b>Pension plan expenses</b>	<b>51.6</b>	<b>31.8</b>

**27.3 Remeasurement of pension liabilities**

CHF millions	2024	2023
Actuarial gains/losses		
– Change in financial assumptions	101.2	141.0
– Change in demographic assumptions	-29.4	0.0
– Adjustments based on experience	16.6	-12.1
Return on plan assets (excluding interest based on discount rate)	-113.9	-79.2
Change in effect of asset ceiling excluding interest expense (+) / income (-)	-109.0	-69.3
<b>Total revaluation reported in other comprehensive income</b>	<b>-134.5</b>	<b>-19.5</b>

**27.4 Change in the present value of pension liability**

CHF millions	2024	2023
<b>Present value of defined benefit obligation at 01.01.</b>	<b>2,229.7</b>	<b>2,078.1</b>
Interest expenses on defined benefit obligation	29.8	40.1
Current service cost (employer)	49.7	41.3
Contributions paid/benefits paid out	-80.4	-84.5
Employee contributions	37.5	35.2
Past service cost (employer)	1.4	-10.3
Business combination	1.8	-3.6
Administration costs (excluding asset management costs)	0.9	0.9
Actuarial gains/losses	88.4	132.5
<b>Present value of defined benefit obligations at 31.12.</b>	<b>2,358.9</b>	<b>2,229.7</b>

As of the balance sheet date, the share of the pension liability for active members was CHF 1,458.6 million (previous year: CHF 1,363.6 million). The share of the

pension liability for pensioners amounted to CHF 900.3 million as at the balance sheet date (previous year: CHF 866.1 million).

## 27.5 Development of fair value of plan assets

CHF millions	2024	2023
Fair value of plan assets at 01.01.	2,343.6	2,226.9
Interest income from plan assets	31.8	44.1
Employer contributions	48.0	44.8
Employee contributions	37.5	35.5
Contributions paid/benefits paid out	-79.9	-84.5
Business combination	1.6	-2.4
Return on plan assets (excluding interest based on discount rate)	113.9	79.2
Fair value of plan assets at 31.12.	2,496.6	2,343.6

## 27.6 Development of the effects of the asset ceiling

CHF millions	2024	2023
Adjustment to asset ceiling at 1.01.	-107.4	-173.3
Change in effect of asset ceiling excl. interest expense/income	109.0	69.7
Interest on effect of asset ceiling	-1.6	-3.8
Adjustment to asset ceiling at 31.12.	0.0	-107.4

## 27.7 Investment structure of plan assets

CHF millions	31.12.2024	%	31.12.2023	%
Cash and cash equivalents	65.8	2.6	43.2	1.8
Equity instruments	833.4	33.4	785.0	33.5
Debt instruments	797.3	31.9	740.7	31.6
Other instruments	269.1	10.8	249.2	10.6
Properties	531.0	21.3	525.5	22.4
<b>Total plan assets</b>	<b>2,496.6</b>	<b>100.0</b>	<b>2,343.6</b>	<b>100.0</b>
– thereof own transferrable financial instruments	7.1		7.1	
– thereof properties used by BKW	17.8		15.3	

The equity instruments include investments in shares and are generally quoted in an active market at their market price. In Switzerland and abroad, equity investments are made through direct investments (using external asset managers) as well as investment foundations and funds.

The debt instruments consist of bonds, mortgage loans and mortgage bonds. The bonds and Pfandbriefe are quoted in an active market at their

market price, whereas the mortgage loans do not have a market price quotation in an active market.

The other instruments are mainly quoted in an active market at their market price.

The effective return on the plan assets in the reporting year was 6.2% (previous year: 5.5%).

## 27.8 Actuarial assumptions

	Switzerland 2024	Germany 2024	Switzerland 2023	Germany 2023
Discount rate	1.10%	3.43%	1.50%	3.15%
Expected rate of future salary increases	1.00%	3.00%	1.00%	3.00%
Expected rate of future pension increases	0.00%	2.00%	0.00%	2.00%
Mortality table	BVG 2020 GT	Heubeck 2018 G	BVG 2020 GT	Heubeck 2018 G

The weighted average duration of the employee benefit obligation was 10.9 years (previous year: 11.3 years).

### Sensitivity of the key actuarial assumptions

The discount rate, wage development, pension development and life expectancy are considered to be key actuarial assumptions. These assumptions are therefore subjected to a sensitivity analysis. The pension obligation will change as follows if the assumptions are increased or decreased as shown below:

31.12.2024 CHF millions	Defined benefit obligation	
	Increase	Decrease
Discount rate (0.25% change)	-68.6	72.4
Salary increase (0.25% change)	5.8	-6.4
Changes in pensions (+0.25% change)	55.3	-
Life expectancy (1 year change)	65.3	-66.9

31.12.2023 CHF millions	Defined benefit obligation	
	Increase	Decrease
Discount rate (0.25% change)	-67.6	71.2
Salary increase (0.25% change)	5.0	-5.7
Changes in pensions (+0.25% change)	55.2	-
Life expectancy (1 year change)	62.9	-64.9

The sensitivity analysis was conducted based on a method that extrapolates the impact on the pension obligation as a result of changes in the above assumptions at the end of the reporting period.

## 27.9 Estimate of contributions for the subsequent period

CHF millions	2024	2023
Expected employer contributions	59.8	54.8
Expected employee contributions	45.8	43.6

## 28 Other liabilities

CHF millions	31.12.2024	31.12.2023
Assigned rights of use	327.2	323.7
Other financial liabilities	8.3	16.9
Other liabilities	5.0	31.7
<b>Total</b>	<b>340.5</b>	<b>372.2</b>

The assigned right-of-use assets are contributions paid by third parties for transit rights to transmission facilities, plant usage rights and grid-cost contributions (connection contributions). They are recognized at the nominal amount of the cash inflow received, less rever-

sals recognized in profit or loss. The liability is amortized on a linear basis over the useful life of the asset up to a maximum of the contractual term of the ceded right.

## 29 Share capital and reserves

### 29.1 Share capital

BKW AG's issued and fully paid-in share capital amounts to CHF 132.0 million and consists of 52,800,000 registered shares at a nominal amount of CHF 2.50 per share.

#### Major shareholders

To the best of BKW's knowledge, the following shareholders held more than 3% of the shares as of December 31:

	31.12.2024	31.12.2023
Canton of Bern	52.54%	52.54%
Groupe E Ltd.	10.00%	10.00%
BlackRock Inc.	> 3%	> 3%

#### Transactions in treasury shares

	Number	Carrying amount CHF millions	Cash-relevant proportion CHF millions
<b>31.12.2022</b>	<b>16,564</b>	<b>2.1</b>	<b>5.1</b>
Purchases	314,505	44.3	44.3
Sales	-312,390	-43.6	-32.3
<b>31.12.2023</b>	<b>18,679</b>	<b>2.8</b>	<b>12.0</b>
Purchases	274,562	41.0	41.0
Sales	-254,237	-37.9	-28.2
<b>31.12.2024</b>	<b>39,004</b>	<b>5.9</b>	<b>12.7</b>

### 29.2 Reserves and treasury shares

#### Capital reserves

Capital reserves include the reserves paid in by shareholders.

#### Retained earnings

Retained earnings consist of legal and statutory reserves (excluding capital reserves), undistributed profits from previous years, and gains and losses on the sale of treasury shares.

#### Dividend

The change in retained earnings includes the dividend distribution. A dividend to be distributed is not recognized until it has been approved by the General Meeting. Such a dividend is therefore recognized as an appropriation of profit in the following reporting year.

On April 22, 2024, BKW AG's General Meeting approved a dividend distribution of CHF 3.40 per share for the 2023 fiscal year (previous year: ordinary dividend of CHF 2.80 and anniversary dividend of CHF 1.25 per share). The dividend for the 2023 fiscal year was withdrawn from retained earnings and paid out on April 26, 2024.

A dividend of CHF 3.70 per share will be proposed to the General Meeting for the current reporting year. Further information on the proposed appropriation of profit can be found in BKW AG's annual financial statements.

## Other reserves

The remaining reserves attributable to BKW shareholders are comprised of the following:

CHF millions	Currency translations	Valuation reserve of financial assets measured at fair value	Cash Flow Hedging	Actuarial gains/losses	Total
<b>At 31.12.2022</b>	<b>-459.7</b>	<b>-0.1</b>	<b>-372.9</b>	<b>326.5</b>	<b>-506.2</b>
Currency translations					
– Currency translations	-75.4				-75.4
– Sale of non-controlling interests	28.4				28.4
Financial assets at fair value through other comprehensive income					
– Value adjustments		0.1			0.1
Hedging transactions (Group companies)					
– Value adjustments			190.3		190.3
– Reclassification to the income statement			191.8		191.8
Hedging transactions (Associates)					
– Value adjustments			-2.4		-2.4
Actuarial gains/losses					
– of Group companies				19.5	19.5
– of associates				9.6	9.6
Income taxes	-3.1		-78.3	-4.6	-86.1
<b>At 31.12.2023</b>	<b>-509.9</b>	<b>-0.0</b>	<b>-71.6</b>	<b>351.0</b>	<b>-230.4</b>
Currency translations					
– Currency translations	14.8				14.8
– Reclassification to the income statement	1.2				1.2
Financial assets at fair value through other comprehensive income					
– Value adjustments		-0.7			-0.7
Hedging transactions (Group companies)					
– Value adjustments			3.4		3.4
– Reclassification to the income statement			34.8		34.8
Hedging transactions (Associates)					
– Value adjustments			-0.8		-0.8
– Reclassification to the income statement			-0.2		-0.2
Actuarial gains/losses					
– of Group companies				134.5	134.5
– of associates				1.3	1.3
Income taxes	0.8	0.1	-8.0	-26.9	-33.9
<b>At 31.12.2024</b>	<b>-493.0</b>	<b>-0.6</b>	<b>-42.4</b>	<b>460.0</b>	<b>-76.0</b>

### Currency translations

The currency translation reserve contains the currency differences from the translation of financial statements in foreign currencies of foreign Group companies and associates.

It also includes the unrealized changes in the value of financial instruments used to hedge net

investments in a foreign operation (net investment hedge) to the amount of the effective portion of the hedge, as well as the realized gains and losses from closed hedges provided that the underlying hedged item was not yet recognized in profit or loss.

#### **Valuation reserve for financial assets measured at fair value through other comprehensive income**

Changes in the value of financial assets measured at fair value through other comprehensive income are recognized in this valuation reserve until they are realized. On the disposal date of these financial assets, the valuation reserve is reclassified to retained earnings.

#### **Cash flow hedging**

The hedging reserve comprises the unrealized changes in the value of financial instruments used to hedge cash flows (cash flow hedges).

#### **Actuarial gains/losses**

The reserve for actuarial gains and losses includes the effect of periodic actuarial recalculations of pension plan assets/liabilities.

#### **Treasury shares**

BKW shares held by BKW or its Group companies are deducted from equity at cost. As of December 31, 2024, 39,004 shares (previous year: 18,679) were held by BKW AG and its Group companies.

### **29.3 Accounting principle for hybrid capital**

#### **Accounting principles**

Hybrid capital is a mixed form of debt capital and equity capital. Equity exists if BKW has no contractual obligation to settle an outstanding amount with cash or cash equivalents or if BKW has the exclusive right to decide on a payment. Otherwise, there is debt capital.

BKW sold a 49% stake in BKW Renewables Partners AG to third-party investors in the 2023 fiscal year. As part of the transaction, a loan was granted to the company by the third-party investors at the beginning of the prior-year period. BKW Renewables Partners AG has sole decision-making authority as to whether and how interest and any

repayments will be made. Consequently, the financial instrument is classified as an equity instrument under IAS 32, and interest payments, as well as distributions and repayments, are presented as equity transactions in the consolidated statement of changes in equity.

### **29.4 Capital management**

BKW aims to increase and secure the value of the company on a sustainable basis. BKW's capital management aim is to ensure the Group's long-term capital market and financing capability by maintaining a balance sheet structure compatible with the respective target rating, and to control the potential impact of changes in the value of the overall financial and risk portfolio within nar-

row limits. BKW aims to maintain a consistent dividend payout based on a payout ratio of 35% to 50% of net operating profit. BKW's financial resources primarily serve the core business and secure the entrepreneurial scope of action in accordance with the requirements of the Group strategy. There were no significant changes in capital management during the 2024 fiscal year.

## 30 Hedge Accounting

### Accounting principles

BKW hedges financial risks on a case-by-case basis and determines whether the conditions for hedge accounting are met. In order for hedge accounting to be applied, various conditions must be met with regard to documentation, probability of occurrence and effectiveness.

BKW distinguishes between the following types of hedge accounting:

- Fair value hedge: The hedged item and hedging instrument are measured at fair value as part of the hedge and recognized in the income statement.
- Cash flow hedge: The hedging instrument is measured at fair value and recognized in other comprehensive income as part of the hedge.
- Net investment hedge: The hedging instrument is recognized at fair value and, like the translation difference of the foreign subsidiary, is recognized in other comprehensive income.

Financial instruments may be used to hedge fluctuations in the fair value of a recognized asset or liability (fair value hedge), to hedge cash flows (cash flow hedge) and to hedge net investments in a foreign operation (net investment hedge). This is done in accordance with existing hedging and credit risk policy guidelines.

Realized and unrealized changes in the value of financial instruments that economically serve to hedge exchange rate and interest rate risks from current business activities in accordance with Group guidelines, but that do not qualify as hedging transactions, are recognized through profit or loss in the financial result.

### 30.1 Energy price risk

The risks from energy price fluctuations of BKW's electricity generation position are hedged. Some fixed-price contracts accounted for as energy derivatives and settled gross have been designated as hedging instruments in cash flow hedges since the 2021 fiscal year in accordance with BKW's risk management policy. The hedged item is the highly probable future energy sale. The economic relationship between the underlying

and hedging transaction is based on the fact that the key parameters of the underlying and hedging transaction, such as maturity, contract value and currency, are identical. A hedging ratio of 1:1 is applied. This hedging relationship resulted in ineffectiveness in the reporting year of CHF 6.7 million (previous year: CHF 11.6 million gain), which was recognized through profit and loss.

The following table shows the effects of energy hedges on financial positions:

CHF millions	31.12.2024	31.12.2023
<b>Hedged item</b>		
Nominal amount, net	94.2	58.9
Change in value used for calculating hedge effectiveness	-4.4	-177.3
<b>Hedging instrument</b>		
Contract volume, net	-94.2	-58.9
Carrying amount asset <sup>1</sup>	139.5	102.7
Carrying amount liability <sup>1</sup>	-198.6	-201.5
	Derivatives / Cash and Cash Equivalents	Derivatives / Cash and Cash Equivalents
Line item in the balance sheet		
Change in fair value for calculating hedge effectiveness	-1.8	200.9
Change in the value of the hedging instrument recognized in equity	4.9	189.3
Line item in profit or loss affected by the reclassification of the hedge ineffectiveness	Net sales	Net sales
Amount reclassified from the hedge reserve to profit or loss due to the realization of the hedged item	34.8	191.8
Line item in profit or loss affected by the reclassification of the hedge reserve	Net sales	Net sales
Balance remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied	52.8	102.5

1 Includes the impact of accrued changes in the value of open futures on cash and cash equivalents as of the balance sheet date, see Note 33.2.

The following table shows the date of the contract value of the hedging instrument and the average price of the hedging instrument:

Values as of 31.12.2024	Maturity		
	2025	2026	2027
<b>Commodity contracts – purchases</b>			
Contract volume in CHF million	599.1	290.6	271.3
Average price in CHF			
– Power	107.0	90.4	69.7
<b>Commodity contracts – sales</b>			
Contract volume in CHF million	479.2	304.3	283.2
Average price in CHF			
– Power	102.8	90.0	64.3

Values as of 31.12.2024	Maturity		
	2024	2025	2026
<b>Commodity contracts – purchases</b>			
Contract volume in CHF million	121.4	348.3	148.6
Average price in CHF			
– Power	94.5	127.6	100.0
– Coal	57.4		
– Emission allowances	50.6		
<b>Commodity contracts – sales</b>			
Contract volume in CHF million	91.2	303.9	164.3
Average price in CHF			
– Power	53.0	107.6	99.6

### 30.2 Interest rate risk

#### Fair value hedge

There is an interest rate swap with a contract volume of CHF 100 million which serves to convert fixed interest rates into variable interest rates, or to hedge fluctuations in the fair values of 50% of the issued Green Bond (par value CHF 200 million, maturity July 29, 2027, interest

rate 0.25% p.a.). This hedging relationship, classified as highly effective, qualifies as a fair value hedge. The Green Bond shows a change in fair value of CHF +3.9 million for the reporting year (previous year: CHF +2.4 million). There was no ineffective portion from this hedging relationship in either the reporting year or the previous year.

### 30.3 Currency risk

#### Cash flow hedge

In 2024, new hedging transactions were concluded to hedge the net long position in EUR resulting from BKW's trading business. The position was increased in several stages over the course of the year to EUR 340 million. The gains of CHF 0.8 million were realized at the end of 2024. USD hedging was carried out for the open net short position in USD. The loss from the open forward transactions of CHF 1.4 million was recognized in other comprehensive income at the end of 2024. An expected EUR 14 million outflow was also hedged for the Tramelan project. The realized gain of CHF 0.3 million was posted to the wind power plant under construction at the end of the year.

#### Net investment hedge

In 2012 and 2013, BKW placed three registered bonds with a total par value of EUR 275 million. In May 2022, EUR 10 million of the registered bonds were repurchased, reducing the par value to a total of EUR 265 million. The registered bonds were placed in Germany and hedge part of the net investments there. The registered bonds were designated as net investment hedges. Foreign currency gains or losses on the registered bonds are recognized in other comprehensive income and offset the gains or losses from the currency translation of the designated net investments to a corresponding extent. Neither in the reporting year nor in the previous year did this hedging relationship result in an ineffective portion that required recognition in the financial result.

## 31 Group companies with material non-controlling interests

With BKW Netzbeteiligung AG and BKW Renewables Partners AG, both headquartered in Switzerland, BKW holds two Group companies with material non-controlling interests. BKW

Netzbeteiligung AG holds the shares in Swiss-grid AG. BKW Renewables Partners AG has equity interests in various wind farms in France, Italy and Norway.

The financial information of BKW Netzbeteiligung AG and BKW Renewable Partners AG are disclosed separately in the table below. The disclosures are before the elimination of intercompany transactions.

CHF millions	BKW Netzbeteiligung AG		BKW Renewables Partners AG	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Non-controlling interests in %	49.9%	49.9%	49%	49%
Carrying amount of non-controlling interests	186.7	186.7	79.1	153.9
Net income allocated to non-controlling interests	5.3	8.5	0.2	-1.2
Dividends/distributions on non-controlling interests	5.3	8.6	8.5	3.3
<b>Balance sheet</b>				
Non-current assets	374.2	374.2	272.7	316.0
Current assets	0.1	0.1	2.1	1.3
Non-current liabilities	0.0	0.0	94.1	0.0
Current liabilities	0.1	0.1	19.2	3.3
<b>Income statement</b>				
Financial income	10.7	17.2	4.2	-2.4
Net profit	10.6	17.1	0.4	-2.5
<b>Cash flow statement</b>				
Cash flow from operating activities	10.7	17.2	15.5	1.8
Cash flow from investing activities	0.0	0.0	2.0	1.8
Cash flow from financing activities	-10.7	-17.2	-17.4	-3.5

## 32 Additional disclosures on the cash flow statement

Cash and cash equivalents include cash on hand, bank account balances and cash invested with financial institutions for a maximum period of three months.

CHF millions	31.12.2024	31.12.2023
Bank and cash balances	792.0	584.8
Term deposits	75.3	186.7
<b>Total Cash equivalents as shown in the balance sheet</b>	<b>867.3</b>	<b>771.5</b>
Bank balances and cash balances attributable to assets held for sale <sup>1</sup>	4.9	0.0
<b>Total Cash and cash equivalents as per cash flow statement</b>	<b>872.2</b>	<b>771.5</b>

1 See Note 19 for information on assets and liabilities of a disposal group classified as held for sale as of December 31, 2024.

Adjustments to the operating cash flow for non-cash transactions are composed as follows:

CHF millions	2024	2023
Depreciation, amortization and impairment	330.3	381.8
Income from associates	-47.2	-49.3
Gains/losses from sale of non-current assets	-3.6	-8.0
Change in non-current provisions (excl. interest and excl. utilization of nuclear provisions)	1.9	31.0
Change in assigned rights of use	-14.7	-14.6
Change from the valuation of energy derivatives	-32.4	-86.8
Other non-cash positions	8.1	-26.9
<b>Total adjustment for non-cash transactions</b>	<b>242.6</b>	<b>227.1</b>

The cash outflow of CHF 32.9 million for the acquisition of Group companies (previous year: CHF 148.0 million) is comprised of:

- payments for business combinations (less acquired cash and cash equivalents) in the reporting year of CHF -7.1 million (previous year: CHF 128.4 million, see Note 5 for details) and
- payments made in 2024 in connection with deferred contingent purchase price payments of CHF 40.0 million (previous year: CHF 19.6 million).

### Subtotal "Cash flow from operating activities before utilization of nuclear provisions"

To ensure better interpretability and comparability of the effective operating cash flow, the "Cash flow from operating activities" item includes a sub-total of the cash flow before utilization of provisions for nuclear decommissioning and waste disposal.

This is because costs for nuclear decommissioning and waste disposal will continue to be incurred in connection with the decommissioning of the

Mühleberg Nuclear Plant in the future. These costs represent the utilization of existing provisions and are therefore charged to "Cash flow from operating activities" determined in accordance with IAS 7. However, the nuclear decommissioning is not related to BKW's actual operating performance, and reported "cash flow from operating activities" is therefore not a suitable metric for assessing operating cash generation in BKW's view.

In addition, from 2024 onwards, the vast majority of the costs for nuclear decommissioning and disposal will be borne by STENFO. BKW is thus entitled to a refund of the costs incurred, although the costs incurred and the refund do not coincide chronologically. Both payments into and refunds from the decommissioning and waste disposal funds are classified in the cash flow statement as part of the "Cash flow from investing activities". As a result, there is a discrepancy in the presentation of these directly related cash flows. To adequately interpret cash flow, the corresponding individual items presented separately in the cash flow statement should be considered together.

## 33 Financial instruments

### 33.1 Disclosure of financial assets and liabilities

#### Accounting principles

A financial instrument is a contract that results in a financial asset for one party and a financial liability or equity instrument for the other party.

Financial instruments are divided into three categories based on the business model under which the financial instrument is managed and the contractual cash flows, which describe the subsequent measurement of the financial instrument:

- Measured at amortized cost
- Measured at fair value through profit or loss
- Measured at fair value through other comprehensive income

A financial asset or financial liability is recognized at the time the contract is concluded (e.g., purchase of shares, trading derivative, loan agreement, fixed-term deposit investment). Initial recognition is at fair value. The BKW Group applies the trade date accounting method.

Financial assets are initially recognized at fair value plus directly attributable transaction costs. For financial assets at fair value through profit or loss, the transaction costs are recognized directly in expenses.

Financial liabilities are initially recognized at fair value less direct transaction costs.

Financial assets or liabilities are recognized as current if they are due within 12 months of the balance sheet date. Otherwise, they are recognized as non-current.

### Carrying amount by balance sheet item and allocation to individual categories in accordance with IFRS 9

#### Financial assets

CHF millions	Note	Financial assets at amortized cost		Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		2024	Total 2023
		2024	2023	2024	2023	2024	2023		
Cash and cash equivalents	32	867.3	771.5					867.3	771.5
Trade accounts receivable	15	824.3	848.9					824.3	848.9
Other current financial receivables	15	109.3	144.8					109.3	144.8
Current financial assets	20	14.3	11.7	49.7	49.8			64.0	61.4
Derivatives (current and non-current) <sup>1</sup>	33.2			239.5	367.5	59.0	30.9	298.5	398.4
Financial accruals	18	143.0	101.9					143.0	101.9
Non-current financial assets	20	35.1	55.6			12.9	14.4	48.0	70.0
<b>Total</b>		<b>1,993.3</b>	<b>1,934.4</b>	<b>289.2</b>	<b>417.3</b>	<b>71.9</b>	<b>45.2</b>	<b>2,354.4</b>	<b>2,397.0</b>

1 Adjusted, refer to note 3.5

#### Financial liabilities

CHF millions	Note	Financial liabilities at amortized cost		Financial liabilities at fair value through profit or loss		Financial liabilities at fair value through other comprehensive income		Lease liabilities		2024	Total 2023
		2024	2023	2024	2023	2024	2023	2024	2023		
Trade accounts payable	24	468.6	389.0							468.6	389.0
Other current financial liabilities	24	118.8	127.0	0.9	15.6					119.7	142.6
Current conditional purchase price payments	33.3			14.7	11.8					14.7	11.8
Current financial liabilities	25	250.1	265.5					48.8	51.6	298.9	317.1
Derivatives (current and non-current) <sup>1</sup>	33.3			125.9	268.5	21.3	33.8			147.2	302.3
Financial accruals	18	287.0	262.4							287.0	262.4
Non-current financial liabilities	25	1,330.9	1,309.0	98.8	94.9			176.1	157.4	1,605.9	1,561.3
Other non-current financial liabilities	28	0.7	0.3							0.7	0.3
Non-current conditional purchase price payments	33.3			7.6	16.6					7.6	16.6
<b>Total</b>		<b>2,456.2</b>	<b>2,353.2</b>	<b>247.9</b>	<b>407.4</b>	<b>21.3</b>	<b>33.8</b>	<b>224.9</b>	<b>209.0</b>	<b>2,950.3</b>	<b>3,003.4</b>

1 Adjusted, refer to note 3.5

Due to short residual terms to maturity, the carrying amounts of loans and receivables and financial liabilities at amortized cost correspond approximately to the fair values. As of December 31, 2024, there was a difference between these values for the bonds that are included

under financial liabilities. The market price of the bonds (fair value hierarchy Level 1) was CHF 1,232.4 million at the end of the year (previous year: CHF 1,194.9 million), while the carrying amount was CHF 1,197.3 million (previous year: CHF 1,191.0 million).

## Net results of financial assets and liabilities by measurement category in accordance with IFRS 9

### Net result

CHF millions	Financial assets at amortized cost		Financial assets and liabilities at fair value through profit or loss		Financial assets and liabilities at fair value through other comprehensive income		Financial liabilities at amortized cost		2024	Total 2023
	2024	2023	2024	2023	2024	2023	2024	2023		
Included in net sales:										
– Income from energy hedging (recycling) <sup>1</sup>			-19.5	-115.3					-19.5	-115.3
Included in other operating revenue			2.7	34.4			0.6	0.4	3.3	34.8
– Income from proprietary energy trading <sup>1</sup>			61.2	82.6					61.2	82.6
– Income from energy hedging <sup>1</sup>			-19.5	-115.3					-19.5	-115.3
– thereof conditional purchase price			2.7	19.5					2.7	19.5
Included in operating expenses	-7.6	-1.1	-1.0	-5.6			-0.0	-1.1	-8.6	-7.8
– thereof conditional purchase price			-1.0	-5.6					-1.0	-5.6
Included in financial result	18.2	-11.4	-20.8	6.9	2.1	0.9	-39.6	-34.7	-40.1	-38.3
Included in other comprehensive income			-0.6	0.9	3.3	190.3	9.7	15.3	12.4	206.5
– thereof conditional purchase price			-0.6	0.8					-0.6	0.8
<b>Total</b>	<b>10.6</b>	<b>-12.5</b>	<b>22.0</b>	<b>3.9</b>	<b>5.4</b>	<b>191.2</b>	<b>-29.3</b>	<b>-20.1</b>	<b>8.7</b>	<b>162.5</b>

1 Refer to note 3.5

In the fiscal years shown, no financial instruments were designated as “at fair value through profit or loss”.

### Netting arrangements

BKW concludes reciprocal transactions with a range of contractual partners as part of its business activities. Where netting procedures have been contractually agreed and the prerequisites

for netting balance sheet items have been met, the resulting receivables and liabilities due and owed are reported as net items in the balance sheet.

The following amounts are presented at net in the balance sheet as of the balance sheet date:

CHF millions	2024			2023		
	Gross values	Netting off	Net values	Gross values	Netting off	Net values
Trade accounts receivable	1,265.1	-436.5	824.3	1,320.8	-471.9	848.9
Trade accounts payable	-906.2	436.5	-468.6	-860.9	471.9	-389.0
<b>Energy derivatives</b>						
Positive replacement values	461.1	-163.2	297.9	729.9	-345.1	384.8
Negative replacement values	-300.1	163.2	-136.9	-641.0	345.1	-295.9

## 33.2 Derivatives

### Accounting principles

Derivatives are recognized in the balance sheet at fair value as positive replacement values (receivables) or negative replacement values (liabilities). The contract volume corresponds to the underlying asset or contract quantity of the underlying derivative financial instrument.

### Energy derivatives

BKW trades in contracts in the form of forwards with fixed and flexible profiles, options and futures with electricity, gas, oil, coal and certificates as underlying assets. Contracts concluded with the sole intention of achieving a trading margin, as well as hedging transactions resulting from the expanded management activities of the production portfolio, are treated as financial instruments and designated as energy derivatives.

Transactions open at the balance sheet date are recognized at fair value. BKW's receivables from its counterparties are recognized as positive replacement values under assets (Derivatives) in the balance sheet, while liabilities are recognized as negative replacement values under liabilities (Derivatives) in the balance sheet. The positive replacement values correspond to the costs BKW would incur to replace all transactions with a value in favor of BKW if all relevant counterparties were to become insolvent at the same time and the transactions could be replaced immediately. The negative replacement values correspond to the costs that counterparties would incur to replace all transactions with a value in their favor if BKW could no longer meet its obligations. In the case of futures, there is in principle neither a positive nor a negative replacement value as of the balance sheet date due to daily settlement via cash and cash equivalents. Accrued changes in the value of open futures are recognized and presented in the balance sheet under cash and cash equivalents. Netting of current transactions with positive or negative replacement values is performed if the corresponding contractual regulations provide for this and offsetting is legally permitted and intended.

Realized and unrealized gains and losses on energy derivatives are presented as income from proprietary energy trading or income from energy hedging under other operating income. The gains and losses recycled to the income statement in connection with hedge accounting are presented in net revenue.

### Significant accounting judgments, estimation uncertainties and assumptions

When accounting for energy contracts, a distinction must be made as to whether they are to be treated as financial instruments (derivatives) or whether they are to be accounted for as “own use” transactions as pending transactions. At BKW, contracts are accounted for accordingly based on the motive for the transactions. Transactions carried out for the purpose of selling own production volumes or to cover the sales portfolio are treated as “own use” transactions and are not recognized in the balance sheet, but are recognized at gross as energy procurement costs or as net sales upon settlement. Transactions that are entered into solely for the purpose of resale and portfolio optimization are measured at fair value on each balance sheet date and the resulting net gain/loss is recognized through profit or loss under “Other operating income.” If it is a hedging transaction that can be designated under hedge accounting, changes in the fair value of the hedge are initially recognized in “Other comprehensive income.” As soon as the hedged transaction (e.g., physical delivery) takes place, the cumulative amount is reclassified from “Other comprehensive income” to the income statement and reported as energy procurement costs or net sales depending on the transaction.

The distinction between the transactions and the subsequent definition of the accounting treatment of the contracts represents a discretionary decision by management.

The following table contains information on the replacement values and contract volumes of derivative financial instruments from energy trading transactions and from interest rate and currency hedges that were open on the balance sheet date. Derivatives that qualify as hedging instruments according to IFRS 9 and that are treated in accordance with the provisions of hedge accounting are disclosed separately.

CHF millions	Positive replacement value		Negative replacement value		Contract volume	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Energy derivatives <sup>1</sup>	239.0	354.0	117.0	262.0	1,981.4	2,367.8
Interest rate swaps		3.2	2.6	1.0	32.3	32.5
Currency forward contracts	0.5	10.4	4.9		559.1	505.2
Hedge accounting						
– Energy derivatives <sup>1</sup>	58.9	30.9	19.8	33.8	94.2	1,177.8
– Interest rate swaps			1.4	5.5		
– Currency forward contracts	0.1		1.5		297.6	
<b>Total</b>	<b>298.5</b>	<b>398.4</b>	<b>147.2</b>	<b>302.3</b>	<b>2,964.6</b>	<b>4,083.3</b>
of which:						
– Current derivatives	266.1	201.3	108.4	295.9		
– Non-current derivatives	32.4	197.1	38.8	6.4		

1 Adjusted, refer to note 3.5

### 33.3 Assets and liabilities measured at fair value

#### Accounting principles

Assets and liabilities measured at fair value are assigned to the following hierarchy levels based on their valuation technique:

- Level 1: Valuation techniques based exclusively on listed prices in active markets for identical assets or liabilities. BKW currently classifies listed securities and proprietary trading certificates under this level.
- Level 2: Valuation techniques, the inputs to which are based on directly or indirectly observable market data. The inputs have a material impact on the recognized fair value. BKW classifies over-the-counter derivatives (all forward energy trading contracts, interest rate swaps and currency forwards) as well as the pro-rata net assets in the Federal Decommissioning and Waste Disposal Funds to this hierarchy level. STENFO's fund assets are managed by the federal government; BKW has no access to the managed assets. These assets are invested in accordance with the defined investment strategy, generally in products that have listed prices on active markets. To a limited extent, investments may also be made in assets for which there are no listed prices on active markets. Such investments are valued by the global custodian. BKW has no influence on the valuation techniques used. The annual statements of the funds are audited by external auditors each year and published by the responsible federal authorities.
- Level 3: Valuation techniques that apply inputs with a material impact on fair value that are not based on observable market data. BKW mainly classifies illiquid energy derivatives, unlisted equity instruments, contingent purchase price payments and liabilities to non-controlling interests under this level. The illiquid energy derivatives include contracts with physical delivery in subsequent years, which have optionalities with regard to quantities and variabilities with regard to prices. The derivatives are measured using a Monte Carlo simulation. Key input factors are the expected commodity prices and volatilities. The contingent purchase price payments and liabilities to non-controlling interests result from business combinations. The measurement of such assets requires management estimates of non-observable inputs. The fair values take into account expected cash flows, sales forecasts and other performance criteria.

There were no transfers between the different levels in the reporting period or the comparative period.



CHF millions	Carrying amount at 31.12.2024	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>				
Financial assets (current and non-current)				
– Interest in STENFO	1,225.4		1,225.4	
– Securities portfolio	49.6	49.6		
– Debt instruments	0.2		0.2	
Derivatives (current and non-current)	239.5		220.8	18.7
Inventories				
– Certificates (proprietary trading)	14.1	14.1		
<b>Financial assets at fair value through other comprehensive income</b>				
Derivatives (current and non-current) – Hedge Accounting	59.0		59.0	
Non-current financial assets				
– Equity instruments	12.9			12.9
<b>Financial liabilities at fair value through profit or loss</b>				
Other financial liabilities (current and non-current)				
– Contingent purchase price liabilities in relation to business combinations	22.4			22.4
– Other financial liabilities	15.1			15.1
– Liabilities relating to non-controlling interests	0.9			0.9
Derivatives (current and non-current)	125.9		51.6	74.3
<b>Financial liabilities at fair value through other comprehensive income</b>				
Derivatives (current and non-current) – Hedge Accounting	21.3		21.3	

CHF millions	Carrying amount at 31.12.2023	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>				
Financial assets (current and non-current)				
– Interest in STENFO	1,196.5		1,196.5	
– Securities portfolio	49.6	49.6		
– Debt instruments	0.1		0.1	
Derivatives (current and non-current) <sup>1</sup>	367.5		366.7	0.9
Inventories				
– Certificates (proprietary trading)	18.0	18.0		
<b>Financial assets at fair value through other comprehensive income</b>				
Derivatives (current and non-current) – Hedge Accounting	30.9		30.9	
Non-current financial assets				
– Equity instruments	14.4			14.4
<b>Financial liabilities at fair value through profit or loss</b>				
Other financial liabilities (current and non-current)				
– Contingent purchase price liabilities in relation to business combinations	28.4			28.4
– Other financial liabilities	17.4			17.4
– Liabilities relating to non-controlling interests	0.8			0.8
Derivatives (current and non-current) <sup>1</sup>	268.5		182.1	86.4
<b>Financial liabilities at fair value through other comprehensive income</b>				
Derivatives (current and non-current) – Hedge Accounting	33.8		33.8	

1 Adjusted, refer to note 3.5

In addition, the liabilities measured at fair value as of December 31, 2024, include the following:

- In bonds, an amount of CHF 98.8 million (previous year: CHF 94.9 million) as part of a fair value hedge (Level 2).

The Level 3 assets and liabilities measured at fair value developed as follows during the reporting period:

CHF millions	2024	Assets 2023	2024	Liabilities 2023
At 01.01.	15.3	7.2	105.0	0.9
Additions	1.8	7.4	20.2	63.2
Disposals	-1.6	-0.2	0.0	0.0
Changes in value included in profit or loss	17.0	0.9	-35.1	41.0
Changes in value included in other comprehensive income	-0.7	-0.0	0.1	-0.1
At 31.12.	31.7	15.3	90.2	105.0

The changes in value recognized in profit or loss include:

- In assets: CHF 17.0 million (previous year: CHF 0.9 million) from derivatives,
- In liabilities: CHF -32.8 million (previous year: CHF 55.8 million) from derivatives and CHF -2.3 million (previous year: CHF -14.8 million) from other financial liabilities.

### Accounting principles

#### Recognition of contingent purchase price liabilities

Other financial liabilities (see Note 24) include contingent purchase price liabilities recognized at fair value. The fair value is measured based on the expected cash flows, taking into account the probability of occurrence and current market interest rates. These liabilities are classified as Level 3 instruments.

CHF millions	Contingent purchase price considerations	
	2024	2023
At 01.01.	28.3	44.2
Additions	5.9	5.5
Disposals	-10.6	-6.6
Changes in value included in profit or loss	-1.7	-14.0
Changes in value included in other comprehensive income	0.6	-0.8
At 31.12.	22.4	28.3

#### Sensitivities of contingent purchase price liabilities

A contingent purchase price liability of EUR 1.0 million was recognized in connection with the acquisition of studio grüngrau GmbH, which is based on the expected EBIT targets for 2024 to 2026. The possible future cash outflows are between zero and EUR 1.6 million. If the target EBIT is reached or exceeded in a year, the maximum amount of EUR 0.5 million is paid out for that year. Conversely, if the EBIT achieved is below the target EBIT in a given year, no payment is made for that year.

A contingent purchase price liability of CHF 0.5 million was recognized in connection with the acquisition of ProBAS AG, which is based on the expected EBIT targets for 2024 to 2026. The possible future cash outflows are between zero and CHF 0.7 million. If the target EBIT is reached or exceeded in a year, the maximum amount of CHF 0.2 million is paid out for that year. Conversely, if the EBIT achieved is below the target EBIT in a given year, no payment is made for that year.

A contingent purchase price liability of CHF 2.3 million was recognized in connection with the acquisition of Groupe Gaspar, which is based on the

average of the expected EBIT targets for the years 2024 to 2026. The possible future cash outflows are between zero and a maximum of CHF 2.3 million, depending on the average EBIT less the purchase price. No additional payment was agreed.

A contingent purchase price liability of CHF 2.2 million was recognized in connection with the acquisi-

tion of the plan & co Group, which is based on the expected EBIT targets for 2023 to 2027. The possible future cash outflows are between zero and CHF 2.8 million. If the target EBIT is reached or exceeded in a year, an additional payment of CHF 0.1 million is paid out for that year. Conversely, if the EBIT achieved is below the target EBIT in a given year, no payment is made for that year.

### Accounting principles

#### Recognition of day-one gains and losses

BKW offers long-term power purchase agreements (PPA) for renewable energy sources in order to counteract the increasing volatility in the energy markets. Their classification as a Level 1, 2 or 3 instrument is based on the total term of the contract (one unit of account approach) and the underlying measurement parameters.

When assessing financial instruments using measurement parameters that are not fully based on traded prices in active markets, the measurement of the fair value at the time the contract is concluded may differ from the transaction price. This deviation is treated as a day one gain or loss and is reversed on a straight-line basis until the markets on which the measurement parameters are based become liquid.

The following table shows the reconciliation of the change in deferred day-one gains and losses. These positions are entirely related to Level 3 energy derivatives.

CHF millions	Day-one-gains		Day-one-losses	
	2024	2023	2024	2023
At 01.01.	39.1	17.3	-0.4	0.0
Deferred gains or losses from new transactions	19.4	31.8	-0.5	-0.4
Changes in gains and losses included in profit or loss	-16.8	-10.1	0.3	0.0
At 31.12.	41.6	39.1	-0.6	-0.4

## 33.4 Financial risk management

### Principles of risk management

Risk management is viewed as a supporting function for senior management. Its purpose is to provide decision makers with a transparent representation of the risks associated with individual business activities. The core element is the risk management process, which systematically identifies, assesses and manages risks and monitors the implementation of measures.

The spectrum of risk monitored by the BKW Group Executive Board includes external risks such as cybersecurity, the regulatory environment, climate and environmental issues, in addition to risks from the company's operating activities and strategy. Risks are quantified based on their financial impact and probability

of occurrence and presented as deviations from planned values. Non-financial dimensions are also always taken into account.

Market price, share price, currency, liquidity, interest rate and credit risks are measured, monitored and controlled on a continuous basis and reviewed regularly as part of the periodic risk management process. In addition to management of operational risks, there are also principles for management of liquid assets as well as current and non-current financial investments. Risk management therefore forms an integral part of all BKW business and management processes (including strategic planning).

The Risk Management team reports directly to the CFO. It prepares the guidelines and tools for the systematic handling of risk, coordinates the risk management process across the Group, and supports management in assessing and managing the risk situation. Risk Management works closely with the Group Executive Board and provides regular information on existing risk positions. The office also reports directly to the Board of Directors several times a year. The Board of Directors last assessed the risks related to operating activities at its meeting on December 5, 2024.

### Credit risks

Credit risk is defined as the potential loss that may arise due to a possible deterioration in creditworthiness up to and including the insolvency of business partners or the non-fulfilment of contractual obligations. Credit risk comprises replacement value, receivables and advance per-

formance risks. Credit risks are managed centrally by Risk Management. The risk management process includes credit assessment of counterparties, rating and limit allocation, exposure monitoring and control, and reporting.

Credit risks are managed by means of credit limits. Credit checks involve the use of an internal rating system which assigns a credit rating class to counterparties. The checks also take into account external ratings by recognized rating agencies. Depending on the credit rating class determined and the equity statement, a credit limit is assigned to the counterparty and then monitored on a daily basis. If a credit limit is exceeded, measures are initiated immediately in cooperation with operational units. To assess the risk of the overall portfolio, risk weights are calculated using the Basel II internal ratings-based approach.

The following table presents the credit risk from trade receivables, derivatives with a positive replacement value (excluding day-one accruals), and from current accounts and term deposits at banks as of the balance sheet, broken down by credit rating class. The standardized rating process covers trading, bank and sales counterparties, as well as other counterparties above a certain credit risk threshold. Other counterparties are monitored decentrally using individual approaches.

CHF millions	31.12.2024	31.12.2023
Rating AAA to AA-	153.7	171.1
Rating A+ to BBB-	1,281.6	1,374.3
Rating BB+ and lower	63.9	81.2
Other counterparties	628.6	583.1
<b>Total</b>	<b>2,127.8</b>	<b>2,209.7</b>
Included under:		
– Cash and cash equivalents	867.3	771.5
– Trade accounts receivable	851.9	870.5
– Other financial receivables	109.3	144.8
– Current financial assets (term deposits only)	1.4	0.6
– Derivatives (current and non-current)	298.5	398.4

The maximum credit risk (excluding guarantees granted) corresponds to the amount of outstanding monetary financial assets on the balance sheet date. As of December 31, 2024, BKW's maximum credit risk amounted to CHF 2,346.3 million (previous year: CHF 2,382.6 million) and corresponds to the carrying amount of all financial assets in accordance with Note 33.1, with the exception of the equity instruments contained therein. The maximum loss presented is based on

the assumption that all counterparties would become insolvent simultaneously and that existing collateral and netting arrangements could not be enforced.

As of the balance sheet date, there were guarantees granted in the amount of CHF 47.9 million (previous year: CHF 42.0 million), which increase the maximum credit risk correspondingly.



Collateral is required primarily for counterparties in the energy trading business, whereby the creditworthiness of the collateral issuer is assessed and rated. Customers may be granted a higher limit than defined for the assigned credit rating class if collateral is provided. The collateral can cover both invoiced and non-invoiced items. Collateral amounting to CHF 119.8 million was held for trade receivables and derivatives recognized as of December 31, 2024 (previous year: CHF 165.9 million).

A cluster risk would arise if excessive credit were granted to a single customer. The potential loss and resultant impairment requirement would be disproportionately high were the counterparty to default. For this reason, care is taken to ensure risks are adequately distributed, with a maximum limit (maximum permissible loan amount) set for each counterparty or group.

As of the balance sheet date, counterparties in Switzerland accounted for 69% of the credit risk (previous year: 70%).

#### **Liquidity risks**

Liquidity is defined as the ability to satisfy liabilities that fall due at any time and without restrictions. At Group level, liquidity management is based on the Group's midterm planning, budget and forecast. Rolling liquidity plans with a twelve-month horizon are drawn up for the entire Group on the basis of these documents as well as current findings. These plans are used to examine the rationale behind long-term measures in light of the latest information, as well as to identify potential liquidity shortfalls and formulate tactics to optimize the financial result.

BKW hedges energy positions on exchanges or with other energy traders. In energy trading on exchanges, counterparty risks are usually reduced by means of collateral in the form of liquidity. In addition, collateral in the form of liquidity or bank guarantees is also used to reduce counterparty risks for transactions with a few energy traders. Price fluctuations on the energy markets thus have a direct impact on BKW's liquidity. BKW manages these risks through positions that are settled on exchanges or with energy traders by offsetting collateral. In addition, BKW absorbs the remaining liquidity fluctuations through specific forward planning of liquidity risks from energy trading via a liquidity-at-risk approach, by holding appropriate liquidity reserves in cash and having potential liquidity through credit lines with banks.

### Residual terms to maturity of financial liabilities

The following tables provide information on the residual terms to maturity and cash flows of financial liabilities on a non-discounted basis.

CHF millions	Note	Carrying amount at 31.12.2024	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 5 years	Due after 5 years
<b>Non-derivative financial liabilities</b>							
Trade accounts payable	24	468.7	468.7				
Other current financial liabilities	24	134.4	134.4				
– thereof conditional purchase price		12.6	12.6				
Financial accruals	18	287.0	287.0				
Financial liabilities	25	1,904.8	316.5	362.8	311.1	60.8	1,108.5
– of which lease liabilities	25	224.9	52.9	67.4	22.7	17.1	96.0
Other non-current financial liabilities	28	8.3	0.0	2.6	4.8	0.2	0.0
– thereof conditional purchase price		7.6	0.0	2.6	4.8	0.2	0.0
<b>Total non-derivative liabilities</b>		<b>2,803.1</b>	<b>1,219.2</b>	<b>365.4</b>	<b>315.9</b>	<b>61.0</b>	<b>1,108.5</b>
<b>Derivative financial assets and liabilities</b>							
Energy derivatives							
– Positive replacement values	33.2	297.9	266.0	41.3	8.7	2.4	0.6
– Negative replacement values	33.2	-136.9	-102.1	-23.5	-16.5	-8.6	-7.3
<b>Net replacement values</b>		<b>161.0</b>	<b>164.0</b>	<b>17.8</b>	<b>-7.8</b>	<b>-6.2</b>	<b>-6.7</b>
Forward exchange contracts and interest rate swaps							
– Positive replacement values	33.2	0.6	1.0	0.0	0.0	0.0	0.0
– Negative replacement values	33.2	-10.4	-6.4	0.0	0.0	-1.4	-2.6
<b>Net replacement values</b>		<b>-9.8</b>	<b>-5.4</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.4</b>	<b>-2.6</b>
Gross cash flows related to derivatives							
– Gross outflow			-15,866.8	-1,830.0	-417.6	-44.7	-115.2
– Gross inflow			16,096.0	1,837.3	600.6	46.4	125.6

Amounts in foreign currency are translated at the exchange rate on the balance sheet date. The table shows the cash flows for interest-bearing liabilities including the corresponding interest

payments. The cash flows for derivative financial instruments do not take netting arrangements into account.

CHF millions	Note	Carrying amount at 31.12.2023	Due within 1 year	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 5 years	Due after 5 years
<b>Non-derivative financial liabilities</b>							
Trade accounts payable	24	389.0	389.0				
Other current financial liabilities	24	154.4	154.4				
– thereof conditional purchase price		11.8	11.8				
Financial accruals	18	262.4	262.4				
Financial liabilities	25	1,878.4	332.9	294.9	266.6	360.9	890.4
– of which lease liabilities	25	209.1	53.9	65.8	17.5	13.7	91.3
Other non-current financial liabilities	28	16.9	0.0	13.9	1.5	1.5	0.0
– thereof conditional purchase price		16.6	0.0	13.6	1.5	1.5	0.0
<b>Total non-derivative liabilities</b>		<b>2,701.1</b>	<b>1,150.5</b>	<b>308.8</b>	<b>268.1</b>	<b>362.4</b>	<b>890.4</b>
<b>Derivative financial assets and liabilities</b>							
Energy derivatives							
– Positive replacement values	33.2	384.8	180.5	193.9	10.1	–2.2	–7.8
– Negative replacement values	33.2	–295.9	–295.9	0.0	0.0	0.0	0.0
<b>Net replacement values</b>		<b>88.9</b>	<b>–115.4</b>	<b>193.9</b>	<b>10.1</b>	<b>–2.2</b>	<b>–7.8</b>
Forward exchange contracts and interest rate swaps							
– Positive replacement values	33.2	13.6	10.4	0.0	0.0	0.0	3.2
– Negative replacement values	33.2	–6.5	0.0	0.0	0.0	–5.5	0.0
<b>Net replacement values</b>		<b>7.0</b>	<b>10.4</b>	<b>0.0</b>	<b>0.0</b>	<b>–5.5</b>	<b>3.2</b>
Gross cash flows related to derivatives							
– Gross outflow			–12,994.8	–2,544.5	–678.5	–56.9	–116.6
– Gross inflow			14,079.4	2,577.1	776.8	60.6	126.8

### Market risks

Market risks arise from price and exchange rate fluctuations on unhedged positions in the energy and financial business. In accordance with BKW's risk policy, the procedure for measuring, managing and monitoring risk positions has been defined. Tradable energy and certificate price risks are managed in the Energy Markets business area. When setting effective limits for overall risk, market correlations and market liquidity are considered using the value-at-risk-based market risk capital (MRC) ratio. BKW's interest rate, share price risk and exchange rate risks are aggregated in a Group-level risk portfolio. The MRC and VaR limits, as well as the position limits required for management purposes are approved by the Group Executive Board. Risk management ensures risks are continuously monitored and reported.

### Share price risk

BKW is exposed to a share price risk for financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss, as well as for interests in STENFO (see Note 20). Receivables from state funds do not come under the definition of a financial instrument under the terms of IAS 32 and consequently are not covered by the following statements on risk measurement.

### Interest rate risks

The production of power and operation of transmission and distribution networks are capital intensive. Financing is generally long-term with staggered maturities. This minimizes the impact of interest rate changes on cash flows. In addition, interest rate hedging instruments are used where necessary. Cash is invested over the short to medium term, primarily in variable-interest positions.

### Currency risks

Energy trading is largely conducted in euros. Exchange rate fluctuations have an impact on the financial position and cash flows presented in Swiss francs. To the extent considered necessary, foreign currency positions are secured by means of currency forwards or currency swaps.

### Energy price risks/CO<sub>2</sub> certificate price risks

Energy and certificate positions are entered into in asset management and proprietary trading. Non-hedged material energy and CO<sub>2</sub> management positions are permitted in the current year and in up to 13 subsequent years.

### Value at Risk

CHF millions	31.12.2024	31.12.2023
Interest	0.0	0.0
Share price <sup>1</sup>	4.5	5.0
Currencies	3.9	3.6

1 Related to "Financial assets at fair value through other comprehensive income"

The value at risk shows value fluctuation risk based on individual risks that, given no change, could occur in a twelve-month (interest rates, share price) or one-day (currencies) period, taking into account the specified confidence level. The values shown would impact income as well as equity.

Fluctuations in the value of financial assets measured at fair value through other comprehensive income have no impact on the annual result but are recognized directly in other comprehensive income.

The risk of unfavorable price movements for unhedged positions in electricity, gas, CO<sub>2</sub>, coal and oil is determined using the market risk capital ratio (MRC) method. As a supplement to the VaR approach, the MRC ratio indicates the minimum risk capital that should be available to ensure that trading losses arising from adverse market developments do not cause a liquidity bottleneck. The calculations are based on a Monte Carlo method, which takes into account both market correlations and market liquidity. The model parameters are estimated based on a rolling 130-day observation period. Risk management is based on MRC, VaR and position limits. Additional loss limits apply to proprietary trading.

### Risk measurement

The market risks of energy and certificate products are measured using the market risk capital ratio (MRC), while interest rate, exchange rate and share price risks are measured using a value-at-risk (VaR). For the VaR calculation BKW uses a confidence level of 99% with a one-year (interest rate products and equities) or one-day (currencies) holding period. For the MRC, a confidence level of 97.5% and maximum holding period of six months is used in accordance with Basel III rules.

As of December 31, 2024, the MRC for proprietary trading amounted to CHF 18.7 million (previous year: CHF 52.0 million).

### Sustainability-related risks

Sustainability risks include environmental, social and governance (ESG) factors that have the potential to negatively impact BKW's business and long-term success. BKW therefore systematically monitors sustainability risks in these three categories:

- environmental and climate risks, which include potential damage to production facilities or power grid outages;
- social risks, which include problems such as shortages of skilled workers and reputational risks, as well as
- governance risks, which include threats such as cyber risks.

BKW's monitoring system enables timely and forward-looking strategic and operational preparation for changes caused by climate change, resource scarcity, regulatory requirements and social change. The methodology for monitoring sustainability risks is the same as for other financial risks. The following measures are used as part of the Group's risk mitigation strategy:

Reduce, avoid, transfer, manage and accept risks. Sustainability issues will be increasingly integrated into risk management processes in order to meet legal and regulatory requirements and

create added value for BKW. For example, new processes are being set up to analyze climate risks in greater detail.

## 34 Relationships with related parties

In the periods under review, BKW had the following financial relationships with related parties. Unless otherwise stated below, all transactions were conducted at arm's length terms.

CHF millions	2024	Parent 2023	2024	Associates 2023	2024	Pension funds 2023
<b>Income</b>						
– Energy sales	0.8	1.4	68.2	234.8		
– Other sales and services	5.7	7.1	15.5	18.9	1.3	2.5
– Financial income			1.3	0.2		
<b>Expenses</b>						
– Energy purchases			296.7	314.3		
– Water charges	16.0	15.8				
– Other purchases and services	1.2	0.7	195.6	130.5	41.0	37.3
– Taxes and charges	2.1	2.3				
– Financial expenses			0.4	0.0	0.1	0.0
<b>Assets</b>						
– Cash and cash equivalents	11.4	16.1				
– Receivables and accruals	3.0	3.2	53.1	50.5	0.0	0.1
– Current financial assets			9.0	3.0		
– Non-current financial assets			10.1	14.3		
– Rights of use			5.2	10.9		
<b>Liabilities</b>						
– Liabilities and accruals	69.7	65.1	60.4	45.8	10.9	8.9
– Loans	2.0	2.2				
– Rights of use			0.6	0.6		

### 34.1 Transactions with the owner

The Canton of Bern is the largest shareholder in BKW. As majority shareholder, the Canton has a decisive influence on all decisions taken at the General Meeting, including the election of the members to the Board of Directors and the allocation of profits. BKW has a wide range of relationships with the Canton of Bern, its authorities and public-law institutions as well as the private-

law companies it controls: BKW provides energy supplies and other services, procures materials and services, and pays taxes, water rates and other levies and fees. In addition, financial transactions are conducted with the Berner Kantonalbank, in which the Canton of Bern holds a majority interest.

### 34.2 Transactions with associates

Reported transactions consist of energy deliveries, energy transports, dividends, construction/engineering services (income), operational management and maintenance/servicing (income), energy purchases, material/third-party services

and other services (expense). Energy produced by partner plants is billed to shareholders at production cost (including interest and repayment of borrowed funds) on the basis of existing partner contracts.

### 34.3 Transactions with pension funds

Transactions with pension funds are conducted as part of the occupational pension plan and consist of employer contributions, administrative charges (personnel, operating and administrative

costs), real estate services (management of properties) and financial transactions (liquidity management).

### 34.4 Transactions with the Board of Directors and Group Executive Board

#### Remuneration

CHF millions	2024	2023
Short-term benefits	7.3	6.7
Contributions to pension plans	1.4	1.2
Share-based payments	0.5	1.2
<b>Total</b>	<b>9.2</b>	<b>9.1</b>

## 35 Events After the Balance Sheet Date

#### Disposal of cc energie sa

On December 20, 2024, BKW Energie AG signed an agreement to sell its subsidiary cc energie sa, and the transaction was closed on January 20, 2025. For additional information on the transaction, please refer to Note 19.

transaction is not expected to have any significant impact on the BKW Group's financial position, the results of operations and the cash flows. Further information is not yet available.

#### Acquisition of a company

On 5 March 2025, BKW Engineering SE, a BKW Group company based in Berlin, acquired 100% of STEIN und PARTNER PROJEKTMANAGEMENT BERATENDE INGENIEURE GmbH & Co. KG, a company based in Munich. The company is a renowned firm that specialises in comprehensive project management services. The purchase price is in the low double-digit millions (CHF), and the

# Group Companies and Associates

As of 31.12.2024	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
<b>Group companies</b>									
<b>Switzerland</b>									
A. Dietrich Kälte Klima Lüftung AG			●		Beringen	0.2	CHF	100.0	31.12.
ActVisual GmbH			●		Kloten	0.02	CHF	100.0	31.12.
AEK AG			●		Solothurn	0.1	CHF	100.0	31.12.
AEK Pellet AG	●				Balsthal	9.0	CHF	100.0	31.12.
Aerovent Crissier SA			●		Crissier	0.1	CHF	100.0	31.12.
Aerovent Service SA			●		Villars-Ste-Croix	0.1	CHF	100.0	31.12.
ahochn AG			●		Dübendorf	0.3	CHF	100.0	31.12.
Aicher, De Martin, Zweng AG			●		Lucerne	0.1	CHF	100.0	31.12.
Arnold AG			●		Wangen an der Aare	0.5	CHF	100.0	31.12.
ASAG Air System AG			●		Langenthal	0.1	CHF	100.0	31.12.
b+s Elektro Telematik AG			●		Ormalingen	0.1	CHF	100.0	31.12.
Balzer Ingenieure AG			●		Chur	0.1	CHF	100.0	31.12.
Baumeler Leitungsbau AG			●		Buchrain	0.1	CHF	100.0	31.12.
BelpmoosSolar AG	●				Belp	0.1	CHF	51.0	31.12.
BKW AEK Contracting AG	●				Solothurn	0.2	CHF	100.0	31.12.
BKW Building Solutions AG			●		Ostermundigen	0.2	CHF	100.0	31.12.
BKW Energie AG	●	●	●	●	Bern	132.0	CHF	100.0	31.12.
BKW Engineering AG			●		Bern	0.1	CHF	100.0	31.12.
BKW Infra Services AG			●		Wangen an der Aare	0.1	CHF	100.0	31.12.
BKW Management AG				●	Bern	0.1	CHF	100.0	31.12.
BKW NEE Beteiligungs AG	●				Bern	0.1	CHF	100.0	31.12.
BKW Netzbeteiligung AG		●			Bern	25.2	CHF	50.1	31.12.
BKW Renewables Partners AG	●				Bern	0.1	CHF	51.0	31.12.
cc energie sa				●	Murten	1.0	CHF	66.7	31.12.
ceed Ltd.			●		Solothurn	0.1	CHF	100.0	31.12.
Curea Elektro AG			●		Landquart	0.2	CHF	100.0	31.12.
Détartrage Services Vaud SA			●		Sullens	0.1	CHF	100.0	31.12.
DG Rail SA			●		Bussigny	0.1	CHF	100.0	31.12.
Duvoisin-Groux SA			●		Bussigny	0.1	CHF	100.0	31.12.
E3 HLK AG			●		St. Gallen	0.1	CHF	100.0	31.12.
E3 Zentralschweiz AG			●		Kriens	0.1	CHF	100.0	31.12.
ELBATECH AG			●		Ibach	0.1	CHF	100.0	31.12.
Elektrizitätswerke Wynau AG, Langenthal	●				Langenthal	3.0	CHF	100.0	31.12.
Elektro Feuz AG			●		Grindelwald	0.1	CHF	100.0	31.12.
Elektro Naegelin AG			●		Frenkendorf	0.1	CHF	100.0	31.12.
Elektro Winter AG			●		Rapperswil-Jona	0.3	CHF	100.0	31.12.
enerpeak ag			●		Dübendorf	0.1	CHF	100.0	31.12.
Equinoxe Holding SA			●		Lausanne	0.1	CHF	100.0	31.12.
Fernwärme Selhofen AG	●				Solothurn	3.0	CHF	90.0	31.12.
Frey + Gnehm Ingenieure AG			●		Olten	0.1	CHF	100.0	31.12.
Gebr. Bräm AG			●		Zurich	0.2	CHF	100.0	31.12.
Gesellschaft Mont-Soleil	●				Bern	-	CHF	85.0	31.12.
Gloor Planzer AG			●		Volketswil	0.1	CHF	100.0	31.12.
Guggisberg Kurz AG			●		Ostermundigen	0.2	CHF	100.0	31.12.
Hensel AG Elektrotechnische Unternehmungen			●		Zurich	0.2	CHF	100.0	31.12.
Hertli & Bertschy AG, elektrische Anlagen			●		Tafers	0.1	CHF	70.0	31.12.
Hinni AG			●		Biel-Benken	0.2	CHF	100.0	31.12.
Holzwärme Grindelwald AG	●				Grindelwald	2.5	CHF	93.4	31.12.

As of 31.12.2024	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
<b>Group companies (continued)</b>									
Idro Arvigo SA	●				Calanca	0.8	CHF	95.2	31.12.
inelectro sa			●		Porrentruy	0.5	CHF	100.0	31.12.
Infragon Ingenieure AG			●		Burgdorf	0.1	CHF	100.0	31.12.
ISP Electro Solutions AG			●		Ostermundigen	0.9	CHF	100.0	31.12.
IWM AG			●		Monthey	0.1	CHF	100.0	31.12.
Jaggi & Rieder AG			●		Saanen	0.1	CHF	100.0	31.12.
Juvent SA	●				Saint-Imier	6.0	CHF	70.0	31.12.
Karl Waechter AG			●		Zurich	0.1	CHF	100.0	31.12.
Kraftwerk Augand AG	●				Thun	15.0	CHF	51.0	31.12.
Kraftwerk Gohlhaus AG	●				Lützelflüh	1.3	CHF	59.9	31.12.
Kraftwerk Lauenen AG	●				Lauenen	2.0	CHF	85.0	31.12.
Kraftwerk Sousbach AG	●				Lauterbrunnen	2.8	CHF	90.0	31.12.
Kraftwerk Spiggebach AG	●				Reichenbach i.K.	3.8	CHF	51.0	31.12.
Kraftwerk Turbach AG	●				Gstaad	0.1	CHF	55.0	31.12.
Kraftwerke Fermelbach AG	●				St. Stephan	4.5	CHF	80.0	31.12.
Kraftwerke Kander Alp AG	●				Kandersteg	2.5	CHF	60.0	31.12.
Kraftwerke Milibach AG	●				Wiler (Lötschen)	1.0	CHF	80.0	31.12.
Kraftwerke Ragn d'Err AG	●				Surses	6.0	CHF	80.0	31.12.
Kull Elektro AG			●		Birmensdorf	0.1	CHF	100.0	31.12.
Lutz Bodenmüller AG			●		Beringen	0.1	CHF	100.0	31.12.
Marcel Rieben Ingenieure AG			●		Köniz	0.1	CHF	100.0	31.12.
Michel Rime SA			●		Echallens	0.2	CHF	100.0	31.12.
Minilco-Therm Sàrl			●		Sullens	0.02	CHF	100.0	31.12.
my meeting GmbH			●		Kloten	0.02	CHF	100.0	31.12.
Neukom Marzolo AG			●		Rafz	0.2	CHF	100.0	31.12.
pi-System GmbH			●		Oberkirch LU	0.02	CHF	100.0	31.12.
ProBAS AG			●		Affoltern im Emmental	0.1	CHF	100.0	31.12.
R. Monnet et Cie SA			●		Lausanne	0.2	CHF	100.0	31.12.
Raboud Energie SA			●		Bulle	0.1	CHF	100.0	31.12.
Regionaler Wärmeverbund AG Heimberg-Steffisburg (REWAG)	●				Heimberg	2.5	CHF	51.0	31.12.
Schmid, Amrhein AG			●		Lucerne	0.3	CHF	100.0	31.12.
Schönenberger & Partner AG Sanitäre Anlagen			●		Tobel-Tägerschen	0.1	CHF	100.0	31.12.
Sigren Engineering AG			●		Winterthur	0.1	CHF	100.0	31.12.
Simmentaler Kraftwerke AG	●				Erlenbach i.S.	7.3	CHF	84.3	31.12.
Société des Forces Electriques de la Goule SA	●	●			Saint-Imier	3.5	CHF	84.3	31.12.
sol-E Suisse AG				●	Bern	0.1	CHF	100.0	31.12.
Solstis Energy AG			●		Solothurn	0.1	CHF	100.0	31.12.
Solstis SA			●		Lausanne	0.1	CHF	100.0	31.12.
swisspro Automation AG			●		Urdorf	0.1	CHF	100.0	31.12.
swisspro Ltd.			●		Urdorf	0.5	CHF	100.0	31.12.
swisspro NW Ltd.			●		Allschwil	0.3	CHF	100.0	31.12.
swisspro SR Ltd.			●		Renens	0.1	CHF	100.0	31.12.
Thermo-Chauffage Sàrl			●		Sullens	0.02	CHF	100.0	31.12.
UMB AG			●		Cham	0.1	CHF	100.0	31.12.
UMB Cloud Native Ltd			●		Cham	0.1	CHF	100.0	31.12.
UMB Communication AG			●		Urdorf	0.1	CHF	100.0	31.12.
UMB Group Ltd			●		Cham	0.1	CHF	100.0	31.12.
WAB Technique S.à r.l.			●		Marly	0.02	CHF	100.0	31.12.
Weber AG, Stäfa			●		Stäfa	0.1	CHF	100.0	31.12.



As of 31.12.2024	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
<b>Group companies (continued)</b>									
Werner Electro AG			●		Brig-Glis	0.1	CHF	100.0	31.12.
Wind Energy Trading WET AG	●				Lausanne	0.1	CHF	100.0	31.12.
Winkelmann Elektro AG			●		Kerzers	0.1	CHF	100.0	31.12.
<b>Austria</b>									
AEP Planung und Beratung GmbH			●		Schwaz	0.04	EUR	100.0	31.12.
Geotechnik Tauchmann GmbH			●		Steinhaus bei Wels	0.04	EUR	100.0	31.12.
IGBK GmbH			●		Graz	0.04	EUR	100.0	31.12.
IKK Group GmbH			●		Graz	0.1	EUR	100.0	31.12.
plan & co. das zeichenbüro GmbH			●		Wiener Neudorf	0.04	EUR	100.0	31.12.
TBH Ingenieur GmbH			●		Graz	0.04	EUR	100.0	31.12.
<b>Croatia</b>									
igr d.o.o.			●		Zagreb	0.003	EUR	100.0	31.12.
<b>France</b>									
BKW France SAS	●				Paris	4.0	EUR	100.0	31.12.
BKW Renewables France SAS	●				Paris	42.9	EUR	100.0	31.12.
Eoliennes de Julie SASU	●				Amiens	0.02	EUR	100.0	31.12.
Eoliennes de la Camomille SASU	●				Amiens	0.001	EUR	100.0	31.12.
Eoliennes des Oeillets SASU	●				Amiens	0.01	EUR	100.0	31.12.
Ferme Eolienne de Saint Germier SAS	●				Paris	3.0	EUR	100.0	31.12.
Ferme Eolienne de Saint Julien du Terroux SAS	●				Paris	2.8	EUR	100.0	31.12.
Hydronext SAS	●				Neuilly-sur-Seine	0.2	EUR	100.0	31.12.
Les Eoliennes du Coquelicot 1 SAS	●				Amiens	0.02	EUR	100.0	31.12.
Parc Eolien de Fresnoy Brancourt SAS	●				Paris	0.04	EUR	100.0	31.12.
Parc Eolien Nordex LII SAS	●				Paris	2.3	EUR	100.0	31.12.
Parc Eolien Nordex LIII SAS	●				Paris	3.3	EUR	100.0	31.12.
Sameole Bois du Goulet SAS	●				Paris	2.3	EUR	100.0	31.12.
Société RAZ Energie 3 SAS	●				Paris	3.9	EUR	100.0	31.12.
<b>Germany</b>									
ABE Energietechnik GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
ABE Gruppe GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
ABE Ingenieurbüro GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
ABE Nord Energietechnik GmbH			●		Leck	0.03	EUR	100.0	31.12.
ABE Zertifizierung GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
Arnold und Gladisch Objektplanung Generalplanung GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Assmann Beraten + Planen GmbH			●		Berlin	0.6	EUR	100.0	31.12.
Assmann Climaplan GmbH			●		Munich	0.1	EUR	100.0	31.12.
Assmann Emutec GmbH			●		Norderstedt	0.03	EUR	100.0	31.12.
BKW Anlagentechnik GmbH			●		Geisenhausen	0.1	EUR	100.0	31.12.
BKW BESS GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BKW Bippen Wind GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BKW Bockelwitz Wind GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BKW Deutschland GmbH	●		●		Berlin	0.1	EUR	100.0	31.12.
BKW Dubener Platte Wind GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BKW Energie Deutschland GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BKW Energie Wilhelmshaven Beteiligungs-GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BKW Energy Solutions GmbH			●		Weiterstadt	0.03	EUR	100.0	31.12.
BKW Engineering Beteiligung GmbH			●		Berlin	0.03	EUR	100.0	31.12.
BKW Engineering SE			●		Berlin	0.1	EUR	100.0	31.12.
BKW Holleben Wind GmbH	●				Berlin	0.03	EUR	100.0	31.12.

As of 31.12.2024	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
<b>Group companies (continued)</b>									
BKW Infra Services Europa SE			●		Radebeul	0.1	EUR	100.0	31.12.
BKW Landkern Wind GmbH	●				Berlin	0.1	EUR	100.0	31.12.
BKW Storage Solutions GmbH			●		Barsbüttel	0.03	EUR	100.0	31.12.
BKW Wind Service GmbH	●				Berlin	0.03	EUR	100.0	31.12.
BSP Brandschutz GmbH			●		Eckernförde	0.03	EUR	100.0	31.12.
Collignon Planung GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Collignon Planung und Design GmbH			●		Berlin	0.03	EUR	100.0	31.12.
DfN Dienstleistungen für Nukleartechnik GmbH			●		Heidelberg	0.03	EUR	100.0	31.12.
Dr. Blasy - Dr. Øverland Ingenieure GmbH			●		Inning Ammersee	0.03	EUR	100.0	31.12.
Elektroanlagen Dresden-Mitte GmbH			●		Dresden	0.03	EUR	100.0	31.12.
EWIS GmbH			●		Speyer	0.03	EUR	100.0	31.12.
Hascher Jehle Assoziierte GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Berlin GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Design GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Generalplanungsgesellschaft mbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Objektplanung GmbH			●		Berlin	0.03	EUR	100.0	31.12.
Hascher Jehle Planen und Beraten GmbH			●		Berlin	0.03	EUR	100.0	31.12.
HelveticWind Deutschland GmbH	●				Berlin	0.03	EUR	59.0	31.12.
HelveticWind Gross Welle GmbH	●				Berlin	0.03	EUR	100.0	31.12.
HelveticWind Lüdersdorf-Parstein GmbH	●				Berlin	0.03	EUR	100.0	31.12.
HelveticWind Sendenhorst GmbH	●				Berlin	0.03	EUR	100.0	31.12.
HelveticWind Wulkow GmbH	●				Berlin	0.03	EUR	100.0	31.12.
IFB Eigenschenk GmbH			●		Deggendorf	0.1	EUR	100.0	31.12.
igr GmbH			●		Kaiserslautern	1.9	EUR	100.0	31.12.
IHB GmbH Ingenieurdienstleistungen			●		Leipzig	0.1	EUR	100.0	31.12.
ingenhoven associates gmbh			●		Düsseldorf	0.3	EUR	100.0	31.12.
Ingenieurbüro Prof. Dr.-Ing. Vogt Planungsgesellschaft mbH			●		Leipzig	0.03	EUR	100.0	31.12.
Institut Dr.-Ing. Gauer Ingenieurgesellschaft mbH			●		Regenstauf	0.03	EUR	100.0	31.12.
KAE Kraftwerks- & Anlagen-Engineering GmbH			●		Hausen	0.03	EUR	100.0	31.12.
KFP Ingenieure GmbH			●		Buxtehude	0.03	EUR	100.0	31.12.
KFP Prüfindenieure GmbH			●		Buxtehude	0.03	EUR	75.0	31.12.
KMT Planungsgesellschaft mbH			●		Hamburg	0.1	EUR	100.0	31.12.
Lindschulte BauConsult GmbH			●		Düsseldorf	0.03	EUR	90.0	31.12.
Lindschulte Industrial Engineering GmbH			●		Lingen	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Krefeld	0.03	EUR	85.0	31.12.
Lindschulte Ingenieurgesellschaft mbH			●		Erfurt	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH, Düsseldorf			●		Düsseldorf	0.03	EUR	60.0	31.12.
Lindschulte Ingenieurgesellschaft mbH, Emsland			●		Meppen	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH, Hannover			●		Hannover	0.03	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH, Münster			●		Münster	0.03	EUR	87.5	31.12.
Lindschulte Ingenieurgesellschaft mbH, Nordhorn			●		Nordhorn	0.3	EUR	100.0	31.12.
Lindschulte Ingenieurgesellschaft mbH, Regensburg			●		Regensburg	0.03	EUR	100.0	31.12.
Lindschulte Ingenieur-Holding GmbH			●		Nordhorn	0.1	EUR	100.0	31.12.
Lindschulte Planungsgesellschaft mbH			●		Koblenz	0.03	EUR	100.0	31.12.
Lindschulte Planungsgesellschaft mbH			●		Oldenburg	0.03	EUR	100.0	31.12.
Lindschulte Prüf- und Sachverständigen GmbH			●		Nordhorn	0.03	EUR	75.0	31.12.
LTB Leitungsbau GmbH			●		Radebeul	1.0	EUR	100.0	31.12.
osd GmbH			●		Frankfurt am Main	0.03	EUR	100.0	31.12.
PALATIA Ingenieur- und Städtebau GmbH			●		Kaiserslautern	0.04	EUR	100.0	31.12.

As of 31.12.2024	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
<b>Group companies (continued)</b>									
plan & co. das zeichenbüro GmbH			●		Gilching	0.03	EUR	100.0	31.12.
Planquadrat Elfers Geskes Krämer GmbH			●		Darmstadt	0.03	EUR	100.0	31.12.
Planungsgruppe Schweitzer GmbH			●		Braunschweig	0.1	EUR	100.0	31.12.
Podufal & Wiehofscky Generalplanung GmbH			●		Löhne	0.03	EUR	100.0	31.12.
QSB Holding GmbH			●		Berlin	0.03	EUR	100.0	31.12.
R & P Prüfen und Beraten GmbH			●		Nürnberg	0.03	EUR	95.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Limburg a. d. Lahn	0.1	EUR	100.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Halle	0.03	EUR	100.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Erfurt	0.03	EUR	100.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Düsseldorf	0.03	EUR	95.0	31.12.
R & P Ruffert Ingenieurgesellschaft mbH			●		Hamburg	0.03	EUR	100.0	31.12.
Ranner Projektmanagement GmbH			●		München	0.03	EUR	100.0	31.12.
Solar-Log GmbH	●				Geislingen	0.03	EUR	100.0	31.12.
studio grüngrau GmbH			●		Düsseldorf	0.03	EUR	100.0	31.12.
WALD + CORBE Consulting GmbH			●		Hügelsheim	0.03	EUR	100.0	31.12.
Windpark Parsteinsee GmbH	●				Steinhagen	0.03	EUR	60.0	31.12.
<b>Italy</b>									
BKW Hydro Italia S.r.l.	●				Milan	25.4	EUR	100.0	31.12.
BKW Italia S.p.A.	●		●		Milan	13.4	EUR	100.0	31.12.
Genzano Solar S.r.l.	●				Milan	0.01	EUR	100.0	31.12.
Green Castellaneta S.p.A.	●				Milan	0.1	EUR	100.0	31.12.
HelveticWind Eolo S.r.l.	●				Milan	0.03	EUR	100.0	31.12.
HelveticWind Italia S.r.l.	●				Milan	0.01	EUR	60.0	31.12.
Pantalla Solar S.r.l.	●				Milan	0.01	EUR	100.0	31.12.
Proxima S.r.l.	●				Milan	0.01	EUR	100.0	31.12.
Tamarete Energia S.r.l.	●				Ortona	3.6	EUR	60.0	31.12.
Veneta Energia S.r.l.	●				Milan	0.6	EUR	100.0	31.12.
Ventisei S.r.l.	●				Milan	0.01	EUR	100.0	31.12.
Volturno Wind S.r.l.	●				Milan	0.03	EUR	100.0	31.12.
Wind Farm S.r.l.	●				Milan	0.02	EUR	100.0	31.12.
Wind International Italy S.r.l.	●				Milan	52.2	EUR	100.0	31.12.
<b>Norway</b>									
Arowya AS	●				Oslo	0.1	NOK	100.0	31.12.
BKW Norway NWP AS	●				Oslo	0.1	CHF	100.0	31.12.
Marker Vindpark AS	●				Oslo	0.003	EUR	100.0	31.12.
<b>Romania</b>									
BKW Engineering Romania S.r.l.			●		Bukarest	0.001	EUR	100.0	31.12.
<b>Singapore</b>									
ingenhoven LLP			●		Singapore	-	SGD	100.0	31.12.
<b>Spain</b>									
UMB Spanien SL			●		Madrid	0.003	EUR	100.0	31.12.
<b>Sweden</b>									
Hedesta Wind Farm AB	●				Hässleholm	0.002	EUR	100.0	31.12.
Rosenskog Wind Farm AB	●				Hässleholm	0.01	EUR	100.0	31.12.
<b>Vietnam</b>									
DCMVN Company Limited			●		Ho Chi Minh City	0.03	EUR	100.0	31.12.

As of 31.12.2024	Energy Solutions	Power Grid	Infrastructure & Buildings	Other	Domicile	Share/basic capital in millions	Currency	% direct holding	Company law closing date
<b>Joint operations</b>									
<b>Switzerland</b>									
Bieleree Kraftwerke AG BIK	●				Biel	20.0	CHF	50.0	31.12.
Kraftwerk Sanetsch AG (KWS)	●				Gsteig	3.2	CHF	50.0	31.12.
Wärme Mittelland AG	●				Solothurn	1.0	CHF	50.0	31.12.
<b>Associates</b>									
<b>Switzerland</b>									
EDJ, Energie du Jura SA	●				Delémont	7.4	CHF	41.0	30.09.
Electra-Massa AG	●				Naters	20.0	CHF	16.1	31.12.
Electricité de la Lienne SA	●				Sion	6.0	CHF	33.3	30.09.
Erdgas Thunersee AG	●				Interlaken	6.9	CHF	33.3	31.12.
ETRANS Ltd.		●			Baden	7.5	CHF	11.5	31.12.
EVTL Energieversorgung Talschaft Lötschen AG	●				Wiler (Lötschen)	1.3	CHF	49.0	31.12.
Forces Motrices de Mauvoisin SA	●				Sion	100.0	CHF	19.5	30.09.
GEBNET AG	●				Buchegg	7.4	CHF	38.5	31.12.
Grande Dixence SA	●				Sion	300.0	CHF	13.3	31.12.
Kernkraftwerk Leibstadt AG	●				Leibstadt	450.0	CHF	14.5	31.12.
Kernkraftwerk-Beteiligungsgesellschaft AG (KBG)	●				Bern	150.0	CHF	33.3	31.12.
Kraftwerk Berschnerbach AG	●				Walenstadt	4.5	CHF	49.0	31.12.
Kraftwerk Wannenfloh AG	●				Rüderswil	0.3	CHF	31.9	31.12.
Kraftwerke Hinterrhein AG	●				Thusis	100.0	CHF	7.7	30.09.
Kraftwerke Mattmark AG	●				Saas-Grund	90.0	CHF	11.1	30.09.
Kraftwerke Oberhasli AG	●				Innertkirchen	120.0	CHF	50.0	31.12.
Kraftwerke Wiler-Kippel AG	●				Kippel	6.0	CHF	34.0	31.12.
Metanord SA	●				Bellinzona	18.0	CHF	33.3	31.12.
Nagra, National Cooperative for the Disposal of Radioactive Waste	●				Wettingen	–	CHF	14.3	31.12.
NIS AG		●			Sursee	1.0	CHF	25.0	31.12.
Oberland Energie AG	●				Thun	9.1	CHF	49.0	31.12.
Officine Elettriche dell'Engadina SA	●				Zernez	140.0	CHF	30.0	30.09.
Officine Idroelettriche della Maggia SA	●				Locarno	100.0	CHF	10.0	30.09.
Officine idroelettriche di Blenio SA	●				Blenio	60.0	CHF	12.0	30.09.
Société des Forces Motrices du Châtelot SA	●				Les Planchettes	6.0	CHF	11.7	31.12.
Swisseldex Ltd.		●			Bern	1.0	CHF	21.1	31.12.
Swissgrid Ltd.			●		Aarau	334.5	CHF	37.7	31.12.
Thermosource AG	●				Biel	2.0	CHF	50.0	31.12.
Trinkwasserkraftwerk Saas-Grund AG	●				Saas-Grund	1.2	CHF	40.0	31.12.
Zwilag Zwischenlager Würenlingen AG	●				Würenlingen	5.0	CHF	10.7	31.12.
<b>France</b>									
Centrale électrique de la Plaine S.à r.l.	●				Drémil-Lafage	0.001	EUR	33.3	31.12.
<b>Germany</b>									
Onyx Grundstück Wilhelmshaven GmbH & Co. KG	●				Wilhelmshaven	–	EUR	33.0	31.12.
Onyx Kraftwerk Wilhelmshaven GmbH & Co. KG	●				Wilhelmshaven	–	EUR	33.0	31.12.
<b>Italy</b>									
EP Produzione Centrale Livorno Ferraris S.p.A.	●				Rome	10.0	EUR	25.0	31.12.
Sottostazione Società Consortile S.r.l.	●				Milan	0.01	EUR	35.0	31.12.
<b>Norway</b>									
Nordic Wind Power DA	●				Oslo	–	EUR	28.1	31.12.

# Report of the Statutory Auditor



## Report of the statutory auditor to the General Meeting of BKW AG, Bern

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of BKW AG and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2024, the consolidated balance sheet as at 31 December 2024, the changes in consolidated equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 40 to 127) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach



#### Overview

Overall group materiality: CHF 42 million

We conducted full-scope audits at ten companies in three countries and a specific-scope audit at two companies in Switzerland. The companies audited in this way account for 71% of the Group's overall performance.

The following areas of focus were identified as key audit matters:

- Classification and valuation of energy trading contracts
- Valuation of the provision for nuclear waste disposal
- Valuation of onerous contracts
- Recoverability of goodwill

#### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due

PricewaterhouseCoopers AG, Bahnhofplatz 10, 3011 Bern  
Phone: +41 58 792 75 00, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall group materiality</b>	CHF 42 million
<b>Benchmark applied</b>	Total operating income
<b>Rationale for the materiality benchmark applied</b>	We chose total operating income as the benchmark for determining materiality. In our view, this takes into account the business activities of the BKW Group with the regulated areas of basic supply and grids as well as services, which are subject to lower and/or partially fluctuating margins. Furthermore, the figure calculated in this way appropriately reflects the Group's investment intensity. In addition, revenue-related reference figures are generally recognised reference figures for materiality considerations

We agreed with the Audit Committee that we would report to them misstatements above CHF 2 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

#### Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

According to its activities, the Group is divided into the Energy Solutions, Power Grid, and Infrastructure & Buildings segments, and operates in twelve countries.

The audits of BKW AG, BKW Energie AG – by far the most significant Group company – and one other company are conducted by the Group audit team. In Switzerland, Germany and Italy, other companies are also audited by PwC sub-segment auditors and a third-party auditor, whom we have instructed and with whom we are in regular contact. Group-wide topics such as, specifically, the audit of impairment tests at production facilities and partner plants, as well as goodwill, are covered by the Group audit team. At two other companies, a specific-scope audit is performed by the Group audit team.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



### Classification and valuation of energy trading contracts

#### Key audit matter

Recognition in energy trading is based on the underlying transaction motive. Energy transactions are concluded for the active management of the power plant portfolio and to cover energy supply or procurement contracts. In addition, energy transactions are concluded with the sole intention of realising a trading margin.

All these transactions qualify either as 'own use' transactions or financial instruments (hedging or trading transactions). 'Own use' transactions are subject to the provisions of IFRS 15 and are recognised gross in net sales and energy procurement at the time of delivery. Energy transactions classified as financial instruments follow the accounting logic of IFRS 9 and are recognised in net sales, energy procurement or other operating income.

These energy transactions, which are classified as financial instruments, are subsequently measured using specific energy price curves.

The risk of classifying and valuing energy trading contracts is a key audit matter, as the allocation of individual transactions to hedging or trading transactions significantly determines the accounting result, and the valuation is subject to certain estimation uncertainties.

Please refer to notes 7, 8, 30 and 33 in the notes to the consolidated financial statements.

#### Our audit approach

We gained an understanding of the accounting and valuation principles as well as the processes for classifying and valuing energy trading transactions.

Specifically, we performed the following control-based and sample-based audit procedures:

- Evaluation of the accounting and valuation principles
- Audit of internal controls for operating effectiveness and results-oriented audit procedures relating to the correct classification of energy trading transactions
- Control- and sample-based audit procedures of the energy price curves to ensure market conformity, with the involvement of valuation specialists and independently procured market data.

We consider management's approach to the classification and valuation of energy trading contracts to be reasonable.

### Valuation of the provision for nuclear waste disposal

#### Key audit matter

As at 31 December 2024, BKW reported total provisions of CHF 1,332.9 million. Of these provisions, CHF 1,070.7 million is attributable to the provision for nuclear waste disposal.

The Mühleberg nuclear power plant was decommissioned on 20 December 2019. BKW is required by law to cover the costs of decommissioning the power plant and disposing of nuclear waste.

We consider the measurement of the provision for nuclear waste disposal to be a key audit matter for the following reasons:

- At CHF 1,070.7 million as at 31 December 2024, the provision for nuclear waste disposal represents a significant component of liabilities.
- Due to the extended time horizon and the lack of experience in some cases, the provision for nuclear waste disposal is subject to significant uncertainties.

#### Our audit approach

In order to assess the measurement of the provisions for nuclear waste management, we obtained an understanding of the accounting policies and the process for measuring the provisions for nuclear waste disposal.

Specifically, we performed the following audit procedures, among others:

- Verification of the mathematical accuracy of the calculation model
- Verification of correct data transfer from the last available cost study
- Critical assessment and plausibility check of BKW-specific assumptions and parameters such as inflation rates and real interest rates, also involving valuation specialists.
- Sample-based audit of the reversal of provisions for nuclear waste disposal.
- Critical appraisal of the disclosure of the provision in the consolidated financial statements in accordance with IFRS requirements.



Every five years (most recently in 2021), an updated cost calculation is conducted – the so-called cost study – which is reviewed by the Swiss Federal Nuclear Safety Inspectorate (ENSI). The cost calculation is updated on behalf of and in accordance with the specifications of the Administrative Commission of the Decommissioning and Waste Disposal Fund for Nuclear Installations (VK STENFO) and in collaboration with swissnuclear. Based on this cost estimate, the provision for nuclear waste disposal may be adjusted in the event of a reassessment.

BKW reviews the parameters for determining the discount rates annually.

Please refer to note 26, 'Provisions and contingent liabilities and commitments for investments', in the notes to the consolidated financial statements.

We consider management's approach to the valuation of the provision for nuclear waste disposal to be reasonable.

**Valuation of onerous contracts**

Key audit matter	Our audit approach
<p>BKW holds shares in various associated companies. BKW has undertaken to purchase energy from its so-called partner plants at production cost plus a margin. Depending on the cost structure of the partner plant in question and the current and expected price development (electricity price curve), this can lead to an onerous contract. BKW does not recognise such losses as an impairment on its investment, but instead recognises a corresponding provision for onerous contracts for energy procurement.</p> <p>We consider the measurement of onerous contracts to be a key audit matter for the following reasons:</p> <ul style="list-style-type: none"> <li>• In the case of onerous contracts, various assumptions are made about future values, specifically about expected price developments, which can have a significant impact on the measurement of onerous contracts.</li> <li>• At CHF 190.0 million as at 31 December 2024, the provisions for onerous contracts represent a significant item for our audit in terms of amounts.</li> </ul> <p>Please refer to note 26, 'Provisions and contingent liabilities and commitments for investments', in the notes to the consolidated financial statements.</p>	<p>Our response to the audit risks identified in the valuation of the onerous contracts for energy procurement are included in the following audit procedures, specifically:</p> <ul style="list-style-type: none"> <li>• Discussion of the procedure for evaluating onerous contracts with the management</li> <li>• Involvement of internal valuation specialists to assess the valuation procedures and to check the mathematical correctness of the models used</li> <li>• Critical appraisal of the underlying electricity price curve and other key assumptions such as power plant utilisation and costs, in some cases with the assistance of an industry specialist</li> <li>• Analysis of the WACC rates used and their derivation with the involvement of valuation specialists</li> <li>• Critical appraisal of the disclosure of the provision in the consolidated financial statements in accordance with IFRS requirements.</li> </ul> <p>We consider management's approach to measuring provisions for onerous contracts to be reasonable.</p>



### Recoverability of goodwill

#### Key audit matter

To test goodwill for impairment, BKW calculates the value in use annually based on a discounted cash flow method and compares this with the carrying amount of the cash-generating units.

We consider the assessment of the recoverability of goodwill to be a key audit matter for the following reasons:

- Goodwill is a significant item in the balance sheet at CHF 1,107.3 million as at 31 December 2024.
- As part of the annual goodwill impairment test, management applies considerable judgement regarding the expected future cash flows, the discount rates applied (WACC) and the forecast growth.

Please refer to note 23, 'Intangible assets', in the notes to the consolidated financial statements

#### Our audit approach

As part of our audit, with the involvement of valuation specialists, we assessed whether a methodologically correct valuation procedure was selected for the impairment test, whether the calculation was comprehensible and whether the assumptions made were appropriate.

Specifically, we critically scrutinised the input data and assumptions for the underlying cash flows of the impairment test. In addition, we compared the business results of the reporting year with last year's assumptions for the reporting year in order to assess the appropriateness of last year's assumptions.

We analysed the WACC rates used and their derivation with the help of valuation specialists. We compared certain assumptions underlying the WACC rates, the growth rate in the terminal value and the inflation rate with externally available data.

We have assessed whether the disclosures on impairment testing in the notes to the consolidated financial statements are presented correctly and whether the sensitivity analyses presented adequately reflect the impairment risks.

We consider the valuation method and the assumptions used by management to test the recoverability of goodwill to be reasonable.

#### Other matter

The consolidated financial statements for the year ended 31 December 2023 were audited by another statutory auditor who expressed an unmodified opinion on those consolidated financial statements on 7 March 2024.

#### Other information

The Board of Directors is responsible for other information. 'Other information' comprises information included in the annual report in German that we obtained prior to the date of this report (but does not include the financial statements, consolidated financial statements, remuneration report, BKW Green Bond reporting or our auditor's reports thereon) and the information in the annual reports in English and French that is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

#### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer  
Licensed audit expert  
Auditor in charge

Matthias Zimny  
Licensed audit expert

Bern, 10 March 2025



# Annual Financial Statements of BKW AG

135	Annual Financial Statements of BKW AG
136	Income Statement
137	Balance Sheet
138	Notes to the Financial Statements
140	Appropriation of Retained Earnings
141	Report of the Statutory Auditor on the Financial Statements

# Income Statement

<b>CHF millions</b>	2024	2023
Dividend income	215.0	172.8
Other operating income	1.2	1.2
<b>Total operating income</b>	<b>216.2</b>	<b>174.0</b>
Other operating expenses	-11.6	-8.6
Depreciation, amortization and impairment	-0.1	0.0
<b>Total operating expenses</b>	<b>-11.7</b>	<b>-8.6</b>
<b>Operating result</b>	<b>204.5</b>	<b>165.4</b>
Financial income	30.3	33.4
Interest expense	-36.9	-31.6
Other financial expenses	-6.4	-14.8
<b>Profit before taxes</b>	<b>191.5</b>	<b>152.4</b>
Direct taxes	0.0	-0.7
<b>Net profit</b>	<b>191.5</b>	<b>151.7</b>

# Balance Sheet

CHF millions	31.12.2024	31.12.2023
<b>Assets</b>		
Cash and cash equivalents	0.9	5.3
Other receivables		
– from third parties	2.0	1.7
– from subsidiaries	200.0	200.0
Prepaid expenses and accrued income	4.8	5.5
<b>Total current assets</b>	<b>207.8</b>	<b>212.4</b>
Financial assets		
– from subsidiaries	1,811.4	1,801.5
– from third parties	1.9	4.3
Investments	1,894.4	1,894.4
<b>Total non-current assets</b>	<b>3,707.7</b>	<b>3,700.2</b>
<b>Total assets</b>	<b>3,915.5</b>	<b>3,912.6</b>
<b>Liabilities</b>		
Trade accounts payable	0.3	0.2
Current interest-bearing liabilities		
– Bonds	200.0	200.0
– to subsidiaries	536.1	552.7
Other current liabilities	1.7	1.1
Deferred income and accrued expenses	7.3	6.9
<b>Total current liabilities</b>	<b>745.4</b>	<b>760.8</b>
Non-current interest-bearing liabilities		
– Bonds	1,000.0	1,000.0
– Loans payable	241.2	236.4
<b>Total non-current liabilities</b>	<b>1,241.2</b>	<b>1,236.4</b>
<b>Total liabilities</b>	<b>1,986.6</b>	<b>1,997.3</b>
Share capital	132.0	132.0
Statutory capital reserves	26.1	26.1
Statutory retained earnings		
– Statutory retained earnings	1,149.1	1,153.8
– Reserve for treasury shares	5.9	1.2
Treasury shares	0.0	-1.7
Profit carried forward	424.4	452.2
Net profit	191.5	151.7
<b>Total shareholders' equity</b>	<b>1,929.0</b>	<b>1,915.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,915.5</b>	<b>3,912.6</b>

# Notes to the Financial Statements

The financial report is a translation from the original German version. In case of any inconsistency the German version shall prevail.

## Accounting policies

These financial statements of BKW AG, domiciled in Bern, were prepared in accordance with the provisions of the Swiss Act on Accounting and Financial Reporting (Title 32 of the Swiss Code of Obligations). The material measurement principles applied, which are not prescribed by law, are described below. It must be taken into account that the ability to establish and release hidden reserves is used to ensure the company's continued existence.

BKW AG prepares consolidated financial statements in accordance with recognized accounting standards (IFRS Accounting Standards). For this reason, in accordance with the statutory provisions, the additional disclosures in the notes, the presentation of a cash flow statement and the management report pursuant to Art. 961d of the Swiss Code of Obligations have been omitted from these financial statements.

## Other receivables

Other receivables are presented at their nominal amount less operationally necessary valuation allowances. The other receivables presented in the balance sheet are mainly current loans to BKW Energie AG.

## Equity investments

Company name, legal form, headquarters	Business Segment	Share capital CHF	Capital share	Capital share
			31.12.2024 %	31.12.2023 %
BKW Energie AG, Bern	Energy Solutions, Power Grid, Infrastructure & Buildings	132,000,000	100.0	100.0
BKW Building Solutions AG, Ostermundigen	Infrastructure & Buildings	200,000	100.0	100.0
BKW Engineering AG, Bern	Infrastructure & Buildings	100,000	100.0	100.0
BKW Infra Services AG, Wangen an der Aare	Infrastructure & Buildings	100,000	100.0	100.0
BKW Management AG, Bern (formerly BKW Grid Switzerland Ltd., Bern)	Other	100,000	100.0	100.0

In all cases, equity interest corresponds to both the percentage of capital and voting rights. The companies in which BKW AG holds indirect interests are listed on pages 122 to 127.

## Non-current assets

The equity investments held by BKW AG are reported at cost less any necessary impairment losses.

Financial assets are recognized at nominal amount. These are mainly long-term financing loans to BKW AG's investees.

## Current debt capital

Liabilities are presented at the nominal amount. The liabilities to other long-term equity investments in the balance sheet are mainly current account liabilities to BKW Energie AG.

## Non-current debt capital

Non-current liabilities are measured at the nominal amounts. Loans payable include the existing registered bonds.

## Treasury shares

Treasury shares are recognized at cost as a negative item in equity at the acquisition date.

## Bonds

CHF millions	31.12.2024	31.12.2023
0.00% debenture bond, 2022–2024	0.0	200.0
0.75% debenture bond, 2018–2025	200.0	200.0
0.875% debenture bond, 2022–2026	200.0	200.0
0.25% Green Bond, 2019–2027	200.0	200.0
1.125% Green Bond, 2022–2029	100.0	100.0
2.5% debenture bond, 2010–2030	300.0	300.0
1.5% Green Bond, 2024–2034	200.0	0.0
<b>Total</b>	<b>1,200.0</b>	<b>1,200.0</b>

## Share capital

BKW AG's share capital as of December 31, 2024, was unchanged from the previous year at CHF 132 million and is divided into 52,800,000 registered shares with a par value of CHF 2.50 each.

## Treasury shares

	CHF millions	BKW AG Number	CHF millions	Group companies Number	CHF millions	Total Number
At 31.12.2022	1.6	12,255	0.5	4,309	2.0	16,564
Additions	44.3	314,505	0.0	0	44.3	314,505
Transfer	-26.1	-191,130	26.1	191,130	0.0	0
Disposals	-18.1	-125,379	-25.5	-187,011	-43.6	-312,390
At 31.12.2023	1.7	10,251	1.2	8,428	2.8	18,679
Additions	39.1	260,527	1.9	14,035	41.0	274,562
Transfer	-27.2	-178,357	27.2	178,357	0.0	0
Disposals	-13.6	-92,421	-24.3	-161,816	-37.9	-254,237
At 31.12.2024	0.0	0	5.9	39,004	5.9	39,004

In the balance sheet as of December 31, 2023, the retained earnings of CHF 1,155 million were divided between the reserve for treasury shares (CHF 1.2 million) and statutory retained earnings (CHF 1,153.8 million).

## Contingent liabilities

CHF millions	31.12.2024	31.12.2023
Guarantees for consolidated companies in favor of third parties	489.0	713.1

## Number of full-time positions

As in the previous year, BKW AG had no employees in the 2024 fiscal year.

## Number and value of participation rights allocated to the Board of Directors

The Board of Directors receives 25% of its fee each first quarter in the form of shares in BKW AG. In 2024, 1,576 shares (previous year: 1,813 shares) were used for this at a market price of CHF 146.90 (previous year: CHF 133.90) and a corresponding expense of CHF 231,514 was recognized (previous year: 242,761).

## Release and approval of the annual financial statements

BKW AG's Board of Directors approved the release of these annual financial statements on March 10, 2025. There were no significant events after the balance sheet date up to this date. The annual financial statements will be submitted to the General Meeting of the shareholders of BKW AG on April 29, 2025 for approval.



## APPROPRIATION OF RETAINED EARNINGS

## Proposal to the General Meeting

CHF	
Profit carried forward	424,431,019
Net profit	191,465,174
<b>Unappropriated retained earnings</b>	<b>615,896,193</b>

**The Board of Directors proposes that retained earnings be appropriated as follows:**

CHF	
Dividend of CHF 3.70 per share entitled to a dividend <sup>1</sup>	195,215,685
Balance carried forward	420,680,508
<b>Total</b>	<b>615,896,193</b>

1 No dividend will be distributed on treasury shares held by BKW AG or its fully-owned subsidiaries (100% direct or indirect equity interest). Therefore, the number of shares authorized to receive a dividend as of December 31, 2024, was 52,760,996 shares.

**Subject to approval by the General Meeting, the following distribution will be made as follows:**

CHF	
Dividend per share	3.70
Minus 35% withholding tax	1.30
<b>Net dividend</b>	<b>2.40</b>

Bern, March 10, 2025

On behalf of the Board of Directors  
The Chairman  
Roger Baillod

# Report of the statutory auditor



## Report of the statutory auditor to the General Meeting of BKW AG, Bern

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of BKW AG (the Company), which comprise the income statement for the year ended 31 December 2024, the balance sheet as at 31 December 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 136 to 139) comply with Swiss law and the Company's articles of incorporation.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach



#### Overview

Overall materiality: CHF 37 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

The following area of focus was identified as a key audit matter:

- Valuation of investments and loans to investments

#### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

PricewaterhouseCoopers AG, Bahnhofplatz 10, 3011 Bern  
Phone: +41 58 792 75 00, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



<b>Overall materiality</b>	CHF 37 million
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark for determining materiality as, in our view, this is the figure that is relevant for a holding company. In addition, 'total assets' is a generally recognised benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 1.85 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. Specifically, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of investments and loans to investments

Key audit matter	Our audit approach
<p>Impairment testing of investments and loans to investments was a key audit matter for the following reasons:</p> <p>At CHF 1,894.4 million and CHF 1,811.4 million respectively, investments and loans to investments represent a significant portion of the assets in the balance sheet.</p> <p>Investments and loans to investments are recognised at cost or at nominal value, less any necessary value adjustments.</p> <p>The loans to investments are mainly long-term loans due from investments.</p> <p>The company valuations used in this context are prepared by BKW using the net asset value or discounted cash flow (DCF) method, whereby a high degree of discretion is applied in the determination of parameters such as the discount rates (WACC). Please refer to the notes to the financial statements under accounting policies – non-current assets.</p>	<p>Specifically, we performed the following audit procedures to assess the recoverability of the investments and loans to investments.</p> <p>We compared the carrying amounts of the investments as at 31 December 2024 with the respective pro rata equity of the investments.</p> <p>For company valuations using the DCF method, we performed the following audit procedures in detail:</p> <ul style="list-style-type: none"> <li>Assessment of the appropriateness of the business valuation methods applied and verification of the mathematical correctness of the models used.</li> <li>Comparison of the values assumed in the previous year with the current results to assess the accuracy of management's estimates.</li> <li>We analysed the WACC rates used and their derivation with the assistance of valuation specialists. We compared the key assumptions underlying the WACC rates, the growth rate used for the residual value and the inflation rate with externally available data.</li> </ul> <p>We consider the valuation methods and the assumptions used by management to test the recoverability of the investments and financial assets to be reasonable.</p>



#### **Other information**

The Board of Directors is responsible for the other information. 'Other information' comprises information included in the annual report in German that we obtained prior to the date of this report (but does not include the financial statements, consolidated financial statements, remuneration report, BKW Green Bond reporting or our auditor's reports thereon) and the information in the annual reports in English and French that is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Board of Directors' responsibilities for the financial statements**

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTSuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



### Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer  
Licensed audit expert  
Auditor in charge

Matthias Zimny  
Licensed audit expert

Bern, 10 March 2025

# Sustainability Report

## 145 Sustainability report

- 146 Sustainability as a core element of the "Solutions 2030" strategy
- 148 At a glance: Sustainability at BKW
- 149 General information
- 169 Environmental information
- 205 Social information
- 221 Governance information
- 231 Company-specific sustainability matters
- 243 Appendix

## INTRODUCTION

# Sustainability as a core element of the “Solutions 2030” strategy

BKW has set itself ambitious sustainability-related goals as part of its “Solutions 2030” strategy. With our commitment to sustainability, we take responsibility for the environment and society. At the same time, this results in long-term growth opportunities that make BKW attractive for investors, customers and employees.

Dear readers,

With the new “Solutions 2030” strategy, we have laid a further foundation for BKW’s future success. Sustainability is a core element of this strategy. We are pursuing our sustainability-related goals and helping to shape a more sustainable future on four fronts - climate, energy, nature and people - and strong governance.

To make its contribution to climate change mitigation, BKW wants to reduce its emissions to net zero as a Group. BKW is aiming for net-zero emissions in Scope 1 and 2 by 2040 and plans to halve greenhouse gas intensity by 2030 compared to 2022. To achieve this ambitious goal, we are looking into phasing out coal early, focusing on expanding renewable energy production and electrifying our fleet of over 3,500 vehicles by 2030.

Today, over 75% of our installed output already comes from renewable sources - a proportion that we will continue to increase. All this with

the aim of making a more active contribution to the protection and preservation of natural ecosystems and the promotion of biodiversity. True to our guiding principle: We create spaces for life.

Our efforts would not be possible without our more than 12,000 employees. They contribute to the energy transition and also make a significant contribution to a forward-looking and collaborative work environment. We are driven by sustainability and, as a responsible employer, we focus on a culture of appreciation, continuous employee development, diversity and high standards in occupational health and safety.

Kind regards



Roger Bailod  
Chair of the Board of Directors

## WE SUPPORT



**More information at:**  
[globalcompact.ch](https://globalcompact.ch)



“For BKW, sustainability not only means taking responsibility, but also seeing new developments as an opportunity to strengthen its long-term competitiveness.”

## At a glance: Sustainability at BKW

BKW sees sustainability as a core element of its new strategy. To this end, it is pursuing ambitious sustainability-related goals on the climate, energy, nature and people fronts. A strong governance structure forms the foundation for all sustainability-related activities.

On the climate front, BKW is aiming for net-zero emissions in Scope 1 and 2 as a Group by 2040 and halving greenhouse gas intensity by 2030 compared to 2022. To this end, it is looking into phasing out coal early and electrifying its fleet of over 3,500 vehicles by 2030.

On the energy front, BKW is focusing on investments in renewable and efficient energy infra-

structures. It aims to increase the installed capacity from renewable energies from 2.7 GW in 2024 to 3.4 GW by 2030.

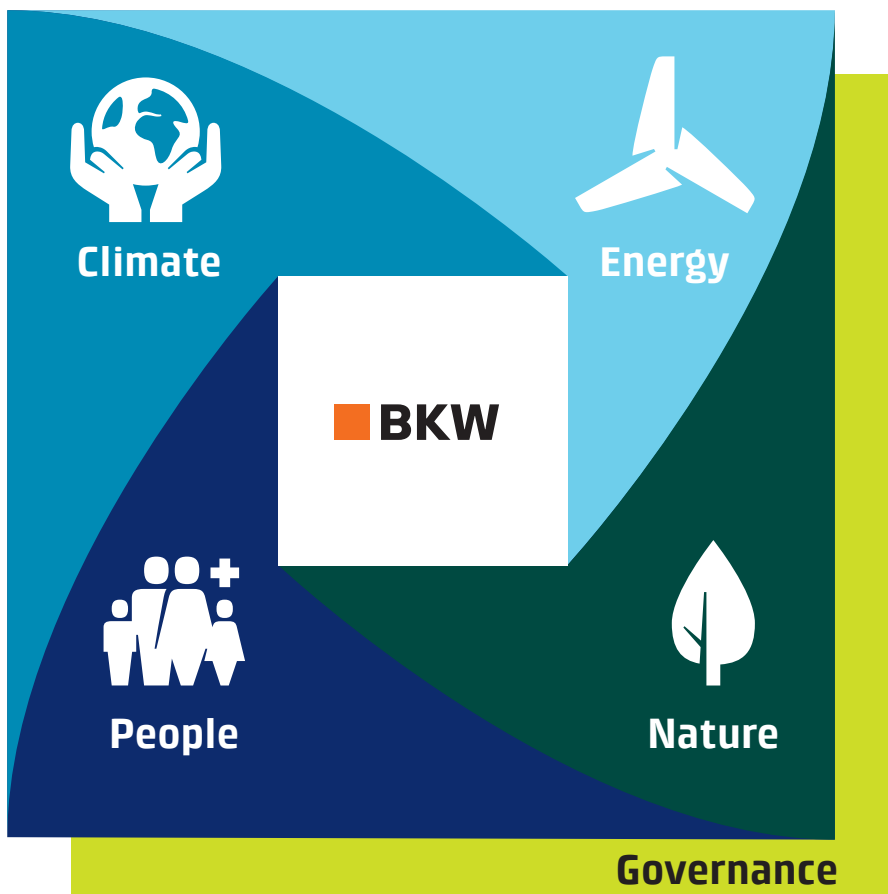
On the nature front, BKW aims to strengthen its commitment to natural ecosystems and biodiversity, including through increasingly nature-oriented management of its land.

Ultimately, the people front stands for the importance of BKW stakeholders. The over 12,000 employees are BKW's greatest asset, and their health and safety is the top priority. BKW therefore invests in occupational safety, attractive development opportunities, appreciative leadership, equal opportunity and flexibility.

**More information at:**

[bkw.ch/sustainability](https://bkw.ch/sustainability)

### Sustainability framework



# General information

## **"Roots" wooden high-rise in Hamburg**

Fynn Rösch, Project Manager at Assmann Beraten + Planen, BKW Engineering in conversation with a flat owner.

---

## CONTENTS

- 150 Basis for preparation
- 151 Sustainability governance
- 154 Strategy
- 166 Impact, risk and opportunity management



# Basis for preparation

**ESRS 2 BP-1** | **ESRS 2 BP-2**

## ABOUT THIS REPORT

The scope of consolidation for sustainability reporting corresponds to that of financial reporting. Unless specified otherwise in an individual case, all information and figures relate to the entire BKW Group and the period of January 1, 2024, to December 31, 2024.

BKW's sustainability reporting meets the requirements of the Swiss Code of Obligations and complies with the new requirements of the Ordinance on Climate Disclosures.

With regard to content and structure, the report is already based on the European Sustainability Reporting Standards (ESRS), to which BKW will be subject in the future (see chart below). As a reading aid, the report refers to the respective disclosure requirements of the ESRS, even if these have not yet been fully implemented in individual cases as of the end of 2024. A complete list of the reported ESRS disclosure requirements can be found in the Appendix starting on page 250.

The contents of the sustainability report are based on a double materiality analysis, which was carried out in 2024 in accordance with the requirements of the ESRS and the currently available implementation aids. The analysis included the entire BKW

value added as well as the upstream and downstream value chain. Where material, the impacts, risks and opportunities in the value chain are discussed in the respective chapters.

Certain disclosures in the sustainability report are subject to significant uncertainties with respect to outcomes. This applies in particular to forward-looking statements (e.g., in relation to climate scenarios) and quantifications of greenhouse gas (GHG) emissions. These result from incomplete scientific knowledge about the measurement of GHG and from the limited availability and quality of data, particularly from the upstream and downstream value chain. BKW is working continually to reduce measurement uncertainties.

BKW aims to prepare the 2025 Annual Report in accordance with the ESRS and to have the relevant content reviewed externally. This will exempt all BKW Group companies in EU Member States from their individual reporting requirements.

BKW is committed to the ten principles of the UN Global Compact and, as a participant, regularly publishes its annual progress report on the initiative's website.

## ESRS standards applied by BKW and company-specific information

### General Standards

<b>ESRS 1</b> General requirements	<b>ESRS 2</b> General disclosures
---------------------------------------	--------------------------------------

### Topical Standards

Environmental	Social	Governance
<b>ESRS E1</b> Climate change	<b>ESRS S1</b> Own workforce	<b>ESRS G1</b> Business conduct
<b>ESRS E2</b> Pollution	<b>ESRS S2</b> Workers in the value chain	
<b>ESRS E3</b> Water and marine resources	<b>ESRS S3</b> Affected communities	
<b>ESRS E4</b> Biodiversity and ecosystems	<b>ESRS S4</b> Consumers and end-users	
<b>ESRS E5</b> Resource use and circular economy		

### Company-specific information

<b>Security of energy supply</b>	<b>Emergency preparedness</b>
----------------------------------	-------------------------------

■ Covered in the sustainability report  
 ■ Not covered in the sustainability report (not material)

# Sustainability governance

## ESRS 2 GOV-1

---

### SUSTAINABILITY MANAGEMENT AT BKW

The Board of Directors bears ultimate responsibility for BKW's sustainability impacts, risks and opportunities and approves the sustainability-related goals and the annual sustainability report.

The Group Executive Board is responsible for the development and implementation of sustainability-related goals and, as an overall body, makes strategic decisions on the management of sustainability-related impacts, risks and opportunities for the entire BKW Group. The members of the Group Executive Board are also responsible for implementing the sustainability requirements, goals and targets in their respective business areas.<sup>1</sup> As part of the Corporate Development

Group function, the Sustainability Management office supports the organization in Group-wide sustainability management. As a staff unit of the CEO, Sustainability Management coordinates BKW's sustainability activities, ensures their coherence with the corporate strategy and advises the Board of Directors and Group Executive Board.

The various Group functions or business areas are responsible for dealing with the impacts, risks and opportunities depending on the topic. They report to the Group Executive Board in accordance with their reporting lines (see the relevant section of the sustainability report).

<sup>1</sup> Further information on the composition, independence and competences of the Board of Directors and Group Executive Board can be found in the Corporate Governance Report from page 271 onwards



**ESRS 2 GOV-2**

**SUSTAINABILITY TOPICS AT THE BOARD OF DIRECTORS AND GROUP EXECUTIVE BOARD LEVEL**

In 2024, the Board of Directors and Group Executive Board continued to address a wide range of sustainability topics. In addition, the members of the Group Executive Board completed further training on sustainability with an external partner, which covered, among other things, regula-

tory principles, foreseeable developments and the strategic relevance of sustainability governance.

The Board of Directors and Group Executive Board addressed the following sustainability topics in 2024 (not exhaustive):

**Topics dealt with in Group committees**

	Board of Directors	Audit and Risk Management Committee	Group Executive Board
Sustainability Report 2023	●	●	●
Integrity Report 2023	●	●	●
“Solutions 2030” corporate strategy with sustainability-related goals <sup>2</sup>	●		●
Transition plan related to climate change mitigation	●		●
Compliance Program	●	●	●
Internal/external compliance investigations and actions	●	●	●
Corporate policies concept	●		●
Climate and environmental policy and human rights policy	●		●
Group risk report	●	●	●
Corporate Sustainability Reporting Directive (CSRD) Audit Readiness	●	●	
ESG regulatory requirements		●	
Corporate goal for sustainability performance	●		●
Monthly compliance update			●
Monthly occupational safety update			●

**ESRS 2 GOV-3**

**SUSTAINABILITY-RELATED COMPONENTS OF REMUNERATION**

In the 2024 fiscal year, BKW included an assessment of its progress in the area of sustainability in its incentive and remuneration system for the first time. The relative improvement in sustainability performance compared to the previous year was assessed based on an external sustainability rating. The rating assesses corporate governance (40%), social aspects (30%) and the environment (30%) and compares these areas with a baseline measurement carried out in 2023. As part of the environment area, direct climate and energy-related factors such as the development of GHG emissions, energy consumption and climate change

mitigation management are also assessed. In addition, indirect climate and energy-related factors are included in various overarching assessment categories such as organizational anchoring, sustainability strategy and responsible supply chains.

For the members of the Group Executive Board, the achievement of sustainability-related goals determines 20% of the short-term incentive remuneration. The targeted relative improvement is determined by the Personnel and Remuneration Committee (PRC) at the beginning of the year and assessed at the end of the year on the basis of the

<sup>2</sup> Incl. material sustainability topics

external rating. Further information on the remuneration of the Group Executive Board can be found on page 304 of the Annual Report (Remuneration Report).

In addition to the members of the Group Executive Board, sustainability performance influences 25%

of the variable remuneration component for senior management and 50% of the performance bonus for other employees of BKW Energie AG and BKW Management AG<sup>3</sup>. Some of the BKW companies in the Infrastructure & Buildings business segment have defined their own sustainability-related goals, or are planning to do so in the future.

#### ESRS 2 GOV-4

### STATEMENT ON DUE DILIGENCE

The BKW Group Executive Board is aware of its responsibility for the health and safety of its employees and customers as well as compliance with international employment standards and human rights along its value chain. BKW is also committed to data security, combating corruption and protecting natural resources within its sphere of influence. To fulfill the relevant due diligence obligations and legal requirements, different management systems and control mechanisms have been established depending on the topic and business segment.

BKW fulfills its obligations in connection with child labor and minerals and metals from conflict areas in accordance with the provisions of the Swiss Code of Obligations as follows: The due dili-

gence and reporting obligations regarding conflict minerals and metals do not apply to BKW, as BKW neither imports nor processes conflict minerals and metals. With regard to child labor in BKW's own business activities, there are no reasonable grounds to suspect that BKW companies would be in breach of applicable regulations. However, certain categories of goods in BKW's upstream supply chain may contain raw materials with a potential risk with regard to child labor in the supply chain. BKW has reviewed this risk, as well as other social and environmental risks in the supply chain and obtained appropriate information from relevant suppliers. It also found no reasonable suspicion of child labor in the supply chain. Further detailed information can be found on pages 225 to 228.

#### ESRS 2 GOV-5

### RISK MANAGEMENT OF SUSTAINABILITY TOPICS

In 2024, BKW continued to drive forward the consideration of sustainability-related risks and opportunities at the Group level. Sustainability-related risks have been explicitly reported as part of the risk report to the Audit and Risk Management Committee (ARMC)<sup>4</sup> and the Group Executive Board since 2023. Since 2024, Risk Management has had the mandate to fully integrate sustainability topics into the risk management framework. Further information on Group risk management can be found on page 286 of the Annual Report.

In order to meet the requirements of the Swiss Ordinance on Climate Disclosures, BKW analyzed its climate-related risks and opportunities in

depth in 2024. To this end, BKW examined a selected portfolio of assets in relation to three different climate scenarios. Further information on the procedure and the findings can be found in the Climate Change Mitigation section on pages 174 to 178.

Sustainability risks in the upstream supply chain are continuously managed by Procurement Services. To this end, the supply chain risk analysis carried out in 2023 was refined and extended to other product groups. Additional information on this can be found in the business conduct section on pages 225 to 228.

<sup>3</sup> Incl. subsidiaries. The higher the management level, the more important sustainability becomes because a larger proportion of total remuneration is variable.

<sup>4</sup> For responsibilities of the ARMC, see the Corporate Governance report on page 281

# Policy

## ESRS 2 SBM-1

### POLICY, BUSINESS MODEL AND VALUE CHAIN

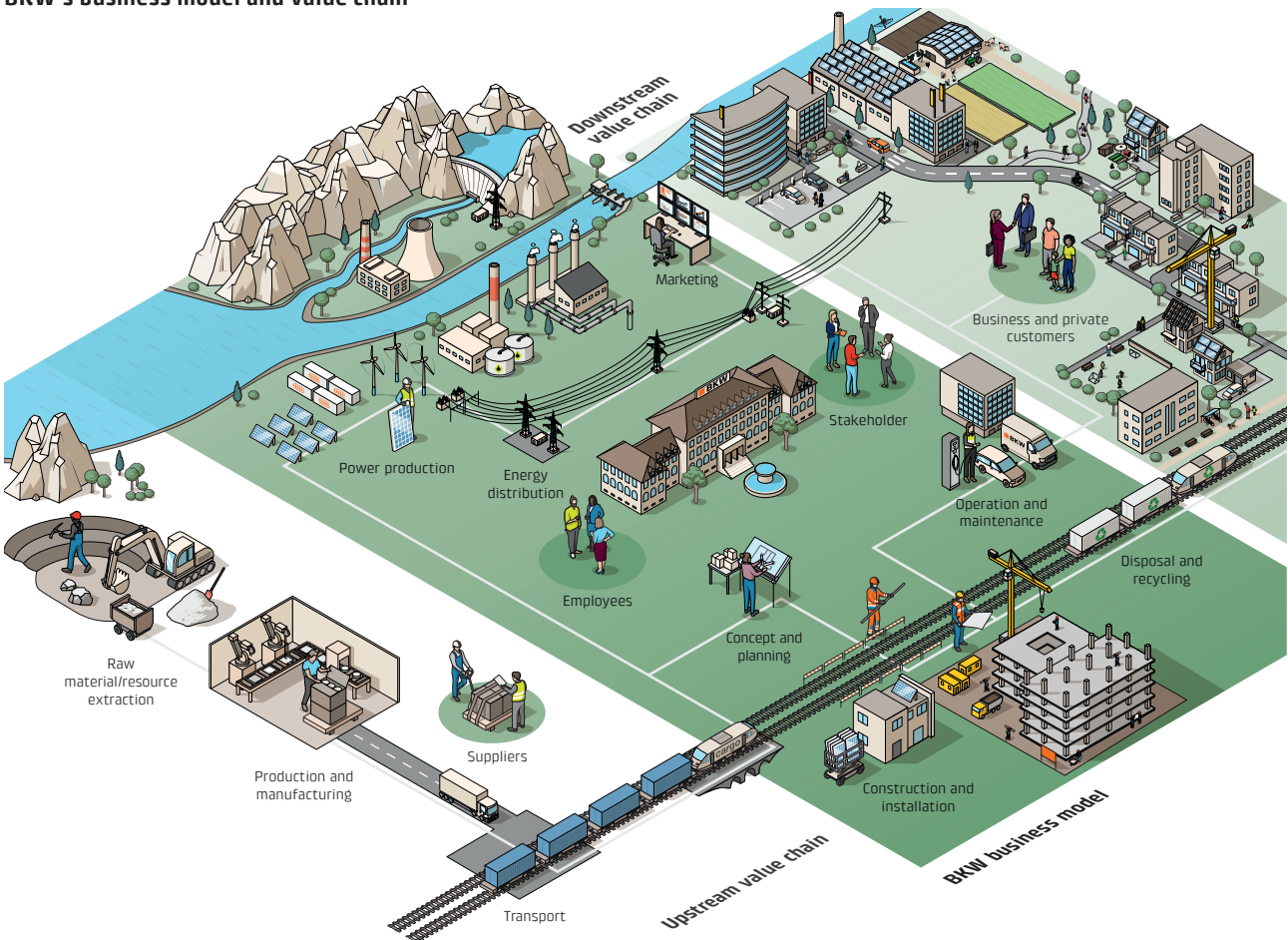
BKW is a leading Swiss energy and infrastructure company with over 12,000 employees and operations in 12 countries.<sup>5</sup> It has a broad portfolio of products and services in the Energy Solutions, Power Grid and Infrastructure & Buildings business segments. It serves a wide range of customer groups, including private households, companies and public institutions.

BKW's business model comprises the generation, marketing and distribution of energy as well as the planning, realization and maintenance of infrastructure and buildings (see also Annual Report page 17). BKW's activities are part of a value chain that extends from the extraction of resources by suppliers to customers and ultimately

to the disposal or recycling of products at the end of their life cycle. BKW's solutions make a significant contribution to the reliable and renewable supply of electricity and heat and help to make buildings and infrastructures resource-efficient and sustainable.

In 2024, BKW updated its corporate strategy and defined new targets up to 2030. Alongside growth and excellence, sustainability is one of three core elements of the new strategy (see also information on the corporate strategy on page 16). As part of the double materiality analysis (see also pages 166 to 167), BKW has analyzed its sustainability-related impacts, risks and opportunities along the entire value chain

#### BKW's business model and value chain

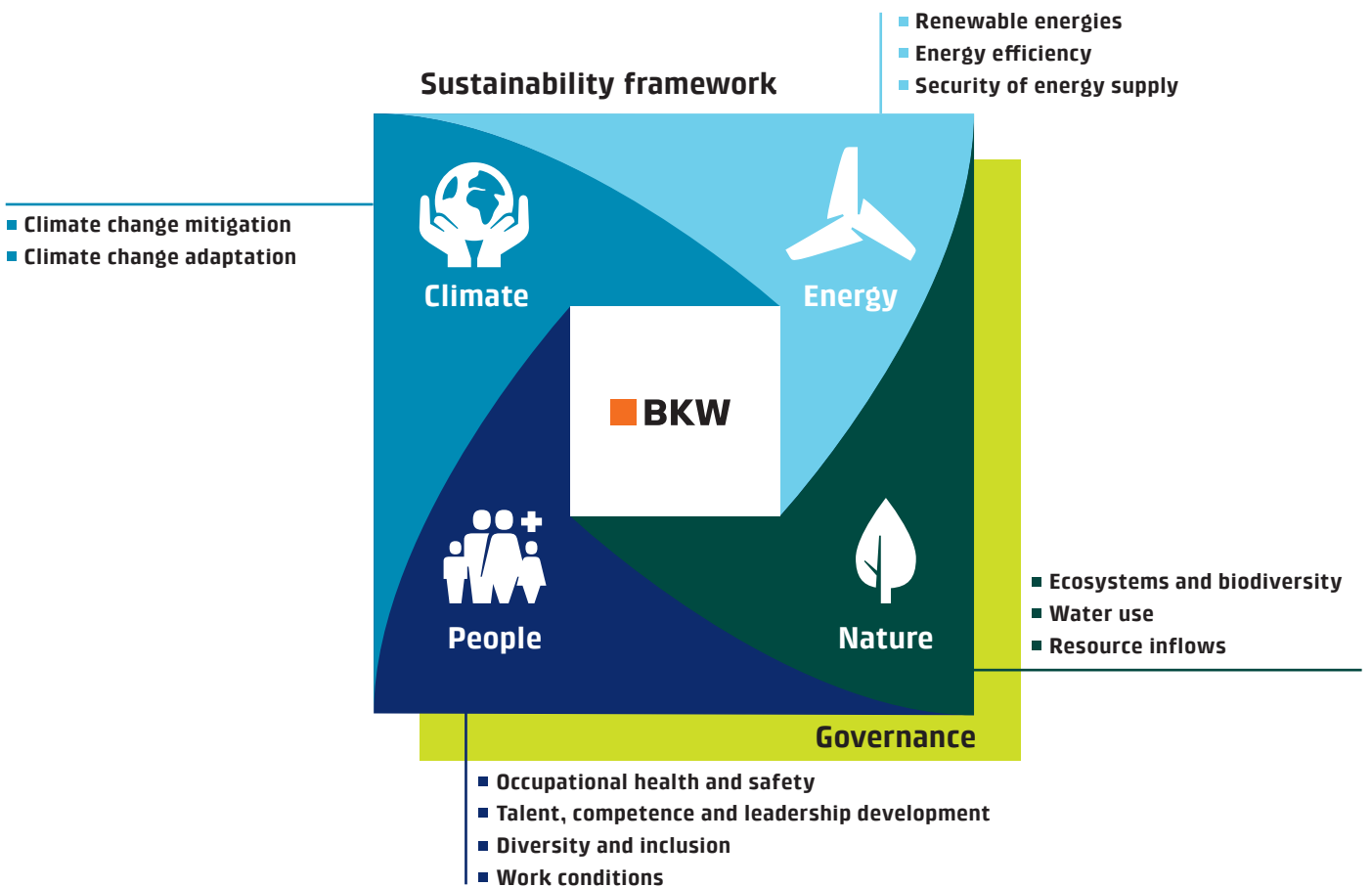


<sup>5</sup> Switzerland, Germany, France, Italy, Croatia, Norway, Austria, Romania, Sweden, Singapore, Spain, Vietnam

and updated its sustainability framework on this basis. This sustainability framework consists of four strategic fronts and takes into account BKW's key sustainability matters (see also below). BKW has defined strategic objectives for all four thrusts, which will be pursued during implementation of the new corporate strategy.<sup>6</sup> A strong governance foundation is the basis for achieving the sustainability-related goals. BKW understands this to mean adherence to all regulatory requirements and internal guidelines

(compliance), clearly defined responsibilities and professional risk and data management.

In 2025, BKW will press ahead with the planning and implementation of actions in all areas of the sustainability framework. For topics that are being considered at Group level for the first time in the 2024 materiality analysis, the basic principles are being developed and based on those principles, implementation planning has started with actions, responsibilities and clarification of resource requirements.



**Other material topics:**

Data protection | Emergency preparedness | Relationships with suppliers

<sup>6</sup> See page 255 for the contribution from these thrusts to the Sustainability Development Goals (SDG) of the 2030 Agenda



### Sustainability framework – overview of the status of goal achievement

Strategic thrust	Material topics	Strategic targets	As of: 12/31/2024
<b>Climate</b>	Climate change mitigation	Scope 1 and 2 reduction to net zero by 2040, Scope 3 by 2050	Being implemented
		Reduce Scope 1 and 2 greenhouse gas intensity (in tCO <sub>2</sub> /kWh) by at least 50% by 2030 compared to 2022	-33%
	Climate change adaptation	Climate-related risks will be assessed for all new strategically relevant projects from 2025 onwards	To be started (new target)
<b>Energy</b>	Renewable energies	Expansion to 1.5 GW of wind and PV capacity by 2030	935 MW (2023: 893 MW)
		Targeted installed capacity from renewable energy (hydro, wind, solar, biomass) of 3.4 GW by 2030	2.7 GW (2023: 2.6 GW)
		Expansion of storage capacity 500 MW battery capacity by 2030 to accelerate the integration of renewable energies	0 MW
	Energy efficiency	Increase in energy efficiency (MWh/MA) within BKW by 15% by 2030 compared to 2022, excl. Energy for electricity and heat production	+0.2%
	Security of energy supply	We are maintaining the high availability level of the 2024 base year to 2030 in our distribution grid. We are investing more than CHF 1 billion (CAPEX) in grid expansion by 2030 to enable the energy transition and maintain the distribution grid.	Being implemented To be started (new target)
<b>Nature</b>	Ecosystems and biodiversity <sup>7</sup>	Negative impacts of our own <sup>8</sup> energy and infrastructure projects on biodiversity are reduced beyond the statutory requirements and BKW is aiming for a "net positive impact" <sup>9</sup> when implementing projects from 2030 onwards.	To be started (new target)
		Increasingly near-natural management of land owned and managed by BKW (influenced in the longer term)	To be started (new target)
	Water use	Create a data basis for water use and water efficiency at all locations by 2026	To be started (new target)
	Resource inflows	Establishment of Environmental Product Declarations (EPDs) <sup>10</sup> as a procurement criterion in all five risk areas defined by Procurement Services (photovoltaics, wind, large-scale batteries, power grids and hydro) by 2027	To be started (new target)
By 2028, the life cycle costs will provide a structured basis for decision-making for asset management to optimize the service life (in terms of new construction, replacement and repair) of photovoltaics, wind, large-scale batteries, power grids and hydro.		To be started (new target)	

7 Combination of the material topics "Biodiversity loss due to land and freshwater use changes" and "Impacts on the extent and condition of ecosystems"

8 Group company facilities

9 Net Positive Impact (NPI) is an objective in which the impacts on biodiversity are balanced and outweighed by actions to avoid and reduce these impacts and actions to restore the affected species/landscapes

10 Standardized, objective environmental assessment of products

Strategic thrust	Material topics	Strategic targets	As of: 12/31/2024
<b>People</b>	Occupational health and safety	Focus on prevention and promoting a culture of occupational safety. All managers take part in mandatory training on "Resilience and safety in leadership."	Being implemented
		Avoidance of serious accidents at work and no work-related fatalities.	Being implemented
	Talent, competence and leadership development	Targets being developed	-
	Diversity and inclusion	Targets being developed	-
	Work conditions	Targets being developed	-
<b>Other material topics</b>	Data protection	BKW will have a uniform, standardized and Group-wide privacy information management system in place by 2028.	Being implemented
	Relationships with suppliers	All relevant Group-wide suppliers (with potential environmental and social risks) have a sustainability rating that is at least equivalent to the industry average by 2026.	24% (launched in 2024)
		Responsible purchasing practices, including due diligence procedures, will be standardized across the Group by 2025 through a robust set of rules and implemented in all purchasing organizations from 2026.	Zu starten (neues Ziel)
Emergency preparedness	Annual cybersecurity training and campaigns implemented and continually developed for all employees	Being implemented	

## ESRS 2 SBM-2

### STAKEHOLDER MANAGEMENT

BKW builds respectful, appreciative relationships based on mutual trust with its internal and external stakeholders. BKW relies on long-term partnerships: Among other things, BKW is a participant in the UN Global Compact and member of the Swiss Association for Sustainable Business (öbu). The Code of Conduct and the values it contains form the basis of daily action for management and all employees (see also page 223).

For employees, BKW continued to use the dialog forums that have existed for many years in 2024. As part of the 2024 materiality analysis, selected

employees from all business areas and various Group functions were asked about their assessment of BKW's impacts, risks and opportunities on a wide range of sustainability matters (see also pages 166 to 167).

BKW also fosters exchanges with external stakeholders in various ways, as the following table shows. As part of the 2024 materiality analysis, many of them were invited to assess the impact of BKW on various sustainability matters (see also pages 166 to 167).

## Interactions with stakeholders

Stakeholder	Main interactions (not exhaustive)	Purpose
<b>Employees</b>	Digital communication channels Employee discussions Brochures and magazines Events and topic-specific roadshows	Transparent, proactive information for employees about BKW's activities and other relevant information
<b>Customers</b>	Customer surveys (B2C) Customer discussions (B2B) Various newsletters ("Flash" customer newsletter every six months, corporate newsletter several times a year) Webinars on energy market development with B2B customers Website and customer center Social media	Establishment and further development of customer relationships (customer loyalty) Knowledge transfer Mandatory communications Image cultivation
<b>Suppliers</b>	Regular supplier discussions	Trusting business relationship Ensuring sustainability requirements
<b>Shareholders, investors and analysts</b>	General Meeting Analyst and media presentations Capital Markets Day Road shows Investor conferences Investor and analyst meetings	Transparent communication on financial, strategic and ESG-related developments and risks Building and maintaining reputation and trust Retaining existing and attracting potential investors Exchange of information and feedback
<b>Associations</b>	Memberships Board meetings Working group meetings Specialist departments Issue-focused exchange	Exchange of expertise Networking with other companies Training and continuing education Preparation of industry documents Presenting BKW's positions on political issues and joint representation of interests Exploiting synergies between interests
<b>Politics and authorities</b>	Newsletter (quarterly) Regular exchange on specific topics Working groups Opinions on amendments to laws and ordinances Ad hoc exchange	Representation of interests Exchange of expertise Compliance with statutory disclosure requirements Communicating BKW's expertise on political and regulatory topics, maintaining ongoing dialog
<b>Non-governmental organizations</b>	Issue-focused information exchange, such as for project proposals	Early identification of project risks and finding solutions in partnership
<b>Local environment (such as municipalities)</b>	Issue-focused information exchange and events, municipal mayoral events (annual), Journée des Maires in Jura (annual)	Maintain continuous dialog with the municipalities, explain BKW's positions on political issues
<b>General public, media</b>	Media relations (media releases, media events, inquiries) Social media Presentation of the company at events Specialist presentations Website	Transparent and proactive information for the media and the public about BKW's activities.

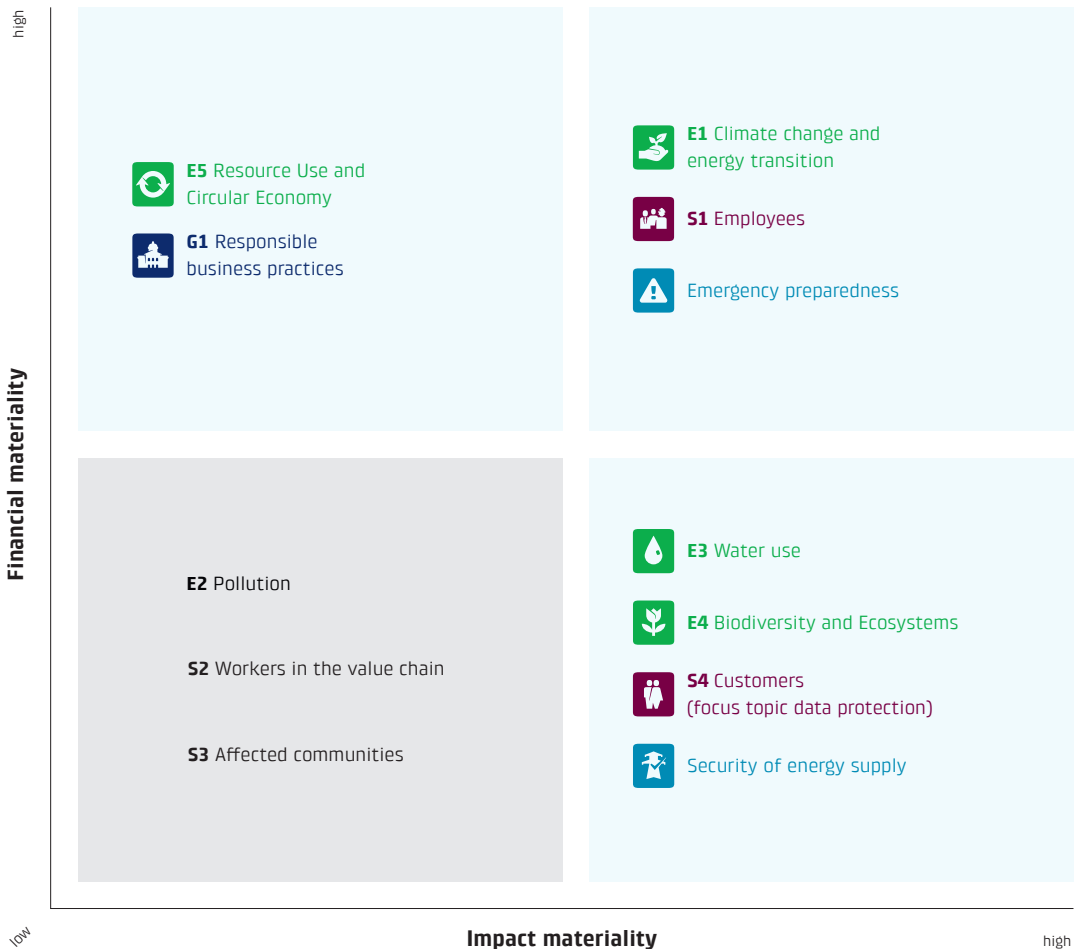
**ESRS 2 SBM-3**

**MATERIAL SUSTAINABILITY-RELATED IMPACTS, RISKS AND OPPORTUNITIES**

In 2024, BKW renewed its double materiality analysis in accordance with ESRS (see pages 166 to 167 for the procedure). Impacts, risks and opportunities were assessed as material in 17 sustainability topics relating to seven of the ten ESRS topic standards (see materiality matrix below)<sup>11</sup>. BKW thus applies these seven ESRS topic standards and reports on the sustainability topics that are material to them.

The following tables describe the material sustainability topics with relevant impacts, risks and opportunities for each ESRS topic standard. The impacts can be both positive and negative. Detailed information on the management of these impacts, risks and opportunities can be found in the following sections.

**BKW's materiality matrix pursuant to ESRS**



<sup>11</sup> The topics of emergency preparedness and reliability of supply were also included as company-specific topics. Information on this is reported in separate sections (from page 231).



**ESRS E1**

**Climate change mitigation and energy transition**

Topic	Impacts	Risks	Opportunities
<p><b>Climate change mitigation</b> Reducing GHG emissions in step with Swiss climate targets</p>	<ul style="list-style-type: none"> <li>– Greenhouse gas emissions from energy production from coal, gas and wood</li> <li>– Greenhouse gas emissions from commercial vehicles</li> <li>– Greenhouse gas emissions from switchgear</li> </ul>	<ul style="list-style-type: none"> <li>– Higher CO<sub>2</sub> prices / levies</li> <li>– Higher raw material and material costs and supply bottlenecks</li> <li>– Reputational risks</li> </ul>	<ul style="list-style-type: none"> <li>– Increasing demand for climate-friendly and/or energy-efficient products and services</li> <li>– Promotion of energy efficiency actions</li> <li>– High demand for renewable energy production</li> </ul>
<p><b>Climate change adaptation</b> The ability to adapt the business model to climate change and to developments or uncertainties related to climate change.</p>	<ul style="list-style-type: none"> <li>– Solutions in the areas of flood protection, provisions for heavy rainfall and green architecture</li> <li>– Implementation of ecological remediations</li> </ul>	<ul style="list-style-type: none"> <li>– Increase in extreme weather events such as heat waves, heavy precipitation, etc.</li> <li>– Shift in climatic conditions, e.g., thawing of permafrost</li> </ul>	<ul style="list-style-type: none"> <li>– Increasing demand for climate-resilient and efficient building solutions</li> <li>– More resilient value chain</li> </ul>
<p><b>Renewable energies</b> Expansion of renewable energy production (water, wind, solar, biomass)</p>	<ul style="list-style-type: none"> <li>– Planning, operation and expansion of power plants for electricity from renewable energies</li> <li>– Expansion of decentralized renewable energy production at customers</li> </ul>	<ul style="list-style-type: none"> <li>– Decreasing diversification of the electricity generation mix</li> <li>– High costs in the expansion of the company's own distribution grid</li> </ul>	<ul style="list-style-type: none"> <li>– Decrease in greenhouse gas intensity of own energy production</li> <li>– Technological progress in distribution grid expansion, e.g., smart grid</li> </ul>
<p><b>Energy efficiency</b> Increasing energy efficiency in the company's overall energy use and offering efficiency services relating to buildings and infrastructure to third parties.</p>	<ul style="list-style-type: none"> <li>– Increasing efficiency for customers (energy-efficient heating, ventilation, automation)</li> <li>– Increased efficiency in own business activities</li> </ul>	<ul style="list-style-type: none"> <li>– Declining energy sales</li> <li>– Increased energy costs for own business activities</li> </ul>	<ul style="list-style-type: none"> <li>– Demand for services to increase energy efficiency (e.g., in-house production, smart control)</li> <li>– Declining energy requirements for own business activities</li> </ul>



**ESRS E3**

**Water use**

Topic	Impacts	Risks	Opportunities
<p><b>Water use</b> Use of water that is dammed or extracted for energy generation or cooling, and after use, released back into the environment clean</p>	<ul style="list-style-type: none"> <li>– Water damming and withdrawal for energy production in hydropower plants</li> <li>– Water withdrawal for cooling thermal power plants</li> </ul>	<ul style="list-style-type: none"> <li>– Restricted access to water (availability and regulations)</li> </ul>	<ul style="list-style-type: none"> <li>– Reputation and long-term access with efficient, clean use</li> </ul>



## ESRS E4

## Biodiversity and ecosystems

Topic	Impacts	Risks	Opportunities
<p><b>Biodiversity loss due to changes in land and freshwater use</b></p> <p>Impact on biodiversity by activities that change the use of land or freshwater, e.g., soil sealing, fragmentation, management of previously unmanaged forests, planning and construction of facilities, power plants, etc.</p>	<ul style="list-style-type: none"> <li>– Land use changes due to the construction of power plants and grid systems</li> <li>– Changes in water use due to the construction of hydropower plants</li> <li>– Land required for the construction of own sites such as warehouses</li> <li>– Land requirements for resource extraction and processing (value chain)</li> </ul>	<ul style="list-style-type: none"> <li>– Increasingly restricted access to land and freshwater (regulations and objections)</li> <li>– Delays in projects</li> <li>– Additional costs for the use of land</li> </ul>	<ul style="list-style-type: none"> <li>– High acceptance of energy projects where high standards for biodiversity protection are called for</li> </ul>
<p><b>Impacts on the extent and condition of ecosystems</b></p> <p>Impact on ecosystems through activities that cause land use change, land degradation, desertification and soil sealing</p>	<ul style="list-style-type: none"> <li>– Restoration of habitats through renaturation, revitalization, dismantling and ecological rehabilitation of infrastructure</li> <li>– Habitat modification due to the construction of power plants, grid systems and infrastructure</li> <li>– Impacts on suppliers and their suppliers due to the extraction of raw materials (value chain)</li> </ul>	<ul style="list-style-type: none"> <li>– Delays in projects</li> <li>– Penalties and reputational damage in the event of damage to ecosystems in direct operations or in the value chain</li> </ul>	<ul style="list-style-type: none"> <li>– Demand for renaturation services</li> <li>– Reputation increase with high biodiversity standards</li> </ul>



## ESRS E5

## Resource use and circular economy

Topic	Impacts	Risks	Opportunities
<p><b>Resource inflows</b></p> <p>Procurement of raw materials in the form of goods, operating materials and property, plant and equipment required for business activities.</p>	<ul style="list-style-type: none"> <li>– Resources required for the construction and operation of power plants and power grids</li> <li>– Resources required in the service business (e.g., vehicles, electrical equipment, safety clothing.)</li> </ul>	<ul style="list-style-type: none"> <li>– Legal and reputational risks in the event of violations of environmental, social and ethical standards in the value chain</li> <li>– Project risks due to delays in delivery by suppliers</li> </ul>	<ul style="list-style-type: none"> <li>– Cost savings through efficient use of resources and purchase of secondary raw materials as well as switch to less critical resources</li> <li>– Market advantages through the establishment of a circular economy</li> </ul>



## ESRS S1 Employees

Topic	Impacts	Risks	Opportunities
<p><b>Work conditions</b> Offering attractive and secure jobs with adequate/ fair wages and regulated work and rest time, social protection against loss of income in the event of major life events and job security.</p>	<ul style="list-style-type: none"> <li>– Market-driven and transparent work conditions and non-discriminatory remuneration models</li> <li>– Ensuring social security and compliance with labor rights</li> </ul>	<ul style="list-style-type: none"> <li>– Lack of competitiveness as an employer</li> <li>– Legal and compliance risks</li> </ul>	<ul style="list-style-type: none"> <li>– Increase in employer attractiveness</li> <li>– Reduction in employee turnover</li> <li>– Increase in employee satisfaction</li> </ul>
<p><b>Occupational health and safety</b> Actions and practices aimed at protecting the physical and mental health of employees. This includes the safest possible workplace design and work conditions that promote health.</p>	<ul style="list-style-type: none"> <li>– Health risks from high-risk activities at heights, near water and when working with electricity and in contact with harmful substances</li> <li>– Prevention of accidents through high safety standards and protocols</li> <li>– Increasing the well-being and health of employees</li> <li>– Professional integration</li> </ul>	<ul style="list-style-type: none"> <li>– High costs due to downtime and rising insurance costs</li> <li>– Loss of reputation</li> <li>– Reduction in employee productivity (lack of, but also excessive protective actions)</li> </ul>	<ul style="list-style-type: none"> <li>– High productivity</li> <li>– Reduction in healthcare and downtime costs</li> <li>– Increasing resilience and employee health</li> <li>– Improved employee retention</li> </ul>
<p><b>Diversity and inclusion</b> Inclusive corporate culture to promote diversity among employees, provide work-life balance with flexible work models and ensure equal opportunities and a non-discriminatory work environment.</p>	<ul style="list-style-type: none"> <li>– Training for managers and employees on diversity and inclusion topics</li> <li>– Personal and anonymous channels for cases of potential discrimination and zero-tolerance policy</li> <li>– Transparent and non-discriminatory human resources processes</li> <li>– Flexible work models for an improved work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>– Low productivity and commitment</li> <li>– Damage to image and reputation</li> <li>– Limited competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>– Higher productivity and efficiency</li> <li>– Increase employee satisfaction</li> <li>– Increasing labor market participation</li> </ul>
<p><b>Talent, competence and leadership development</b> BKW's initiatives to improve the skills and knowledge of its own workforce and open up career prospects.</p>	<ul style="list-style-type: none"> <li>– Regular development meetings</li> <li>– Promotion of training and further education opportunities</li> <li>– Internal mobility program</li> <li>– Targeted management development</li> <li>– Establishment of a learning culture</li> </ul>	<ul style="list-style-type: none"> <li>– Reduction in employee qualification</li> <li>– Reduced productivity and innovative ability</li> <li>– Reduced competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>– Increased employer attractiveness</li> <li>– Increased adaptability and future viability</li> <li>– Increased employee loyalty</li> </ul>

Topic	Impacts	Risks	Opportunities
<p><b>Protection of employee data</b> Protection of personal employee data that is collected, stored, processed or transferred by BKW.</p>	<ul style="list-style-type: none"> <li>– Impacts informational self-determination</li> <li>– Social, health and financial impacts of inadequate data protection</li> </ul>	<ul style="list-style-type: none"> <li>– Reputational damage, negative reporting and loss of trust among employees</li> <li>– Criminal investigations, orders by supervisory authorities and fines</li> <li>– Liability vis-à-vis employees.</li> </ul>	<ul style="list-style-type: none"> <li>– Employee loyalty</li> </ul>



**ESRS S4**

**Customers (focus topic: data protection)**

Topic	Impacts	Risks	Opportunities
<p><b>Protection of customer data</b> Protection of personal customer data that is collected, stored, processed or transferred by BKW.</p>	<ul style="list-style-type: none"> <li>– Impacts informational self-determination</li> <li>– Social, health and financial impacts of inadequate data protection</li> </ul>	<ul style="list-style-type: none"> <li>– Reputational damage, negative reporting and loss of trust among customers</li> <li>– Criminal investigations, orders by supervisory authorities and fines Liability vis-à-vis customers, affected persons or shareholders</li> </ul>	<ul style="list-style-type: none"> <li>– Increased customer trust and reputation gains through the implementation of strict data protection actions</li> </ul>



**ESRS G1**

**Responsible business practices**

Topic	Impacts	Risks	Opportunities
<p><b>Relationships with suppliers</b> Proactively shaping sustainability with suppliers for long-term partnerships based on trust</p>	<ul style="list-style-type: none"> <li>– Potential linking of BKW with negative impacts on people and the environment through supplier relationships</li> <li>– BKW as a partner to suppliers in achieving sustainability-related goals</li> </ul>	<ul style="list-style-type: none"> <li>– Increased regulatory and reputational risks, particularly in the area of due diligence.</li> <li>– Hampered availability of suppliers due to burdensome sustainability requirements</li> </ul>	<ul style="list-style-type: none"> <li>– Greater attractiveness for customer acquisition (sustainability as a unique selling point)</li> <li>– Greater resilience in procurement projects due to clear requirements and in-depth supplier relationships</li> </ul>

**Company-specific sustainability matters**

Topic	Impacts	Risks	Opportunities
<p><b>Security of energy supply</b>                      Contribution to ensuring a stable power supply at all times, even during peak loads and in the event of planned or unplanned outages in the entire grid and in BKW's power plants.</p>	<ul style="list-style-type: none"> <li>- Expansion, operation and maintenance of the distribution grid in Switzerland</li> <li>- Expansion, operation and maintenance of power plants</li> <li>- Preventive maintenance strategy for critical infrastructures</li> </ul>	<ul style="list-style-type: none"> <li>- Disruptions in the grid and grid control</li> <li>- Outage of production facilities</li> <li>- Reputational damage in the event of supply outage</li> <li>- Increasing regulation and overriding of corporate decisions</li> <li>- High investment and maintenance costs to maintain security of supply</li> </ul>	<ul style="list-style-type: none"> <li>- High level of trust and undisputed "license to operate" thanks to high availability level and forward-looking planning</li> <li>- Energy transition or expansion of the distribution grid as an opportunity for growth</li> </ul>
<p><b>Emergency preparedness (incl. cybersecurity)</b>                      Preventive protection as well as emergency and disaster planning to ensure the functionality of (critical) energy supply structures including IT and Operational Technology (OT) infrastructures, data security and cybersecurity.</p>	<ul style="list-style-type: none"> <li>- Functioning emergency and crisis organization</li> <li>- Redundancies for IT and OT structures</li> <li>- Strengthening security awareness among employees</li> </ul>	<ul style="list-style-type: none"> <li>- High costs and loss of trust if critical supply structures fail</li> <li>- Insufficient responsiveness</li> <li>- Costs due to bad investments in the use of new technologies</li> <li>- Customer losses in the event of unsecure digital products</li> </ul>	<ul style="list-style-type: none"> <li>- Business potential through high level of trust from business partners and customers</li> <li>- Adequate emergency preparedness in crisis situations</li> </ul>

# Management of impacts, risks and opportunities

## ESRS 2 IRO-1

### METHODOLOGY TO IDENTIFY AND ASSESS THE MATERIAL TOPICS

The double materiality analysis to identify and assess the material impacts, risks and opportunities was conducted in 2024 in accordance with the ESRS requirements. The analysis was supported methodologically by external expertise and based on input from a large number of internal and external stakeholders.

The analysis of the value chain is the basis of the dual materiality analysis (see page 154). Based on internal expertise, findings from the 2022 materiality analysis and an external peer analysis, the potential and actual impacts, risks, opportunities and dependencies in the company's own business activities and in the upstream and downstream value chain were described qualitatively. The affected stakeholders were also identified. This analysis included technical expertise from all BKW's business areas and all affected Group functions<sup>12</sup>.

Along the entire value chain, 56 sustainability matters were identified in which either relevant impacts by BKW or risks and opportunities for BKW may exist. BKW assessed these sustainability matters along the two materiality dimensions (impact materiality and financial materiality) and proceeded as described below.

#### Impact materiality

BKW conducted a comprehensive stakeholder survey to assess the impact materiality. In addition to internal experts, stakeholders from the following six categories were involved, which resulted from the analysis of the value chain:

- Customers
- Suppliers
- Investors, shareholders
- Workforce in the value chain
- Affected communities / local environment (e.g., municipalities)
- Environmental organizations

BKW was able to identify suitable representatives for all stakeholder categories. Of 192 stake-

holders contacted, 34% participated in the materiality analysis. This means that the assessments of 28 internal and 38 external stakeholders were included in the materiality assessment.

To assess the impacts, all stakeholders were given the opportunity to provide their assessment of the strength of the impacts of the sustainability topics on the 56 sustainability matters using an online questionnaire. This assessment was made up in equal parts of the dimensions specified in ESRS (extent, prevalence, reversibility). These were each rated on a four-point scale. To simplify the survey, the probability of occurrence of the impact was not assessed and a probability of occurrence of 100% was assumed in accordance with the principle of prudence.

For each category, the ratings of the external stakeholders were averaged and then aggregated at a 1:1 ratio to the rating of the internal stakeholders to produce an overall value.

The materiality threshold was defined by Sustainability Management in consultation with the Group Executive Board in such a way that sustainability matters with a rather high to very high impact for BKW are material.

#### Financial materiality

Internal experts from the Group functions and all business areas were involved in the assessment of financial materiality. For reasons of complexity, external stakeholders were not surveyed on this materiality dimension. Internal stakeholders were asked to provide their qualitative assessment of the probability of occurrence (in years) and the level of financial impacts (in CHF million) with regard to the 56 sustainability topics using an online questionnaire on a four-point scale. The mean value was calculated from this assessment for each sustainability matter.

The materiality threshold was defined by Sustainability Management with the involvement of Risk Management such that sustainability mat-

<sup>12</sup> Corporate Development incl. Sustainability Management, Group Finance incl. Risk Management, Human Resources, Occupational Safety, Group Communications, Group Compliance, Legal Services, Procurement Services, Group Security

ters with rather high to very high financial risks and opportunities for BKW are material.

#### **Stakeholder and management review**

The materiality analysis identified a total of 15 material sustainability matters, four of which are material in both dimensions examined (climate change mitigation, renewable energy production, occupational health and safety, emergency preparedness). The results were presented to various Group functions, in particular Risk

Management, Procurement Services and Human Resources, for validation in relation to their strategic priorities. As a result of this validation step, the topics of diversity and inclusion as well as talent, skills and leadership development were also determined to be material due to their strategic relevance.

The final result with 17 material sustainability matters was approved by the Group Executive Board and the Board of Directors.



# Environmental information

**Schattenhalb solar test facility**  
Patrick Nussbaum setting up  
and assembling a solar panel for  
BKW Energy Production.

---

## CONTENTS

- 170 EU Taxonomy - progress with the conceptual work
- 172 Climate change and energy transition
- 190 Water use
- 194 Biodiversity and ecosystems
- 200 Resource use and circular economy

## EU Taxonomy - progress with the conceptual work

In 2024 BKW intensified with its work on reporting its environmentally sustainable economic activities (implementation of the EU taxonomy). It plans to apply the EU Taxonomy Regulation (Regulation (EU) 2020/852 - Taxonomy Regulation) for the first time in the 2025 Annual Report. This classification system distinguishes between "taxonomy-eligible" and "taxonomy-aligned" economic activities: Taxonomy-eligible economic activities are those that can in principle be assigned to an economic activity ("eligibility"). Taxonomy-aligned activities are the share of eligible activities that fulfill the associated criteria (see below) ("alignment").

In future, BKW will report the taxonomy-eligible and taxonomy-aligned share of identified economic activity for the taxonomy indicators of revenue, operating expenses and investments. To this end, it identified its taxonomy-eligible economic activities in 2024 and implemented processes and analyses to check taxonomy alignment.

In total, BKW performs 21 economic activities that are taxonomy-eligible under the EU Delegated Acts. The identification process is ongoing and activities may be added or dropped in subsequent years. For these identified economic

activities, BKW has launched extensive analyses of taxonomy alignment and set up processes in the various business segments to continuously evaluate and review the criteria. EU Directive 2020/852, Article 3 defines the criteria that an economic activity must meet in order to qualify as taxonomy-aligned:

- The economic activity contributes substantially to at least one of the six EU environmental objectives of climate change mitigation, climate change adaptation, sustainable use of water resources, transition to a circular economy, pollution prevention and protection of ecosystems and biodiversity.
- The economic activity does not significantly harm any other environmental objectives ("do no significant harm").
- The economic activity complies with minimum safeguards.

In 2025, BKW will continue the analyses with a particular focus on climate scenario analyses ("do no significant harm" test) and minimum safeguards. It will also roll out the process for consolidating taxonomy figures across the Group in order to satisfy its reporting obligations applicable as of the 2025 fiscal year.

### Taxonomy-eligible economic activities of the BKW Group

Environmental objective (EO)	Activity number	Activity as per the EU taxonomy
E01 Climate change mitigation	3.1.	Manufacture of renewable energy technologies
E01 Climate change mitigation	3.20.	Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation
E01 Climate change mitigation	4.1.	Electricity generation using solar photovoltaic technology
E01 Climate change mitigation	4.3.	Electricity generation from wind power
E01 Climate change mitigation	4.5.	Electricity generation from hydropower
E01 Climate change mitigation	4.9.	Transmission and distribution of electricity
E01 Climate change mitigation	4.10.	Storage of electricity
E01 Climate change mitigation	4.15.	District heating/cooling distribution
E01 Climate change mitigation	4.16.	Installation and operation of electric heat pumps
E01 Climate change mitigation	4.28.	Electricity generation from nuclear energy in existing installations
E01 Climate change mitigation	4.29.	Electricity generation from fossil gaseous fuels
E01 Climate change mitigation	6.5.	Transport by motorbikes, passenger cars and light commercial vehicles
E01 Climate change mitigation	6.14.	Infrastructure for rail transport
E01 Climate change mitigation	7.3.	Installation, maintenance and repair of energy efficiency equipment
E01 Climate change mitigation	7.4.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking lots belonging to buildings)
E01 Climate change mitigation	7.5.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
E01 Climate change mitigation	7.7.	Acquisition and ownership of buildings
E01 Climate change mitigation	8.1.	Data processing, hosting and related activities
E02 Climate change adaptation	6.15.	Infrastructure enabling road transport and public transport
E02 Climate change adaptation	8.2.	Computer programming, consultancy and related activities
E02 Climate change adaptation	14.2.	Flood risk prevention and protection infrastructures

## ESRS E1

# Climate change and energy transition



As an energy and infrastructure service provider, BKW is helping to implement the energy transition and is thus making an important contribution to combating climate change and its impacts. BKW is promoting the expansion of renewable energies and is considering the early phase-out of coal-fired power generation. It also offers a wide range of sustainable, energy-efficient products and services in the Infrastructure & Buildings business segment. BKW also takes its responsibility seriously when it comes to increasing its own energy efficiency, reducing its greenhouse gas emissions and adapting to the consequences of climate change. It has sharpened its ambitions in these areas in 2024, demonstrating its willingness to change and contribute to a climate-neutral society.

# Strategy

## ESRS E1-1

### TRANSITION PLAN RELATED TO CLIMATE CHANGE MITIGATION

BKW strengthened its net zero commitment in 2024 with the further development of its "Solutions 2030" corporate strategy and adopted a transition plan for climate change mitigation. In doing so, it is reducing its risks and exploiting the opportunities that arise in the transition to a low-carbon economy.

BKW is reducing its own emissions Group-wide in Scopes 1 and 2 to net zero by 2040. To achieve this, it will reduce its greenhouse gas (GHG) intensity by 50% by 2030 and by 93% by 2040 compared to 2022. In terms of emissions from the upstream and downstream value chain (Scope 3) BKW will achieve net zero by 2050. BKW thus fulfills the requirements of the Swiss Ordinance on Climate Disclosure to present a transition plan comparable with the Swiss climate targets. In the coming years, BKW will consider having its reduction path certified externally for its coherence with limiting global warming to 1.5°C in accordance with the Paris Agreement (e.g., SBTi). For the time being, however, the focus is on achieving the targets already set and on improving the data situation for Scope 3 emissions.

BKW is focusing on its largest sources of emissions to reduce Scopes 1 and 2 GHG intensity. Of the 884 kilotonnes of Scope 1 and 2 emissions in 2024, 97% came from investments in power plants in Germany and Italy that run on fossil fuels. In addition, the combustion of fossil fuels in the operation of our own vehicles and properties are the main relevant sources of emissions. BKW has therefore defined the following three actions:

- Expansion of renewable electricity production to around 3.4 GW by 2030
- Examination of an early phase-out of coal before the statutory phase-out in Germany (2038)
- Electrification of the entire own vehicle fleet of all BKW companies by 2030

The transition plan for climate change mitigation was approved by the Group Executive Board and Board of Directors of BKW in the fall of 2024 and is a key component of the new "Solutions 2030" corporate strategy. Additional information on the risks, opportunities, actions and objectives that form part of the transition plan can be found on pages 174–183.

## ESRS 2 SBM-3

## MATERIAL RISKS AND OPPORTUNITIES IN THE AREA OF CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

Climate change presents both risks and opportunities for BKW's strategy and business model. BKW therefore carried out a climate scenario analysis in 2024 in order to better understand the potential impacts of climate change on BKW's facilities and the associated risks. This first-time analysis focused in particular on physical risks such as extreme weather events, temperature increases and changes in precipitation patterns to the distribution grid and power generation facilities<sup>13</sup>. The calculations underlying the analysis

are naturally subject to considerable uncertainty. The data basis will be refined in 2025 by Group Risk Management and the relevant business areas in order to achieve more precise results in the future, make necessary adjustments and investigate additional potential impacts. Key findings from the three scenarios examined are presented below: The results of the climate scenario analysis by technology with regard to the physical risks on which it is focused are displayed in the table on the right.

## Key findings from the climate scenario analysis

**Low emissions scenario (RCP 2.6):  
Immediate and extensive decarbonization  
(0.9 to 2.3°C)**

In a low emissions scenario, which is based on a strict global reduction in GHG emissions, BKW is primarily affected by transition risks. These arise, for example, when the economy and society have to implement political objectives in order to achieve Swiss and EU climate goals.

In the low emissions scenario, demand for climate-friendly energy sources increases sharply, which offers BKW opportunities for a rapid expansion of its renewable energy portfolio. A stronger focus on low-emission technologies also increases investment in innovations such as smart grids and storage systems.

An assessment of selected transition risks and climate-related opportunities can be found in the tables on page 176.

**Medium emissions scenario (RCP 4.5):  
Emissions peak around 2040 and then decline  
(1.7 to 3.2°C)**

In the medium emissions scenario, GHG emissions do not stabilize until the middle of the century. Political objectives for reducing emissions are being set only hesitantly. While transition risks exist, these are less pronounced than in the low emissions scenario. At the same time, the physical impacts of climate change are increasing, which means greater susceptibility to extreme weather events and therefore an increasing risk for BKW's assets.

Hesitant regulatory requirements, in particular gradual carbon pricing, are leading to a continual increase in demand for renewable energies. This offers BKW the opportunity to gradually expand its own portfolio and drive forward strategic investments in renewable energies. The increasing importance of technologies such as energy storage and smart grids means that the necessary investments can be planned for the long term.

**High emissions scenario (RCP 8.5): Emissions  
will continue to rise steadily in the 21<sup>st</sup>  
century (3.2 to 5.4°C)**

The high emissions scenario assumes a continued sharp rise in GHG emissions. This means that strong physical impacts of climate change are to be expected with fewer transition risks.

The demand for renewable energy remains limited. At the same time, it is expected that BKW's assets will be exposed to high physical risks, particularly as a result of extreme weather events and long-term changes in weather phenomena.

13 The methodological approach and data sources of the climate scenario analysis are described on pages 177 to 178

### Physical risks for BKW's power generation facilities and distribution grid according to the climate scenario analysis

Technology	Climate risks	Findings	Actions
<b>Wind energy</b>	<p>Changes in wind patterns (chronic)</p> <p>Outages of and damage to facilities due to wind gusts (acute)</p>	<p>There appear to be no significant changes to the wind patterns at the analyzed locations by 2050 compared to today. However, the strength of the wind gusts will tend to increase. The potential risk of an outage or physical damage to the facilities increases accordingly but remains at a low level even in the high emissions scenario.</p>	<p>Conclusion of insurance policies. Wind power is a self-adapting technology, i.e., as a result of repowering, old turbines are replaced by new ones that are adapted to the changed operating conditions in the face of climate change.</p>
<b>Thermal power plants</b>	<p>Change in the efficiency of the plants (chronic)</p> <p>Extreme flood and drought events (acute)</p>	<p>The increase in water and air temperatures can lead to a reduction in efficiency for all plants with water or air cooling. The greatest impacts are to be expected for nuclear power plants with continuous production (base profile). On the other hand, the anticipated impacts are much smaller for gas and coal-fired power plants, as the reduction in efficiency is particularly pronounced in summer and these power plants produce less during that time of year anyway.</p> <p>Nuclear power plants are designed to withstand rare weather events (one event in 10,000 years)<sup>14</sup>. In the climate scenarios examined, only minor operational restrictions are therefore to be expected from flood and drought events for the two nuclear power plants in which BKW has a stake. Nor are any significant outages due to extreme weather events expected for the gas and coal-fired power plants examined.</p>	<p>Among others: Protective wall against coastal flooding for the Wilhelmshaven coal-fired power plant. Locations hardly susceptible to extreme weather events.</p>
<b>Hydropower</b>	<p>Glacier melt (chronic)</p> <p>Outages due to heavy precipitation (acute)</p>	<p>The expected impacts from glacier melt are rather low for flexible pumped-storage power plants, while they tend to be higher for storage power plants with reduced flexibility.</p> <p>An increase in extreme precipitation can lead to increased water pollution and thus potentially to more shutdowns in order to avoid turbine damage.</p>	<p>Among others: Protective actions for buildings below endangered slopes, slope stabilization, actions against glacial drift, deposits and sediments (e.g., flushing, dredging), seismic reinforcement, design of new small hydropower plants for HQ 300 (i.e., 300-year flood) including freeboard for adaptation to more extreme weather events.</p>
<b>Distribution grid</b>	<p>Extreme weather events (acute): e.g., avalanches, floods, landslides and rockfall</p>	<p>Hazard zones in which the assets are located are expected to increase significantly by 2050.</p>	<p>Among others: Seepage pits, protective walls on steep slopes, increasing the height of substations.</p>

### Transition risks in the context of climate change

Climate-related risk	Assessment	Time of occurrence <sup>15</sup>
<b>Markets</b>	Higher raw material and material costs due to higher requirements (e.g., standards) for energy-efficient infrastructure. As a result, customers are potentially more reluctant to make decisions on new, expansion or maintenance actions and revenue may be lost.	Short-term
	The expansion of the decentralized energy infrastructure requires a significant expansion of the grid infrastructure, which is associated with numerous imponderables in terms of feasibility.	Medium- and long-term
<b>Policies and legislation</b>	Potentially declining profitability of BKW's fossil fuel power plant investments due to stricter emissions regulations and rising CO <sub>2</sub> prices.	Medium- and long-term
	An increase in the carbon tax on fossil fuels can lead to additional costs for operational activities, e.g., for fossil-fueled vehicles.	Short- and medium-term
<b>Reputation</b>	Reputational damage possible due to non-compliance with strict legal requirements as well as customer and investor expectations.	Short-, medium- and long-term

### Transition opportunities in the context of climate change

Climate-related opportunity	Assessment	Time of occurrence <sup>15</sup>
<b>Resource efficiency</b>	Increased revenue due to the growing demand for integrated energy and building solutions for efficient and needs-based provision of electricity, heating and cooling.	Short-term
<b>Markets</b>	Increased revenue due to growing customer demand for BKW's climate-friendly and/or energy-efficient products and services. Leads to growth in new profitable business segments, e.g., e-mobility and battery storage.	Short- and medium-term
<b>Policies and legislation</b>	Tapping into new market potential through climate-related public funding actions in the areas of energy, transportation, telecommunications and water.	Short- and medium-term
<b>Energy systems</b>	Increased revenue and growth opportunities due to the need to expand and convert the distribution grid as a result of decentralized energy supply.	Medium- and long-term

<sup>15</sup> Short-term: 1 to 4 years, medium-term: 5 to 10 years, long-term: > 10 years

# Impacts, Risks and Opportunities Management

## ESRS 2 IRO-1

### DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS THE MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

BKW prepares an annual GHG balance to identify and assess the climate-related impacts. It is based on the Greenhouse Gas Protocol. See pages 187 to 189 for additional information.

BKW carried out a forward-looking climate scenario analysis in 2024 to identify and assess climate-related risks and opportunities. The analysis had a time horizon of 2030 and 2050 and focused on the distribution grid and on power generation facilities with high revenue, production and risk relevance in BKW's portfolio<sup>16</sup>. In doing so, it has followed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and thus fulfills the requirements of the Swiss Ordinance on Climate Disclosure.

The climate scenario analysis considers various risk categories. The analysis includes both chronic and acute physical risks. Chronic risks include long-term climate changes, such as changes in wind patterns or glacier melt, which can affect energy production. Acute risks include extreme weather events that can lead to grid disruptions and physical damage to infrastructure.

Transition risks are also taken into account. Relevant risk factors were integrated into existing models based on their potential development under the various scenarios. For example, the price forecast models were expanded to include potential CO<sub>2</sub> certificate prices under different scenarios. In addition, other factors that drive material transition risks, such as risks related to political decisions relating to fossil energy technologies, have already been included in the Group risk management portfolio and will continue to be taken into account.

Opportunities arising from climate change are continuously analyzed from the perspective of the business units and their strategic processes.

To assess the impacts, three emission scenarios were modeled based on the "Representative Concentration Pathways" (RCP) used by the Intergovernmental Panel on Climate Change (IPCC). These scenarios help to assess different developments in GHG emissions and their potential impacts on energy infrastructure.

#### Examined GHG scenarios

##### Low emissions scenario (RCP 2.6)

The low emissions scenario is characterized by strong climate change mitigation actions and low emissions. It aims to limit global warming to less than 2°C, ideally to 1.5°C.

##### Moderate emissions scenario (RCP 4.5)

The moderate emissions scenario envisages a stabilization of emissions by the middle of the century and a slow reduction thereafter. The global temperature rises moderately, with a warming of around 2°C to 3°C by 2100.

##### High emissions scenario (RCP 8.5)

There are no material climate change mitigation actions in the high emissions scenario. Global warming could exceed 4°C by 2100.

<sup>16</sup> More than 50% of energy production covered, reference year 2023



Various impacts on BKW were examined as part of the scenario analysis. These include possible damage to the infrastructure, downtimes, changes in production output and grid disruptions. BKW has started to integrate these metrics directly into its models in order to be able to estimate the potential financial impacts on assets and business activities in the future, such as the impacts of temperature changes on the efficiency of thermal power plants.

Both internal information and external data sources were used for the analysis. These include Correntics climate data for Switzerland and Europe, scientific studies and relevant climate indicators. This combination ensures that the

forecasts and assessments are based on solid, well-founded data.

The methodological approach and findings from the climate scenario analysis will be further developed by Group Risk Management in 2025. This ensures that the potential financial impacts in subsequent years can be presented as accurately as possible. Furthermore, climate-related risks and opportunities will be taken into account when making relevant investment decisions or developing corporate and business strategies. By extending the climate risk analysis to other locations and business activities, all three of BKW's business segments will be covered in the future.

**ESRS E1-2****POLICIES AND ORGANIZATION RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION**

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to assume their responsibility toward the environment and climate. The requirements for managing the impacts, risks and opportunities in the areas of climate change mitigation, climate change adaptation, renewable energy production and energy efficiency are set out in BKW's Environmental and Climate Policy. BKW uses a precautionary approach in that preventive actions are taken to avoid damage to the environment and climate wherever possible and otherwise to reduce damage as much as possible. It actively promotes the expansion and use of renewable energies and will make its business

activities increasingly environmentally and climate friendly. The Environmental and Climate Policy was approved by the Board of Directors and is binding for all BKW Group companies.

The transition plan and the targets relating to climate change mitigation, climate change adaptation, renewable energy production and energy efficiency were defined by the Group Executive Board and approved by the Board of Directors. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. They are supported by Sustainability Management at Group level.

## ESRS E1-3

## ACTIONS RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

BKW aims to vigorously promote its commitment to climate change mitigation in its own operations and in its value chain. The following key actions contribute directly or indirectly to the material topics in this area.

#### Examination of the early phase-out of coal-fired power generation

BKW aims to significantly reduce its emissions from fossil electricity production by 2040 and thus make a contribution to climate change mitigation (see also pages 182–183). To this end, it is currently looking into phasing out the Wilhelmshaven coal-fired power plant before the statutory deadline in Germany (2038).

In addition to the Wilhelmshaven coal-fired power plant, BKW also has investment in two gas-fired and combined-cycle power plants in Italy. These flexible power plants will remain an important part of the European electricity supply for the time being. In contrast to coal-fired power plants, BKW assumes that there will be financially viable solutions for gas-fired and combined-cycle power plants to gradually reduce GHG emissions during production, for example by replacing fossil fuels with alternative fuels (e.g., “green gases”), possibly coupled with direct neutralization of residual emissions at the power plant, i.e., carbon capture and storage after the combustion process. BKW is constantly reviewing the use of new options and technologies.

#### Expansion of renewable energy production

BKW continues to resolutely press ahead with the expansion of renewable energies.

In 2024, the following power plants were in the planning or construction stage:

##### Photovoltaics:

- Two solar farms in Genzano di Lucania and Tuscania, Italy (under development)
- Open-space solar plant BelpmoosSolar, Canton of Bern (in planning)
- Two alpine solar projects, Canton of Bern (in planning)

##### Wind power:

- Two wind farms in Cerignola, Italy (in planning)
- Tramelan wind farm, Canton of Bern (permission granted)
- Jeanbrenin wind farm, Canton of Bern (undergoing an objection procedure)

##### Hydropower:

- Sousbach small hydropower plant, Canton of Bern (under construction)
- Turbach small hydropower plant, Canton of Bern (concession and building permit available)
- Trift power plant, Canton of Bern (Oberhasli power plants) (in planning)
- Expansion of Grimsensee, Canton of Bern (Oberhasli power plants) (in planning)
- Handeck 4 power plant, Canton of Bern (Oberhasli power plants) (in planning)
- Grimsel 4 pumped-storage power plant Canton of Bern (Oberhasli power plants) (in planning)

##### Heating networks:

- Kehrsatz heating network, Canton of Bern (under construction)
- Niederscherli heating network, Canton of Bern (under construction)
- Biel-Zentrum heating network, Canton of Bern (under construction)
- Biberist-Industrie heating network, Canton of Solothurn (under construction)
- Bettlach heating network, Canton of Solothurn (preparatory to building application)
- Bützberg heating network, Canton of Bern (preparatory to building application)
- Oensingen-Industrie heating network, Canton of Solothurn (preparatory to building application)
- Ostermundigen heating network, Canton of Bern (preparatory to building application)
- Oensingen-Industrie heating network, Canton of Solothurn (preparatory to building application)

**Electrification of the company vehicle fleet**

The decision to fully electrify the company's own fleet of business vehicles by 2030 was made back in 2023. The more than 3,500 cars and light commercial vehicles represent a major lever for also promoting climate change mitigation in BKW's services areas. The company has adopted new principles for vehicle procurement and expects additional costs of around CHF 3.5 million for vehicle procurement and the expansion of the charging infrastructure by 2026. At least 500 vehicles are to be electrified by the end of 2026. At the end of 2024, 214 e-vehicles were in operation and another 85 had been ordered from the supplier.

The electrification of the company vehicle fleet also contributes directly to increasing BKW's energy efficiency as the electric vehicles require less energy to operate than fossil fuel vehicles. BKW has also set new goals for increasing its own energy efficiency (see also page 183).

**Raising awareness and training**

Managers are regularly informed and made aware of issues through internal events such as the management event on energy and emissions. In addition, training courses for BKW communication experts were introduced in 2024 to ensure credible communication without greenwashing.

# Targets and metrics

## ESRS E1-4

### TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND THE ENERGY TRANSITION

#### Climate change mitigation

In 2024, BKW expanded its existing efforts in climate change mitigation and its net zero target. It is extending its Scope 1 and 2 target of net zero in the energy business by 2040, which it adopted last year, to the entire company. This means that BKW's services areas are now also included in the climate targets. It is also specifying the reduction pathway in Scopes 1 and 2 and setting the following sub-targets in relation to net zero in 2040:

- BKW will reduce its GHG intensity by 50% compared to 2022 to 63 g CO<sub>2</sub>e/kWh by 2030
- BKW will reduce its GHG intensity by 93% compared to 2022 to 9 g CO<sub>2</sub>e/kWh by 2040
- BKW will neutralize its residual emissions of 9 g CO<sub>2</sub>e/kWh from 2040

To calculate GHG intensity, emissions in Scopes 1 and 2 are compared with the energy produced. Setting climate change mitigation targets with reference to GHG intensity is common practice for energy companies. The year 2022 (base year) serves as the basis for assessing the relative reduction in GHG intensity. Greenhouse gas intensity in the base year is a highly representative baseline value because the emissions intensity in the base year corresponds to the average for the years 2021–2023.

Achievement of the 2040 net zero target is ensured by the actions to reduce fossil electricity production, increase renewable electricity production and electrify the company's own fleet of vehicles (see also pages 180–181). The target contributions of the individual initiatives are shown in the table below.

#### Expected target contributions Scope 1 and 2 actions<sup>17</sup>

Action	2022	2024	2030	2040
Examination of the early phase-out of coal-fired power generation			10–20%	10–20%
Expansion of renewable electricity production			up to 30%	No forecast
Electrification of the company vehicle fleet			2–5%	2–5%
<b>Greenhouse gas intensity (g CO<sub>2</sub>e/kWh)</b>	126	84 (–33%)	63 (–50%)	9 (–93%)

BKW's top priority is to reduce and substitute its GHG emissions. Unavoidable residual emissions, i.e., emissions that cannot be technically reduced or substituted, must be neutralized for Scopes 1 and 2 as of 2040. Neutralization means that an equivalent of the residual emissions is removed from the atmosphere in the form of CO<sub>2</sub> and stored for the long term, e.g., in suitable underground reservoirs. Over the next few years, BKW will make an initial strategic assessment of the development of its own neutralization portfolio.

BKW has also set itself a net zero target for emissions from the rest of the value chain (Scope 3) and aims to achieve this by no later than 2050. BKW has not yet been able to collect sufficient data to develop a reduction pathway with con-

crete interim targets. Data collection continues to be challenging, particularly for emissions generated by BKW's suppliers and for emissions from products and services sold. The existing data gaps will be closed in the coming years and the path to net zero 2050 will be worked out.

<sup>17</sup> All values for 2030 and 2040 are forecast and may change on an ongoing basis, e.g. due to changes in the market or in the corporate structure

**Target calculation methodology:**

The GHG figures include all Kyoto GHG<sup>18</sup>. The organizational and operational system boundary of the target calculation is congruent with that of the GHG accounting (see page 189). For the target calculation Scope 2 emissions were considered according to the market-based method.

**Expansion of renewable energy production**

In 2024 BKW achieved its previously communicated target of expanding installed capacity of new renewable energies (wind, photovoltaics, small hydro and biomass) to 1,000 megawatts (MW) by 2026 early. As of the end of 2024, installed capacity was 1,009 MW. BKW has therefore set itself new expansion targets in 2024 and intends to increase the production capacity of renewable energies (hydro, wind, solar, biomass) from the current 2.7 GW to 3.4 GW by 2030. The expansion will enable substitution of a proportion of fossil energy production, which will make a direct contribution to climate change mitigation.

**Increasing energy efficiency**

BKW also wants to make progress in increasing its own energy efficiency. As part of the revision of its sustainability -related goals, BKW aims to achieve a 15% efficiency increase in energy consumption within BKW by 2030 compared to 2022. Energy efficiency is measured in kWh per

employee, excluding the electricity consumption used in electricity and heat production facilities. At BKW, the main levers for increasing energy efficiency are the consistent implementation of vehicle electrification and the replacement of heating systems, as well as the optimization of building insulation in company buildings and residential complexes owned by BKW.

**Climate change adaptation**

As part of its strategic orientation, BKW attaches great importance to analyzing the physical and transition risks as well as the opportunities associated with climate change. This knowledge is crucial for recognizing potential challenges early and implementing appropriate adaptation actions in all business areas. From 2025, climate-related risks will therefore be comprehensively assessed for all new strategically relevant projects. BKW is also working on establishing a portfolio of services that are specifically geared toward effective adaptation to climate change.

---

**Additional information on investments in energy production can be found at:**

[www.bkw.ch/solutions2030](http://www.bkw.ch/solutions2030)

18 Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), halogenated hydrofluorocarbons (HFCs), fluorocarbons (FCs) and sulfur hexafluoride (SF<sub>6</sub>).

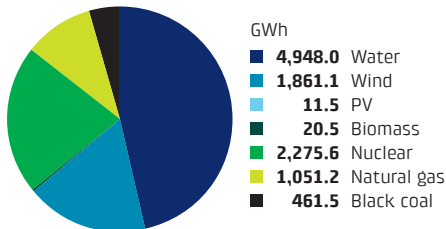
**ESRS E1-5**

**ENERGY PRODUCTION AND ENERGY CONSUMPTION**

**Energy production**

In the course of the year, BKW produced 10,628 GWh of energy. This includes electricity from consolidated power plants, equity investments, procurement rights and unmanaged financial investments. 64 percent of the energy (6,841 GWh) came from renewable sources (water, wind, PV and biomass), corresponding to a 3 percent increase compared to the previous year. The amount of energy produced depends on the one hand on the installed capacity and on the other hand on the availability of the power plants, weather conditions and the demand on the electricity market. The increase in renewable energy production in 2024 was mainly due to the much better hydrological conditions than in the previous years, as well as to the increases in investments in wind power. The adjacent table shows BKW's total energy production.

**Electricity production at BKW 2024**

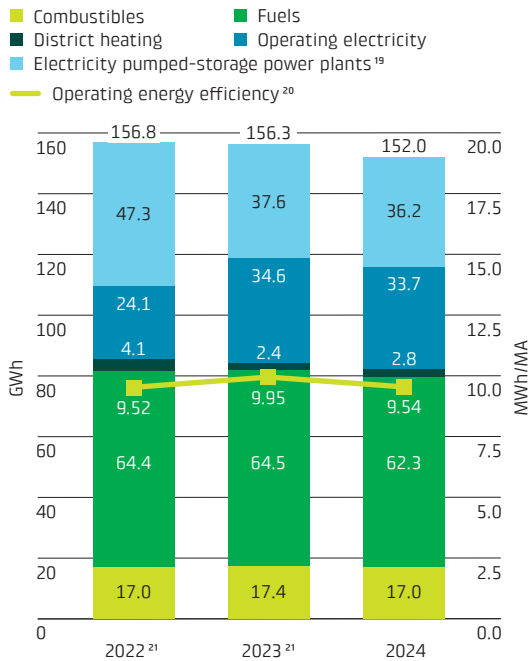


BKW also operates 42 heating networks and individual plant contracts. In the reporting year BKW produced 146 GWh of heat, 92 percent of it from renewable energy sources (wood chips, waste wood, pellets, and heat pumps). In addition to its own production BKW purchases waste heat from waste incineration plants and thus was able to supply another 45 GWh of thermal energy to its customers.

**Energy consumption**

In 2024, energy consumption within BKW was around 152 GWh. In the last three years total energy consumption at BKW decreased due mainly to declining fuel volumes and lower electricity consumption for pumped energy. Operating energy efficiency per employee (without pumped energy consumption) decreased compared to the previous year from 9.95 MWh/employee to 9.54 MWh/employee. A detailed breakdown of energy consumption, including the proportions of renewable energy sources, can be found in the table on page 186.

**Energy consumption of BKW**



19 Pumped electricity losses. According to Article 9 of the Federal Energy Act (EnG), 17% of pumped energy must be reported as pumped electricity losses and covered with guarantees of origin. To this end BKW uses guarantees of origin from nuclear power.

20 Energy consumption without pumped electricity consumption, calculated by employee (headcount)

21 Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the last report.

**Electricity production at BKW**

	Installed capacity, BKW proportion <sup>22</sup> MW			Energy volume BKW GWh		
	2022	2023	2024	2022	2023	2024
<b>Consolidated power plants<sup>23</sup></b>						
Run-of-river	242	242	242	872.2	995.9	1,201.4
Small hydro	58	67	67	164.3	238.5	316.2
Wind onshore	601	726	785	1,080.2	1,289.0	1,448.4
PV	13	14	14	13.9	12.8	11.5
Biomass	3	3	3	15.4	10.0	20.5
Natural gas	62	62	62	72.8	34.4	44.8
<b>Total</b>	<b>979</b>	<b>1,114</b>	<b>1,173</b>	<b>2,218.9</b>	<b>2,580.6</b>	<b>3,042.8</b>
<b>Joint arrangements and associates<sup>24</sup></b>						
Run-of-river	30	30	30	117.4	132.4	162.7
Storage	221	223	223	419.4	553.1	695.4
Pump storage (gross production)	1,145	1,150	1,150	1,720.5	2,071.6	2,559.6
Wind onshore	19	34	17	105.5	206.2	93.9
Nuclear	333	332	333	2,124.7	2,135.5	2,274.6
Natural gas	192	192	192	1,010.7	1,131.2	1,006.4
Black coal	235	235	235	1,014.7	372.3	461.5
<b>Total</b>	<b>2,175</b>	<b>2,196</b>	<b>2,179</b>	<b>6,512.8</b>	<b>6,602.3</b>	<b>7,254.1</b>
<b>Non-managed energy from financial interests<sup>25</sup></b>						
Small hydro	3	4	4	10.2	10.8	12.7
Wind onshore	134	119	119	398.9	340.6	318.8
<b>Total</b>	<b>137</b>	<b>123</b>	<b>123</b>	<b>409.1</b>	<b>351.4</b>	<b>331.5</b>
<b>Overall total</b>	<b>3,291</b>	<b>3,433</b>	<b>3,475</b>	<b>9,140.8</b>	<b>9,534.4</b>	<b>10,628.4</b>
% proportion renewable	75%	76%	76%	54%	61%	64%
% proportion non-renewable	25%	24%	24%	46%	39%	36%

**BKW heat production**

	GWh		
	2022 <sup>26</sup>	2023 <sup>26</sup>	2024
<b>Own production</b>	<b>127.5</b>	<b>139.9</b>	<b>146.5</b>
% proportion renewable own production <sup>27</sup>	91%	90%	92%
% proportion non-renewable own production	9%	10%	8%
Used waste heat <sup>28</sup>	38.0	40.7	44.9
<b>Delivered heat</b>	<b>165.4</b>	<b>180.5</b>	<b>191.4</b>

22 Closing date 12/31/2024

23 Power plants controlled by BKW (Group companies). One hundred percent of installed capacity and production volumes are reported.

24 The pro rata installed capacity and the production volumes according to operational influence are reported. This is calculated from the proportion of the electricity taken and managed by BKW and normally corresponds equity interest.

25 The pro rata installed capacity and the production volumes from nuclear power plants in which BKW has no operational influence (no operational management, electricity take-up and management) are reported.

26 Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the last report.

27 Wood chips, waste wood, pellets, heat pumps

28 From waste incineration plants

## Energy consumption within BKW

	GWh		
	2022 <sup>29</sup>	2023 <sup>29</sup>	2024
<b>Fuels</b>			
Fuel consumption from fossil sources	16.4	16.6	15.9
% from fossil sources	96%	96%	94%
Heating oil	9.5	10.0	8.6
Natural gas	6.9	6.6	7.4
Fuel consumption from renewable sources	0.7	0.8	1.1
% from renewable sources	4%	4%	6%
Wood	0.6	0.6	0.7
Biogas	0.1	0.2	0.4
<b>Total fuel consumption</b>	<b>17.0</b>	<b>17.4</b>	<b>17.0</b>
<b>Fuels</b>			
Fuel consumption from fossil sources	64.4	64.5	62.3
% from fossil sources	100%	100%	100%
Diesel	55.3	54.5	54.1
Petrol	9.1	9.9	8.2
CNG / natural gas	0.0	0.0	0.1
Fuel consumption from renewable sources	0.0	0.0	0.0
% renewable sources	0%	0%	0%
<b>Total fuel consumption</b>	<b>64.4</b>	<b>64.5</b>	<b>62.3</b>
<b>District heating<sup>30</sup></b>			
District heating consumption from fossil sources	1.6	1.2	1.4
% from fossil sources	40%	52%	52%
District heating consumption from renewable sources	2.5	1.1	1.3
% from renewable sources	60%	48%	48%
<b>Total district heating consumption</b>	<b>4.1</b>	<b>2.4</b>	<b>2.8</b>
<b>Electricity</b>			
Operating electricity consumption from electricity mix <sup>31</sup>	15.5	17.0	14.5
Operating electricity consumption from 100% renewable sources	8.6	17.5	19.2
<b>Total operating electricity consumption</b>	<b>24.1</b>	<b>34.6</b>	<b>33.7</b>
of which electricity used as fuel	0.1	0.3	0.6
of which electricity used in buildings	24.0	34.2	33.1
Electricity consumption pumped-storage power plants <sup>32</sup>	47.2	37.6	36.2
<b>Total electricity consumption</b>	<b>71.3</b>	<b>72.1</b>	<b>69.9</b>
% from 100% renewable sources	12%	24%	27%
% from nuclear power <sup>33</sup>	67%	53%	52%
<b>Total energy consumption</b>	<b>156.8</b>	<b>156.3</b>	<b>152.0</b>

29 Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the last report.

30 The proportion of renewables in district heating is calculated with an average factor per country (CH: 75%, DE: 23%, AT: 21%)

31 The electricity mix also includes renewable energy sources

32 Pumped electricity losses. According to Article 9 of the Federal Energy Act (EnG), 17% of pumped energy must be reported as pumped electricity losses and covered with guarantees of origin. To this end BKW uses guarantees of origin from nuclear power.

33 The proportion of renewables in district heating is calculated with an average factor per country (CH: 33%, DE: 2%, AT: 0%, IT: 0%).

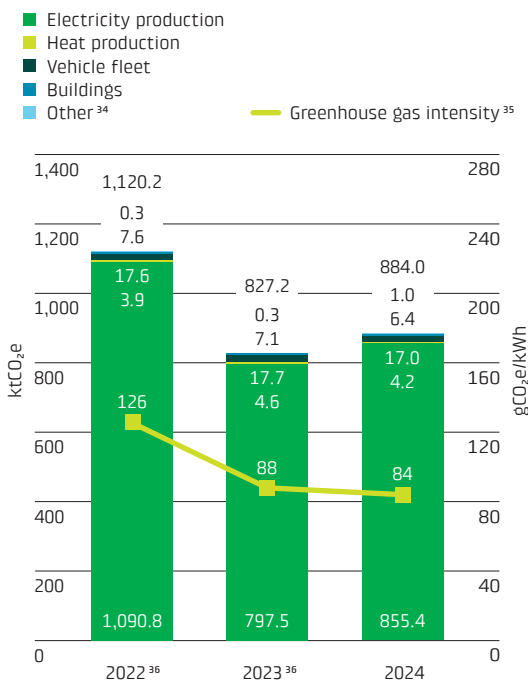
**ESRS E1-6**

**GROSS SCOPES 1, 2 AND 3 AND TOTAL GHG EMISSIONS**

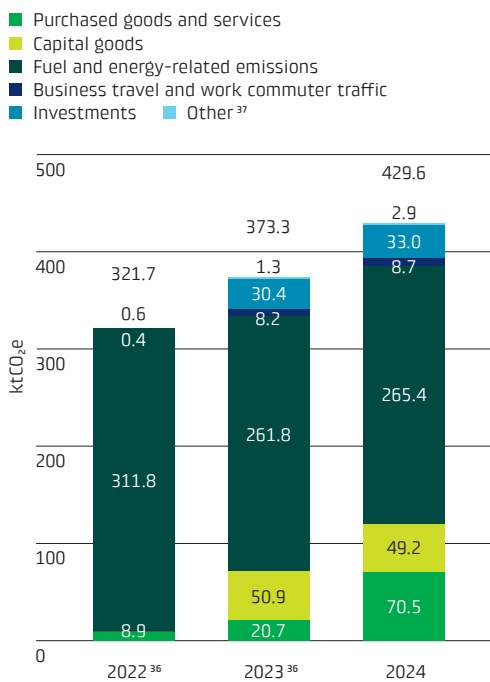
In the fiscal year 2024, a total of 1,314 kilotonnes of CO<sub>2</sub>e were released. Therefore, BKW's total emissions increased slightly compared to the previous year. The increase in emissions is mainly due to the higher use of the Wilhelmshaven coal-fired power plant, in which BKW has a stake. Its use depends on the demand for electricity, available capacities on the market and the need for grid stability. The increased use of the power plant is mainly reflected in Scope 1 emissions, but

also in Scope 3 emissions (Scope 3.3 Fuel and energy-related emissions). However, once again the main driver of the Scope 3 emissions development is increased data coverage (for the development status, see next page). Despite an absolute increase, GHG emissions in relation to electricity production have again fallen which is due to the increase in renewable energy production (see also page 184). A detailed breakdown of GHG emissions can be found on page 189.

**BKW greenhouse gas emissions Scopes 1 and 2**



**BKW greenhouse gas emissions Scope 3**



**Greenhouse gas intensities**

	gCO <sub>2</sub> e/delivery		
	2022 <sup>36</sup>	2023 <sup>36</sup>	2024
Greenhouse gas intensity Scopes 1 and 2 (in g CO <sub>2</sub> e/kWh produced energy, market-based) <sup>38</sup>	125.9	88.3	84.3
Greenhouse gas intensity Scopes 1–3 (in g CO <sub>2</sub> e/CHF revenue, location-based)	278.9	262.5	276.7
Greenhouse gas intensity Scopes 1–3 (in g CO <sub>2</sub> e/CHF revenue, market-based)	277.4	261.1	275.3

<sup>34</sup> Emissions caused by refrigerants and volatile gases, particularly SF<sub>6</sub>.

<sup>35</sup> Greenhouse gas emissions Scopes 1 and 2 per energy produced, excluding electricity production from financial investments.

<sup>36</sup> Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the last report.

<sup>37</sup> Emissions caused by waste disposal and upstream transport

<sup>38</sup> exc. electricity production from non-managed energy from financial interests

### Development status of GHG accounting

When preparing the GHG emissions inventory, in 2024 BKW made progress with regard to data quality and data collection efficiency. In Scope 3 in particular, further steps toward completeness were achieved. New groups of goods specifically relating to purchased goods and services were analyzed and GHG emissions were calculated from them. This means that the main GHG emissions of purchased goods and services are now reported for the procurement areas of electricity production and grid operation. 87% of purchasing volumes are covered for 2024 which signifies a considerable increase compared to 17% in the previous year. This is based on the methodical precision of recording by quantity framework (activity-based) and the monetary value of procurement volumes

(spend-based). The quantities are multiplied by precise emission factors which correspond to actual procurement practice. Therefore consistently recorded and assessed quantity frameworks exist for 2023 and 2024.

BKW will continue to invest in increasing coverage and in the coming years will strive to also capture emissions in purchased goods and services of procurement areas in the Infrastructure & Buildings business segment. In addition to emissions from the supply chain, recording emissions from products sold is also a particular challenge. Through the targeted increase in coverage, BKW expects that Scope 3 emissions will continue to rise significantly in the coming years.

### Scope 3 categories included according to the Greenhouse Gas Protocol

Scope 3 Category	Development and status, 2024
<b>Considered Scope 3 categories</b>	
3.1 Purchased goods and services	Expanding coverage and improving data quality
3.2 Capital goods	No change, vehicles and power plant construction covered
3.3 Fuel and energy-related emissions	No changes, full calculation
3.4 Transport and distribution (upstream)	No change, data gaps known
3.5 Waste	Expanding coverage and improving data quality
3.6 Business travel	Improving data quality
3.7 Work commuter traffic	Improvement of data quality estimated on the basis of country-based commuter statistics
3.15 Investments	No change, financial investments in power plants and investments in Power Grid covered
<b>Non-considered Scope 3 categories</b>	
3.8 Rented or leased tangible assets	Already considered in Scopes 1 and 2
3.9 Transport and distribution (downstream)	Analyzed and classified as not relevant
3.10 Processing of products sold	Analyzed and classified as not relevant
3.11 Use of products sold	Data basis currently insufficient
3.12 End-of-life treatment of products sold	Data basis currently insufficient
3.13 Tangible assets leased or rented out	Data basis currently insufficient
3.14 Franchising	Analyzed and classified as not relevant

**BKW GHG emissions in kilotonnes CO<sub>2</sub>e**

	ktCO <sub>2</sub> e		
	2022 <sup>39</sup>	2023 <sup>39</sup>	2024
<b>Scope 1 Emissions</b>			
Scope 1 Group companies	63.4	44.1	48.0
Scope 1 Joint arrangements and associates <sup>40</sup>	1,054.1	780.4	833.5
<b>Total Scope 1 Emissions</b>	<b>1,117.5</b>	<b>824.5</b>	<b>881.5</b>
<b>Scope 2 Emissions</b>			
Scope 2 Group companies (location-based)	2.3	2.7	2.8
Scope 2 Joint arrangements and associates (location-based) <sup>40</sup>	8.3	6.6	6.4
<b>Total Emissions Scope 2 location-based</b>	<b>10.6</b>	<b>9.3</b>	<b>9.2</b>
Scope 2 Group companies (market-based)	2.7	2.8	2.4
Scope 2 Joint arrangements and associates (market-based) <sup>40</sup>	0.0	0.0	0.0
<b>Total Emissions Scope 2 market-based</b>	<b>2.7</b>	<b>2.8</b>	<b>2.4</b>
<b>Scope 3 Emissions</b>			
Upstream Emissions	321.7	342.9	396.7
3.1 Purchased goods and services	8.9	20.7	70.5
3.2 Capital goods	n.a.	50.9	49.2
3.3 Fuel and energy-related emissions	311.8	261.8	265.4
3.4 Transport and distribution (upstream)	0.4	0.2	0.2
3.5 Waste	0.2	1.2	2.7
3.6 Business travel	0.4	0.6	0.9
3.7 Work commuter traffic	n.a.	7.5	7.8
Downstream Emissions	n.a.	30.4	33.0
3.15 Investments	n.a.	30.4	33.0
<b>Total Scope 3 Emissions</b>	<b>321.7</b>	<b>373.3</b>	<b>429.6</b>
<b>Total Emissions Scopes 1–3 location-based</b>	<b>1,449.8</b>	<b>1,207.0</b>	<b>1,320.3</b>
<b>Total Emissions Scopes 1–3 market-based</b>	<b>1,442.0</b>	<b>1,200.5</b>	<b>1,313.6</b>

**GHG accounting preparation methodology**

The GHG emissions inventory is based on the accounting principles of the Greenhouse Gas Protocol and comprises all Kyoto GHG<sup>41</sup>. Emissions in Scope 2 are differentiated between location-based emissions which occur due to consumption of the average electricity mix in a region and market-based emissions which occur due to actual, contractually regulated purchases of energy products. The balance incorporates the entire BKW Group. Where data could not be obtained in full for a specific year, the data for the previous year was used on a pro rata basis; or pro rata data from the current year was extrapolated. BKW defines the system limits using the operational control approach (according to ESRS) and reports its Scopes 1 and 2 emissions according to the extent of operational control: In addition to emissions from Group companies, in Scopes 1 and 2 it also reports pro rata emissions from nuclear power plants in which it has a stake and whose electricity BKW purchases and manages. This generally corresponds to the equity interest.

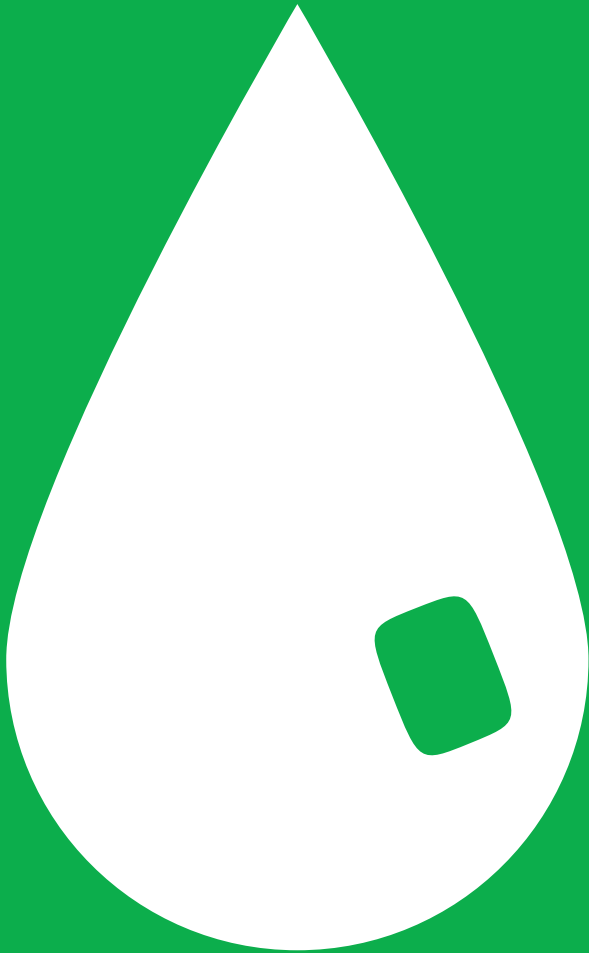
<sup>39</sup> Previous years were recalculated retroactively due to new findings and/or improvements in data quality. Therefore, the figures may differ from the figures in the last report.

<sup>40</sup> Operational control approach (see methodology box)

<sup>41</sup> Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), halogenated hydrofluorocarbons (HFCs), fluorocarbons (FCs) and sulfur hexafluoride (SF<sub>6</sub>).

ESRS E3

# Water use



BKW uses large quantities of water, especially for its hydropower and thermal power plants. Water is extracted or dammed to generate energy or cool systems and subsequently released back into the environment. In contrast to water use, the materiality analysis does not focus on water consumption at BKW. As part of the new sustainability-related goals, BKW will first quantify its water use in order to create a basis for collecting data and identifying actions to improve water efficiency. In a second step, data collection will be further developed along the whole value chain to enable a better understanding of the associated risks and opportunities.

# Impact, Risk and Opportunity Management

## ESRS 2 IRO-1

### DESCRIPTION OF THE PROCESSES FOR THE IDENTIFICATION AND ASSESSMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER AND MARINE RESOURCES

The impact of a change in freshwater use is analyzed in the LEAP approach<sup>42</sup>. The LEAP assessment was carried out for the first time in 2024 based on secondary resources<sup>43</sup>. The approach was used to identify potential material impacts of BKW's business activities. In 2025, the assessment will be expanded to include a company-wide analysis of various impact metrics, including water use.

As part of the LEAP assessment, all the electricity production sites of BKW Group companies and joint operations were located and each site evaluated using the Baseline Water Stress Index<sup>44</sup> for the respective region. According to the initial findings, BKW operates 15 onshore wind farms, two small hydropower plant clusters and a thermal power plant in areas with severe pressure on water.

The topic of marine resources is immaterial for BKW as the company has no relevant points of contact with it in its business model (specifically no offshore wind farms). Water use is also not a material issue for onshore wind power plants, as they do not have any relevant impact on water resources. The materiality for small hydropower plants is also low as, although water is used in turbines, it is neither stored nor consumed. In 2025, the focus will therefore be on the thermal power plant. Material impacts will be measured and evaluated for this site as part of the LEAP

approach. Risks and opportunities are also recorded based on material impacts. Depending on the results of this analysis, potential actions relating to these risks will be developed.

Identification of material risks and opportunities was primarily based on the results of the double materiality analysis (see pages 166 to 167). Further work is required to fully understand the materiality of the identified risks and opportunities. BKW will further expand the initial assessment in the coming years and quantify risks and opportunities as far as possible. A complete evaluation and quantification of the impact will help to further specify the risks and opportunities.

The processes described for identifying and assessing the impacts, risks and opportunities are carried out across the Group. In addition, individual business areas have introduced their own processes to monitor operations in recent years. Real-time monitoring of parts of the portfolio of the Hydro business area is already being carried out on an internal data platform. Last year, five more power plants were connected to the system. The connection of additional small hydropower plants is planned for 2025. Various water metrics can be derived from the internal data platform, among other things temperature and water inflows. These metrics can in turn support various future impact analyses.

42 Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD

43 For methodology, see the Section on Biodiversity and Ecosystems on page 196

44 Based on Aqueduct Baseline Water Stress | Resource Watch

**ESRS E3-1**

## POLICIES AND ORGANIZATION RELATED TO WATER USE

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to assume their responsibility towards the environment and climate. The requirements for managing the impacts of water usage are set out in BKW's Environmental and Climate Policy. BKW uses a precautionary approach by taking preventive actions to avoid damage to the environment and climate wherever possible and otherwise to reduce damage as much as possible. The company uses water carefully and efficiently and encourages its suppliers to take their ecological responsibility seriously

and to develop continually. The Environmental and Climate Policy was approved by the Board of Directors and is binding for all BKW Group companies.

The targets relating to water use were defined by the Group Executive Board. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. In this, they are supported by Sustainability Management at Group level.

# Targets

## ESRS E3-3

---

### TARGETS RELATED TO WATER USE

In relation to water use, BKW has set the goal of creating a data basis for water use and water efficiency at all sites by 2026. In 2025, the Sustainability Management Team will support the business areas involved in planning the implementation. All water use data and other suitable metrics of the relevant BKW sites will first be collected. This data will be extended to the entire value chain as part of ongoing development. For the value chain, the focus will be on activities with high water consumption in areas where pressures on water are high.

This goal supports management of the material impacts of BKW. A sound understanding of these impacts depends on a company-wide database, which is currently being developed. The development and monitoring of relevant data form the basis for understanding the material impacts and for quantifying the material risks and opportunities. Actions can only be developed and defined once a database of the impact metrics is available.

## ESRS E4

# Biodiversity and Ecosystems



The global loss of biodiversity has been identified as one of the greatest challenges of the 21<sup>st</sup> century. Power plants and grid systems also affect the landscape and areas in which they are built. At the same time, many facilities in the energy sector are dependent on nature-related services (Ecosystem Services). BKW is introducing various compensatory actions to prevent and reduce negative impacts on water, soil, air and ecosystems. In 2024, the nature-related impacts, dependencies, risks and opportunities were analyzed across the Group for the first time. This analysis is based on the findings of the previous year and provides an initial understanding of the relationships between the BKW business model and the direct causes of natural change and biodiversity loss<sup>45</sup>. The Group also implemented actions in 2024 with the help of financing from the BKW Eco Fund. In this way, it contributes to the protection of individual species, local species communities and entire ecosystems.

# Strategy

## ESRS 2 SBM-3

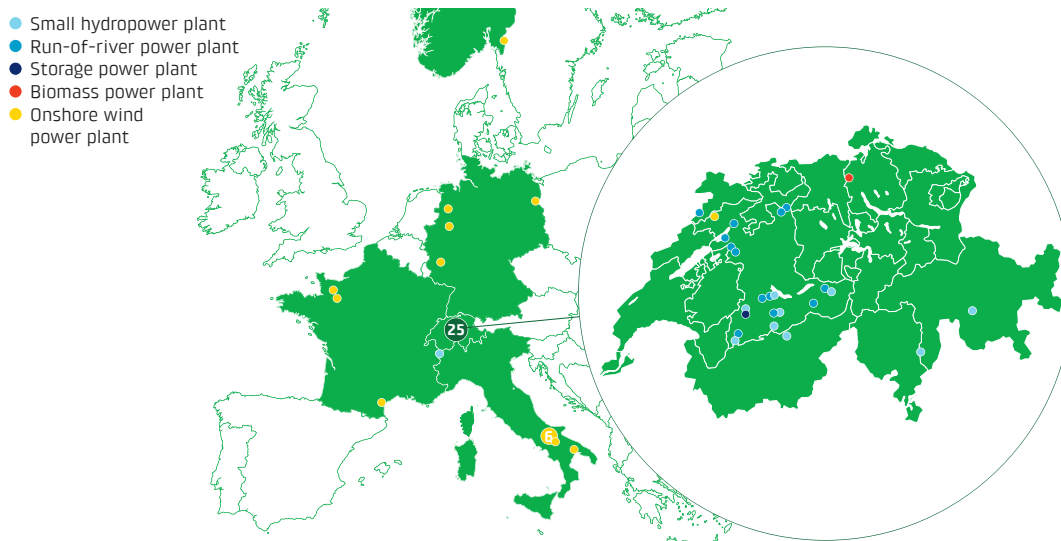
### MATERIAL IMPACTS, DEPENDENCIES, RISKS AND OPPORTUNITIES IN THE AREA OF BIODIVERSITY AND ECOSYSTEMS

As a company in the energy and infrastructure sector, BKW inevitably interacts with various habitats, among others urban and industrial ecosystems, alpine ecosystems, water bodies, forests and grasslands<sup>46</sup>. On the one hand its activities have an impact on these habitats, while on the other this interaction results in risks such as delays in projects due to appeals. At the same time, increasing awareness of biodiversity issues offers opportunities for BKW due to growing demand for solutions in the area of environmentally friendly planning and construction.

In the energy business, BKW operates hydropower plants (storage, run-of-river and small hydropower plants), solar plants, wind power plants and thermal power plants in addition to its distribution grid. In order to identify their material impact on biodiversity and ecosystems, in 2024 BKW mapped the sites in close proximity<sup>47</sup> to ecologically sensitive areas. The focus of this biodiversity register was on power plants of BKW Group companies and joint operations.

According to the biodiversity register, 42 power plants (58%) are located in the immediate vicinity of ecologically sensitive areas. However, this does not necessarily involve material impacts. Based on external sources (ENCORE database, TNFD sector guidelines, scientific studies), potential impacts and dependencies according to the type of power plant were identified and evaluated. For BKW's power plants there are potential material impacts in the areas of land use change, climate change, environmental pollution and resource consumption. Potential material dependencies were also identified. For example, the "Protection against inter-ruptions" ecosystem service, protection against flooding and storms through the buffering and dampening effect of natural and planted vegetation. The current assessment does not yet provide a complete picture of the actual materiality of the impacts and dependencies for individual sites in sensitive areas. A detailed analysis of the severity, extent and scope of the various impacts will be carried out in future.

#### BKW power plants in the immediate vicinity (1 km) of ecologically sensitive areas



45 Climate change, invasive species, land use change, environmental pollution, exploitation of natural resources – Global Assessment Report on Biodiversity and Ecosystem Services | IPBES secretariat

46 Additional sector guidance – Electric utilities and power generators – TNFD. Sea beds, deserts and tropical rainforests are not relevant for BKW.

47 1 km radius

# Impact, Risk and Opportunity Management

## ESRS 2 IRO-1

### DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS, DEPENDENCIES AND OPPORTUNITIES IN RELATION TO BIODIVERSITY AND ECOSYSTEMS

In order to analyze the material impacts, dependencies, risks and opportunities, the first iteration of the LEAP assessment<sup>48</sup> according to the TNDF Framework<sup>49</sup> was performed in 2024. Due to a lack of primary data, this initial assessment is mainly based on external information and secondary data. The determination of material impacts and dependencies is based on the steps described in the LEAP process.

As part of the “Locate” step, the biodiversity register was created using an internal GIS intersection analysis. Ecologically sensitive areas were identified using data from the European Environmental Agency (EEA) taking into account the Natura 2000 data sets and Nationally Designated Areas that cover national protected areas throughout Europe. A radius of 1 km to the next protected area defined the immediate vicinity. For the register, priority was given to the power plant sites<sup>50</sup> of the BKW Group companies and joint operations. Other sites such as substations and office buildings as well as facilities in the value chain will be included at a later date. The aim is to map the entire value chain in future LEAP assessments in the coming years and thereby gain in-depth knowledge.

The “Evaluate” step was based on information from the ENCORE database and the TNDF sector guidelines. The secondary data was validated internally in cooperation with the relevant stake-

holders and experts. In order to measure the materiality of impacts and dependencies of the individual sites, the “TNFD Recommended Core Metrics” for primary data collection were checked. Certain data gaps were identified at Group level which will be addressed in future LEAP iterations. BKW plans to collect more primary data in future iterations in order to further refine the quantification of impacts and dependencies, and enable a comprehensive materiality analysis.

The “Assess” step was largely based on the results of the double materiality assessment (see pages 166 to 167). Further analyses are necessary to fully understand the materiality of the identified risks and opportunities. BKW will further expand the initial assessment in the coming years and quantify risks and opportunities as far as possible to perform a complete materiality assessment. A comprehensive evaluation and quantification of the impact and dependencies will help to further increase the identification of risks and opportunities.

The “Prepare” step is mainly based on the targets of BKW's new sustainability framework (see the section on Targets). Further targets and actions for specific actions and business areas are expected to be defined in future iterations of the LEAP assessment.

48 Guidance on the identification and assessment of nature-related issues: the LEAP approach – TNFD

49 The Taskforce on Nature-related Financial Disclosures (tnfd.global)

50 Without regional heating systems and solar systems on the roofs of buildings

**ESRS E4-2****POLICIES AND ORGANIZATION RELATED TO BIODIVERSITY AND ECOSYSTEMS**

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to assume their responsibility towards the environment and climate. The requirements for managing the impacts in connection with the topics of biodiversity and ecosystems are set out in BKW's Environmental and Climate Policy. BKW uses a precautionary approach by taking preventive actions to avoid damage to the environment and especially the loss of biodiversity and intact ecosystems wherever possible and otherwise to reduce damage as far as possible as well as actively contributing to

the restoration of nature. The Environmental and Climate Policy was approved by the Board of Directors and is binding for all BKW Group companies.

The targets relating to biodiversity and ecosystems have been set by the Group Executive Board. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. In this, they are supported by Sustainability Management at Group level.

## ESRS E4-3

## ACTIONS RELATED TO BIODIVERSITY AND ECOSYSTEMS

To determine the impact of their construction projects on biodiversity and ecosystems, BKW has environmental impact assessments (EIA) carried out in accordance with the relevant regulatory requirements (CH/EU). Compensatory actions to be implemented are defined on a project-specific basis in the EIAs.

The following (non-exhaustive) list shows various individual actions and initiatives implemented in various business areas of BKW in 2024.

**Neophyte workshop**

In May 2024, a neophyte workshop was organized for BKW employees. The problems, regulatory strategies and a variety of practical examples were discussed in cooperation with the Association for Environment and Nature<sup>51</sup>. By controlling and combating these alien and harmful plants, BKW is able to protect its areas, nearby agricultural land or sensitive nature conservation areas from excessive neophyte spread.

**Green spaces at substations**

BKW takes great care in maintaining the green flat roofs and the meadows in and around the facilities. In 2024, Power Grid tested a new maintenance concept in two substations that support biodiversity: The areas are only partially mowed, while some areas are deliberately left untouched, even during the winter. In this way, the company creates valuable havens for insects and small ani-

mals, thereby strengthening biodiversity in the long term.

**BelpmoosSolar**

BelpmoosSolar, currently under construction, will be the largest free-standing photovoltaic system in Switzerland. The partners involved in this project are pursuing a holistic approach in which biodiversity is an integral part of the planning and will also be given high priority during the construction and operation of the facility. Preliminary investigations made it possible to define detailed compensation and replacement actions to preserve the lost natural areas. In summer 2023, the seeds of the existing flora were collected and stored so that they could later be sown again on a compensation area to preserve the original state of the vegetation.

**Fish ladders**

Fish ladders will be erected at the water power plants Bannwil, Brügg and Wynau. In Bannwil, the shell construction phase was completed in 2024. The fish ladders for Brügg and Wynau will be completed in 2025. Fish ladders are used to restore fish migration in watercourses with migration barriers such as hydropower plants. Unhindered fish migration ensures optimal use of available resources in terms of nutrition, growth, reproduction and protection from predators. Fish migration is therefore essential for healthy fish stocks.

51 VUN: Verein Umwelt + Natur (vun-aen.ch)

# Targets

## ESRS E4-4

---

### TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

In terms of biodiversity and ecosystem, BKW has defined the following targets:

- Negative impacts on biodiversity from its own<sup>52</sup> energy and infrastructure projects will be reduced beyond legal requirements and BKW is aiming for “net-zero impact”<sup>53</sup> for projects as of 2030 onwards.
- Increasingly near-natural cultivation of the land owned and managed (influenced in the long-term) by BKW

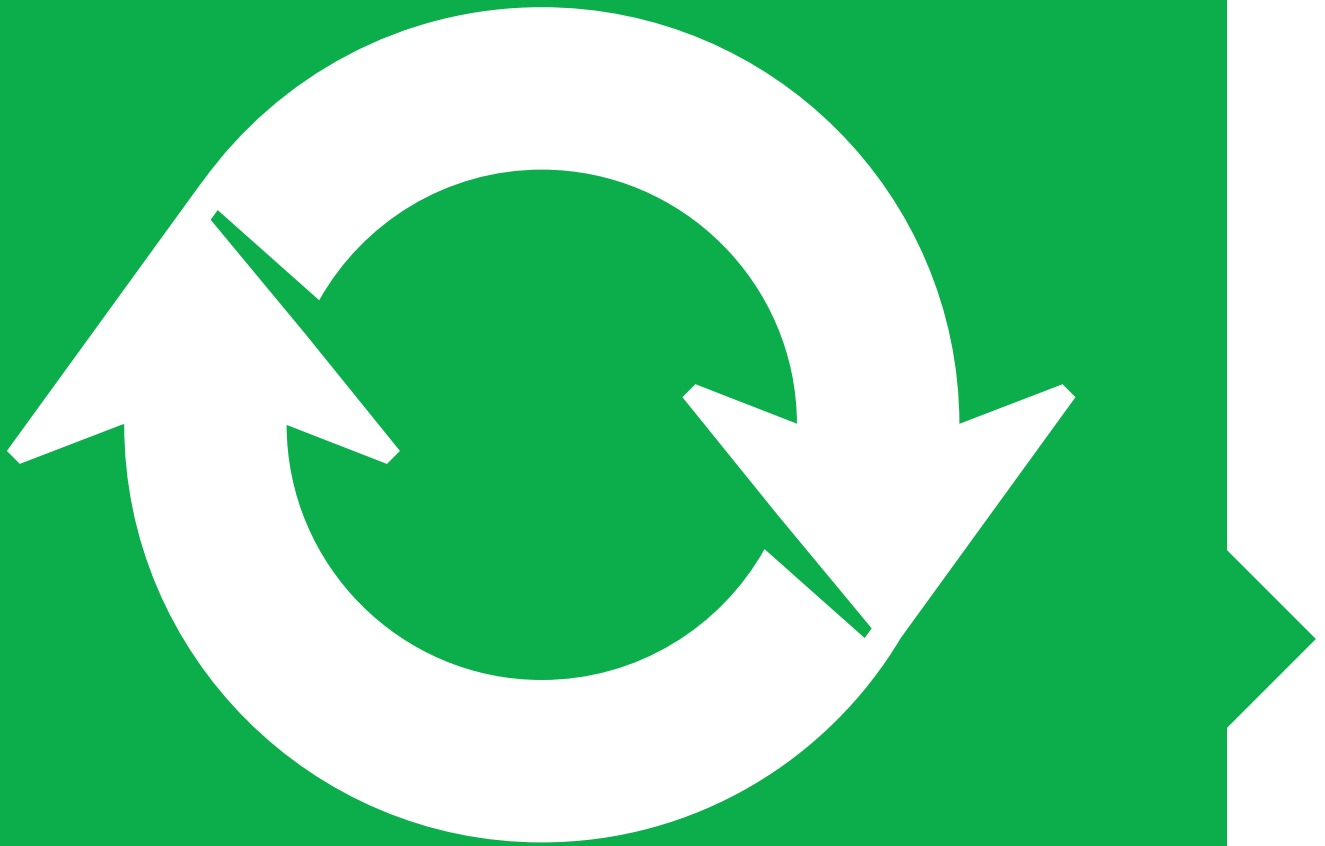
In 2025, the Sustainability Management Team will support the various business areas in planning the implementation. The objectives will be underpinned by various analyses and actions in 2025. First and foremost, areas owned by BKW will be systematically documented throughout the Group. Further iterations of the LEAP assessment and the collection of relevant data will form the basis for target measurement. The data collection will also make it possible to quantify the impacts on business activities and publish them in future sustainability reports.

<sup>52</sup> Plants with a majority stake held by BKW

<sup>53</sup> Net Positive Impact (NPI) is an objective in which the impacts on biodiversity are balanced and outweighed by actions to avoid and reduce these impacts, and actions to restore the affected species/landscapes.

ESRS E5

# Resource Use and Circular Economy



BKW relies on a large number of natural raw materials for the activities in its Energy Solutions, Power Grid and Infrastructure & Buildings business segments. As an energy and service provider, the focus is on resource inflows from a materiality perspective (see also page 154). The procurement and use of raw materials with a high level of resource efficiency is an important factor for BKW in ensuring excellence in its service provision and avoiding supply chain risks. Furthermore, BKW wants to lay the foundations for a circular economy. By contrast, BKW has identified resource outflows as a secondary issue, but nevertheless publishes its waste balance in order to meet the transparency requirements of various stakeholders (see page 249).

# Impact, Risk and Opportunity Management

## ESRS 2 IRO-1

### DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO RESOURCE USE AND CIRCULAR ECONOMY

To identify supply chain risks, BKW considers all relevant raw materials in its five defined risk areas power grids, photovoltaics, wind power, hydropower and battery storage. In addition to avoiding procurement risks, the analysis of social and ecological risks also enables a fundamental classification of resource efficiency. This includes the consideration of GHG and other air pollutants, water-polluting substances, degradation of abiotic and biotic raw materials as well as water and

land use in connection with purchased goods. The supply chain risk analysis, and the methods, assumptions and instruments used, are described in detail in the section Relationships with Suppliers on page 225. In addition, the impact, risks and opportunities in connection with resource inflows and outflows (including waste) were identified and assessed as part of the dual materiality analysis (see pages 166 to 167).

## ESRS E5-1

### POLICIES AND ORGANIZATION RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The BKW Group's Code of Conduct is the central frame of reference for the obligation of management and all employees to assume their responsibility towards the environment and climate. The requirements for managing the impact of resource use and the circular economy are set out in BKW's Environmental and Climate Policy. BKW uses a precautionary approach by taking preventive actions to avoid damage to the environment and climate wherever possible and otherwise to reduce damage as much as possible. It will increasingly develop and market resource-efficient, recyclable and climate-friendly products and services and encourages its suppliers to take environmental responsibility and continually develop. The Environmental and Climate Policy was approved by the Board of Directors and is binding for all BKW Group companies.

The supplier Code of Conduct of BKW as well as sustainability criteria in tenders require their suppliers to act sustainably. BKW requires suppliers with potential environmental and social risks to have a sustainability rating that is at least equivalent to the industry average. For further information please see the section Relationships with Suppliers on page 225.

The targets relating to resource inflows were set by the Group Executive Board. The members of the Group Executive Board are responsible for implementing the targets and objectives through actions in their respective business areas. They are supported in this by the respective procurement organizations and the Procurement Services Group function.

**ESRS E5-2****ACTIONS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY**

Sustainability criteria are structurally required for all goods procured in the five risk areas. The relevant processes are described in the section Relationships with Suppliers on page 225. With a special focus on resource use and the circular economy, there are two procurement strategies that will introduce a fundamentally new approach at BKW in 2024.

**Procurement strategy for resource use and the circular economy with respect to distribution network cables**

In addition to the MUST criteria for avoiding supply chain risks (see Relationships with Suppliers on page 225), conscious resource use and circular economy have been established as principles for the entire product group. Suppliers were asked to meet the requirements of minimizing cable waste, environmental product declarations, life cycle costs and a circular economy concept. Com-

pliance with these requirements is taken into account by BKW when making procurement decisions.

**Establishing recycled concrete in power grid construction projects**

When tendering for construction work the use of recycled concrete was systematically assessed in 2024. The focus was on a potential surcharge and the technical implementation for the use of recycled concrete. The aim is to be able to make a basic assessment of the preferred use of recycled concrete.

Procurement projects have shown that taking the use of recycled concrete into account during the engineering phase is essential, and that the additional costs are negligible. This means that the fundamental resource-saving use of recycled concrete is increasingly becoming the standard.

# Targets and Parameters

## ESRS E5-3

---

### TARGETS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

BKW is striving to reduce its environmental impact in procurement and actively promoting the circular economy. To this end, it intends to establish Environmental Product Declarations (EPDs)<sup>54</sup> as a procurement criterion in all five risk areas (power grids, photovoltaics, wind power, hydropower and battery storage) by 2027. In addition, by 2028 a structured basis for decision-making on service life optimization with regard to new construction,

replacement, repair of power grids, photovoltaics, wind power, hydropower and battery storage units should be created by the provision of life-cycle costs for asset management. The foundations will thus be laid for developing a resilient reduction path for Scope 3 emissions, further increasing the efficient use of resources and achieving progress in the circular economy.

54 Standardized, objective environmental rating of products

## ESRS E5-4

## RESOURCE INFLOWS

In 2024, BKW continued to work on the Group-wide standardized documentation and consolidation of material flows. For the first time, it can now report the quantitative inflow of resources for the most important goods in the procurement areas power production and grid operation pro-

urement. The resource inflows specified correspond to the quantity structure of the Scope 3 emissions (activity-based). BKW aims to be able to report on additional categories of goods (e.g., IT equipment) in the future.

Resource inflows	Medium weight goods <sup>55</sup>		Heavy goods <sup>56</sup>		Total goods purchased	
	2023	2024	2023	2024	2023	2024
Procured resource in metric tons (t)						
Aluminum	240	109	269	287	509	397
Concrete	961	1,548	0	0	961	1,548
Wood	313	344	0	0	313	344
Plastics	39	46	953	1,095	992	1,141
Copper	22	19	2,662	3,176	2,684	3,195
Mineral oil	255	68	79	146	333	215
Steel	847	307	169	276	1,017	582
Others <sup>57</sup>	45	33	0	0	45	33
<b>Total goods purchased</b>	<b>2,722</b>	<b>2,475</b>	<b>4,132</b>	<b>4,980</b>	<b>6,854</b>	<b>7,455</b>

55 Transformers <5MVA; substations; distribution grid cabin; overhead line pylons

56 Transformers >5MVA; distribution grid cable

57 Chromium steel, epoxy resin, brass, SF<sub>6</sub>

# Social Information

## Grid electrician initiative

Lukas Schmocker, grid electrician, BKW Power Grid in the Energy Training Center in Kallnach

---

## TABLE OF CONTENTS

206	Employees
216	Customers (focus topic data protection)

## ESRS S1

# Employees



As an employer of over 12,000 employees BKW is committed to forward-thinking personnel development and to a motivating and responsible corporate culture. The key sustainability-related matters here are occupational health and safety, the promotion of health, diversity and inclusion along with the technical and leadership skills of employees. The protection of employee data is also a material sustainability topic for the Group. BKW offers its employees employment conditions which are based on the respective national employment law and guarantee adherence to human rights, fair wages, appropriate working hours and social security.

# Strategy

## ESRS SBM-3

### MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATING TO EMPLOYEES

As an energy and infrastructure company, BKW operates in a dynamic environment characterized by changed stakeholder requirements, an increase in the need for energy and resource efficiency and by an accelerated transformation of the energy system. These developments are creating new opportunities for BKW as an employer, yet at the same time the Group is facing an increasing skills shortage primarily due to the demographic development in Europe.

For the energy transition and STEM<sup>58</sup> professions in particular, sufficient apprentices and qualified staff must be acquired. These technical professions fulfill important roles including in the fields of renewable energies, energy efficiency, security of supply, e-mobility, sustainable buildings technology and smart infrastructure. The risk of a lack

of qualified staff in these areas may endanger the planned growth of BKW. There is also the risk of a migration of important know-how which could also impair the competitiveness of BKW.

One essential aspect due to our specific sector is the risk of permanent and temporary staff suffering occupational accidents. Particularly at risk are those employees who provide activities at height, on water and under huge heat or whose work involves dealing with electricity and health-damaging substances such as asbestos. BKW is addressing this risk with comprehensive accident prevention measures.

Other material risks, opportunities and impacts on the employee area can be found in the table on pages 162-163.

58 Professions in the fields of science, technology, engineering, and mathematics

# Impact, Risk and Opportunity Management

## ESRS S1-1

### POLICIES AND ORGANIZATION RELATED TO EMPLOYEES

The Board of Directors assumes ultimate responsibility for the impacts, risks and opportunities for BKW in relation to employees. At the operational level responsibility lies with the respective line superior. They are supported at the Group level by the Group functions of Human Resources (HR), Occupational Health and Safety (OHS) and Group Compliance which define the relevant framework conditions.

The HR Group function assumes overarching responsibility for HR. It supports the HR organizations in the different business areas. The HR organizations coordinate their activities on an HR Board held on a monthly basis and collaborate in the drafting of BKW Group's HR strategy. The Head of Group HR is a member of the Extended Group Executive Board and chairs the HR Board.

The BKW Safety Engineer, who reports directly to the CEO, is responsible for occupational health and safety at Group level. They head up the Group function of occupational health safety and the OHS office, manages prevention campaigns and programs for increasing awareness of the topic, performs audits and communicates with authorities. The Group functions of occupational health and safety (OHS) and Occupational Health Management (OHM), along with BKW's three business segments, are represented in the OHS office through trained specialist staff. The latter ensure that the measures decided upon by the Safety Officers and by the authorities are implemented.

Data protection is the responsibility of the Privacy & Data Governance office which is part of Group Compliance. For further information on this, see pages 217-218.

#### Working conditions

BKW is committed to offering appropriate working conditions to its employees. Specifically, this covers adherence to human rights, jobs with fair remuneration, regulated working and rest periods and social security for income loss should significant life events occur. In this regard HR management is subject to relevant applicable national

employment laws. Furthermore, the principles of the UN Global Compact are embedded in the BKW Group.

The internal basis for appropriate working conditions include the Group-wide personnel policy and the salary policy, both of which are underpinned by the Code of Conduct in the same way as the entire BKW regulation system. The BKW Code of Conduct expresses our corporate culture and the values and principles that we pledge to uphold. It excludes all forms of human rights violations. In order to clarify the Code of Conduct in 2024 BKW approved a Human Rights Policy. In doing this BKW wants to ensure working conditions which guarantee the payment of appropriate salaries and the physical and mental health and safety of employees. Other key points are non-discrimination, the promotion of equal opportunity, the right to join a trade union and employee committees along with the prohibition of child labor, forced labor and human trafficking. The Human Rights Policy was approved by the Board of Directors and is binding for all BKW Group companies. Violations can be reported via the BKW Integrity Line whistleblower system (see page 223).

#### Occupational health and safety

As an employer BKW takes its duty of care very seriously. Therefore occupational health and safety is a top priority. BKW understands this to comprise actions and practices which aim to protect the physical and mental health of its employees. These include the safest possible workplace design and health-promoting working conditions. To achieve this the Occupational Health and Safety (OHS) office works closely with Occupational Health Management (OHM). In accordance with the importance of these topics, the Group Executive Board addresses the issue of occupational health and safety at each of its monthly meetings.

### Interaction of OHS and OHM



BKW fulfills all the relevant national and international regulatory requirements in relation to OHS. Effective management in the field of occupational health and safety is based on a regular review of actual and potential hazards. The analysis is managed at the business area level and takes place within the scope of management systems and audits. Based on the results of the analyses, the Board of Directors of BKW determines Group-wide health and safety policy within the framework of the new directive management. The Group Occupational Health and Safety Policy and a revised Group OHS directive on this topic is to be approved in 2025. These regulations will be made accessible to all employees via a central system. The information flow will also be ensured via work instructions, checklists and factsheets.

In addition to country-specific statutory requirements, both at the BKW Group level and Group company level there are established commitments to safety and management systems in place:

- ISO 45001: BKW business areas and BKW companies which are particularly exposed to occupational health and safety risks, such as Power Grid, Arnold AG, LTB Leitungsbau GmbH and BKW Energy Solutions GmbH were certified to this standard in 2024 for their occupational health and safety management systems. Other certifications are planned for 2025.
- Suva Charter: By signing this self-declaration that applies Group-wide, the Group Executive Board has committed to the consistent and effective implementation of industry-specific and our own safety regulations.

- Minimum standards which apply to all Group companies cover requirements of the safety system and reporting regulations in the event of incidents in operation and on reporting.
- The ten-point system of the Federal Coordination Committee for Occupational health and safety<sup>59</sup> is implemented at all locations in Switzerland.
- Assessment methods such as the Safety Culture Ladder and the *suissetec* and *Batisec* industry solutions are utilized.

This means that management systems cover all employees for occupational health and safety.

In addition to this, BKW supports employees with protracted absences due to illness or following accidents in their professional integration together with internal and external case management, internal reintegration offices and sheltered workplaces.

### Diversity and inclusion

BKW is committed to diversity and inclusion and takes its legally required duty of care seriously. BKW understands the term diversity to comprise age, gender, social or ethnic origin, skin color, nationality, language, sexual orientation, religion, physical and mental abilities and ways of thinking. BKW has its own "Diversity and Inclusion" office, which is developing the Group-wide diversity strategy. It implements targeted training and awareness-raising measures in order to establish a welcoming culture within the Group and promote under-represented groups. The guideline for the activities of this office is the BKW Code of Conduct which forbids all forms of discrimination and envisages the promotion of diversity, inclusion and equal opportunity.

In order to improve work compatibility with various personal life situations, BKW offers flexible working models where possible. In all countries where BKW operates, BKW employees are entitled to maternity or paternity leave, time-out for parenthood or to care for family members.

59 EKAS 6508: Involvement of occupational physicians and other occupational health and safety specialists

**Talent, competence and leadership development**

The capabilities and knowledge of our own employees are key factors in the competitiveness of BKW. This is why vocational training and continuing education are extremely important in the company and the trainee programs will continue to expand. In accordance with the respective skills, qualifications and commitment, BKW gives its employees the opportunity to further their own development both professionally and personally. In 2024 BKW developed the strategic foundations for further activities in the area of Leadership & Development which are to be launched in 2025.

**Protection of employee data**

In its processing of employee data BKW respects the EU General Data Protection Regulation (GDPR)

and the Federal Privacy Act (CH DSG). Employee data are only processed at BKW if there is a clear legal justification and consent for the establishment, maintenance and termination of an employment relationship, a contractual fulfillment, compliance with statutory obligations or due to a legitimate interest.

With the new Group-wide data privacy advice for employees, all BKW employees are informed in detail about the processing of their data, including about the purposes, legal bases and their rights. Furthermore, employees who are in charge of the processing of employee data are trained specifically in how to handle sensitive employee data. You can find more information about data protection at BKW on pages 217-220.

**ESRS S1-2****PROCESSES FOR ENGAGING WITH EMPLOYEES AND WORKERS' REPRESENTATIVES ABOUT IMPACTS**

The inclusion of employees in HR issues is defined fundamentally in the respective business areas in order to take the heterogeneity of BKW into account. In larger companies the interests of employees are included in the analysis and in the specification of measures through the interface of the respective workers' representatives.

In the OHS area the employees concerned collaborate in the acquisition of personal protective

equipment (PPE) and working tools and also in clarifications of accidents. In relation to data protection, employees have the right to verify their personal data with the Group Data Protection Officer (GDPO). Employees can request access to the personal data stored about them at any time and they have the right, in compliance with statutory requirements, to have their data corrected or erased.

**ESRS S1-3****PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS THROUGH WHICH EMPLOYEES CAN RAISE CONCERNS**

BKW specifically encourages a speak-up culture among its workforce. Based on the Code of Conduct and within the whistleblower Group directive, BKW has defined the BKW Integrity Line as a complaints mechanism. This confidential channel of communication for employees, customers, business partners and other individuals

or organizations interacting with BKW makes it possible to submit complaints and to report violations of current legislation, ethical principles or BKW guidelines. Reports using the BKW Integrity Line can also be submitted anonymized (see also page 223).

**ESRS S1-4****ACTIONS RELATED TO EMPLOYEES**

BKW has implemented the relevant measures for all material topics relating to employees (non-exhaustive list):

**Working conditions**

- Adoption of the Human Rights Policy (see above)
- Implementation of equal pay analyses

**Occupational health and safety**

- The development of the Group-wide occupational health and safety reporting tool was completed by the end of 2024. Figures can now be reported Group-wide as of 2025.
- Creation of a register for Personal Protection Equipment (PPE) for the Energy Production, Power Grid and Building Solutions as business areas. This will be implemented in other business areas in 2025.
- The first training sessions on “Managing resilience and safety” for managers (blue collar) have been carried out.
- An awareness-raising campaign with a focus on hand injuries in business areas with blue collar employees.
- Initial driver safety training courses for BKW employees who drive a vehicle for business purposes.
- Individual coaching and advice sessions as well as training in mental health (4 pilot sessions of the Ensa courses “First aid for mental health”).

- New partnerships with third parties since 2024:
  - Santé24 by SWICA: psychological support in the form of online self-help training and remote psychological consultancy (Energy Solutions and Power Grid business segments and Group functions).
  - Case Management Schweiz and Compasso Network: Service offers relating to professional integration (Energy Solutions and Power Grid business segments and Group functions).
  - SUVA: Prevention agreement with a discounted course offer (for BKW companies in Switzerland).
  - Forum BGM Bern-Solothurn: Health promotion (Energy Solutions and Power Grid business segments and Group functions).
- Introduction of a professional digital case management tool (Energy Solutions and Power Grid business segments and Group functions).



### **Diversity and inclusion**

- Awareness-raising measures on the topic of diversity and inclusion along with new working time models, e.g., workshops on apprentices start days, presentations in the BKW Learning Week, podium discussion on flexible working time models.
- Expansion of the work of the BKW Communities (Equality Community, Pride Community on the issue of LGBTQ+ and the Generation 50-plus Community) with an internal women's network.
- Expansion of part-time opportunities to improve work compatibility with various personal life situations (e.g., advertisements for all jobs in the Energy Markets business area as a potential part-time equivalence between 50 percent and 100 percent with an option for job and top sharing).
- Pilot project of a mentoring program for female managers (to be opened in the future to all employees, see right column).

### **Talent, competence and leadership development**

- Holding of a "People Conference" at the top management level in order to address the skills shortage and succession planning.

- Employee training on the Code of Conduct and cybersecurity.
- Various skills-specific internal training and educational opportunities for employees.
- Creation of a solar fitter training qualification (Switzerland-wide) recognized with a Swiss Certificate of Proficiency.
- Expansion of the trainee program.
- Development of a mentoring program to promote promising talent.
- Leadership summit on the topic of sustainability and the skills shortage.
- Various leadership courses both for new and experienced managers, e.g., "BKW Leadership Principles", "Strong leadership of Trades and Operations" and "Respectful Leadership Culture".
- The start of a compulsory leadership development program (Development Center) for the individual support of top managers.

### **Protection of employee data<sup>60</sup>**

- Compliance training of HR employees relating to the protection of employee data
- Compulsory data protection training for all employees

<sup>60</sup> For additional data protection and privacy measures, see page 219.

# Targets and metrics

## ESRS 2 S1-5

---

### TARGETS RELATED TO EMPLOYEES

BKW's goals and targets in relation to its employees focus on creating a secure working environment to support happy, healthy and committed employees. Therefore, the avoidance of serious occupational accidents and achievement of the goal of zero work-related deaths continues to be a top priority. BKW has put its focus on prevention and on the promotion of a culture of occupational health and safety. By 2026 it will be compulsory for all managers to attend training sessions on "Managing resilience and safety". In addition, all drivers of a company vehicle must have completed a one-day driver safety course by 2026 in order to increase road traffic safety,

to help prevent accidents and increase awareness for environmentally-friendly driving.

As regards data protection, BKW has set itself the goal of continuously improving the privacy of its employees in the processing of their personal data. To this end, by 2028 it will introduce a uniform, standardized and Group-wide Privacy Information Management System. Associated with this, BKW's data protection guideline will be further developed and additional training measures for employees will be carried out in order to raise awareness of data protection violations.

**ESRS S1-6****EMPLOYEE CHARACTERISTICS**

BKW had 12,139 employees (headcount) in 2024<sup>61</sup>. A detailed breakdown of personnel master data can be found in the tables below. In 2024 the employee turnover rate was 15 percent gross (1620 people)<sup>62</sup> and was therefore slightly higher

than the previous year at 14 percent. This number includes both voluntary and involuntary departures, retirements and the termination of fixed-term employment contracts.

**Employees by employment level**

Employment level	Women		Men		Total		Proportion in %	
	2023	2024	2023	2024	2023	2024	2023	2024
<90%	1090	1155	983	1078	2073	2233	17%	18%
>=90%	1442	1548	8418	8358	9860	9906	83%	82%
<b>Total</b>	<b>2532</b>	<b>2703</b>	<b>9401</b>	<b>9436</b>	<b>11933</b>	<b>12139</b>	<b>100%</b>	<b>100%</b>

**Employees by age**

Age	Women		Men		Total		Proportion in %	
	2023	2024	2023	2024	2023	2024	2023	2024
Under 30 years of age	587	623	2468	2466	3055	3089	26%	25%
30-50 years of age	1267	1418	4367	4538	5634	5956	47%	49%
Over 50 years of age	678	662	2566	2432	3244	3094	27%	26%
<b>Total</b>	<b>2532</b>	<b>2703</b>	<b>9401</b>	<b>9436</b>	<b>11933</b>	<b>12139</b>	<b>100%</b>	<b>100%</b>

**Employees by nationality**

Nationality	Number (Headcount)		Proportion in %	
	2023	2024	2023	2024
Swiss	5,903	5,731	49%	47%
German	3,571	3,898	30%	32%
French	365	377	3%	3%
Italian	363	351	3%	3%
Austrian	356	333	3%	3%
Portuguese	304	320	3%	3%
Spanish	105	120	1%	1%
Other nationalities <sup>63</sup>	966	1,009	8%	8%
<b>Total</b>	<b>11,933</b>	<b>12,139</b>	<b>100%</b>	<b>100%</b>

61 Group company employees on the 13/31/2024 closing date excluding the Board of Directors, external employees and non-executives

62 Employee turnover rates calculated on the basis of the average number of employees over the course of a year, excluding the Board of Directors, external employees, non-executives, apprentices, interns, trainees, temporary workers, time-bankers, employees with special contracts, internal transfers and employees of sold companies.

63 2023: 89 other nationalities; 2024: 97 other nationalities

**ESRS S1-9**

## DIVERSITY METRICS

**Employees by gender**

Gender distribution	Women		Men		Total	
	2023	2024	2023	2024	2023	2024
Employees	2,532	2,703	9,401	9,436	11,933	12,139
Proportion in %	21%	22%	79%	78%	100%	100%
of which apprenticeships <sup>64</sup>	129	132	754	770	883	902
Proportion in %	15%	15%	85%	85%	100%	100%
of which upper management level <sup>65</sup>	18	24	103	130	121	154
Proportion in %	15%	16%	85%	84%	100%	100%

**ESRS S1-14**

## OCCUPATIONAL HEALTH AND SAFETY METRICS

In 2024 there were no fatalities due to occupational injuries nor did any BKW employees have a serious occupational accident. Furthermore, once again 100 percent of BKW employees were covered by management systems for occupational health and safety (see also page 209).

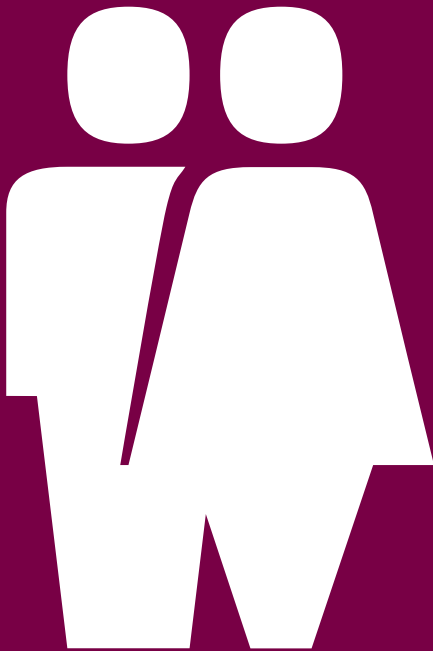
As of the end of 2024 BKW had completed the development work for a Group-wide occupational health and safety reporting tool. This means that as of the 2025 fiscal year, figures can now be reported Group-wide.

<sup>64</sup> The previous year was recalculated retroactively due to improvements in data quality. Therefore, the figures may differ from the figures in the last report.

<sup>65</sup> Top two management levels below the Group Executive Board. Increase in figures due to improved data quality.

## ESRS S4

# Customers (focus topic data protection)



By investing in the future of energy and offering a wide range of services, BKW is creating a wide variety of added value for its customers. Its commitment to sustainability is also in line with customer needs. With regard to BKW's social impact on customers, the materiality analysis indicates that the protection of privacy and customer data is of key importance. The information in the Customers section thus focuses on this topic. Digitalization, networking and data-based business models not only open up new business opportunities, they also need to be handled with special care. For this reason, BKW attaches great importance to protecting the data of its customers, employees and business partners. In the year under review, BKW took additional actions to ensure the privacy of these individuals and to protect personal data from unauthorized access.

# Strategy

## ESRS 2 SBM-3

### MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO CUSTOMERS

In the course of its business activities, BKW processes a large amount of customer data. Loss, theft, manipulation or misuse of this data could affect the informational self-determination of customers, for example through identity theft, reputational damage or discrimination. In addition

to social and health impacts, this could also have financial consequences for BKW's stakeholders. In order to prevent any such negative effects on customers, BKW protects customer data and uses it responsibly and in accordance with legal requirements<sup>66</sup>.

# Impact, Risk and Opportunity Management

## ESRS S4-1

### POLICIES AND ORGANIZATION RELATED TO DATA PROTECTION

BKW understands that protection of personal data is an essential component of comprehensive data compliance. This includes the sustainable design of data-based business models and the responsible, legally compliant and ethically correct handling of data in the interests of its customers, employees and business partners. To achieve this, BKW takes a hybrid and systematic approach: in organizational terms, Data Compliance is made up of the central Group Data Protection department and decentrally appointed Local Privacy Officers. The central elements of data compliance are the Group's data protection policy and a functioning Privacy Information Management System (PIMS).

The Group Executive Board has commissioned the Group Data Protection Officer (GDPO), with reviewing compliance with the relevant statutory and regulatory requirements in the area of data compliance. The GDPO heads the Privacy & Data Governance specialist department, which is part

of the Group Compliance. Group Compliance reports to the Group Executive Board and to the Financial Audit and Risk Management Committee (ARMC) as well as the Board of Directors. The GDPO defines actions and processes in the PIMS and coordinates and supports the implementation of the BKW data protection program. The GDPO's tasks also include carrying out an annual data compliance risk assessment and corresponding monitoring and definition of the actions to be derived from it. Their implementation is the responsibility of the management of the respective Group companies and business areas of BKW.

The GDPO is supported in monitoring compliance with data protection by data protection coordinators appointed throughout the Group as well as external data protection officers appointed by and reporting to the supervisory authorities. The GDPO is responsible for processing data protection complaints and data protection incidents and communicating with the supervisory authorities.

66 Detailed information on the implementation of the so-called "unbundling requirements" may be found starting on page 244

The GDPO also runs communication and training courses. Furthermore the GDPO advises managers and specialist departments on all data protection issues.

#### **Data protection Group Directive**

BKW's commitment to ensuring that personal data is handled responsibly is anchored in the Group directive on data protection. This defines that personal data may only be processed at BKW in accordance with the principles of data protection law. Accordingly, customer data is also processed exclusively in a lawful manner, in good faith, in a way that is comprehensible to the data subject, exclusively for specified, clear and legitimate purposes, to an extent that is appropriate for achieving the purpose, factually correct and with appropriate security, integrity and confidentiality guaranteed. The Data Protection Group Directive will be further developed into a new Privacy and Data Protection Group Directive in 2025. Furthermore, a Cyber Security & Privacy Policy will be adopted by the Board of Directors in 2025.

#### **Privacy Information Management System (PIMS)**

BKW's Privacy Information Management System (PIMS) supports the Group in implementing actions and processes for data protection compliance in a systematic and risk-based manner. For Group companies in the EU, the General Data Protection Regulation (GDPR) is binding, for Group companies in Switzerland the Federal Act on Data Protection (FADP). Outside the EU, the internal BKW standards for compliance with data protection together with local data protection laws form the basis.

The building blocks of the PIM are the Group-wide register of processing activities, a reporting channel for the internal reporting of data protection incidents directly to the GDPO, the systematic implementation of data protection lawfulness and risk checks and data protection impact assessments. Data protection risks are to be identified, analyzed and evaluated as part of these systematic processes. The results of these processes serve as a basis for managing risks and mitigating them by implementing appropriate actions.

### **ESRS S4-2 | ESRS S4-3**

## **PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CUSTOMERS TO ENGAGE AND RAISE CONCERNS**

BKW customers have the opportunity to articulate their interests in relation to data protection at any time. Potential breaches of data security can be reported worldwide by phone, email or via the BKW Integrity Line whistleblower system. This confidential communication channel for employees, customers, business partners and other individuals or organizations interacting with BKW allows complaints to be submitted and violations of applicable law, ethical principles or BKW guidelines to be reported. Reports via the BKW Integrity Line can also be made anonymously (see also page 223).

#### **Dealing with data privacy incidents**

The GDPO and the Privacy & Data Governance specialist department handle reports of data protection incidents. The GDPO is supported in

clarifying the facts by the data protection coordinators, external data protection officers and the BKW Incident Support Team. As part of the processing of the data protection incident, it needs to be identified whether personal data has been compromised and, in the event of a data protection breach, the severity and scope determined in order to plan the appropriate remedial actions. The remedial actions are divided into immediate actions and long-term actions. Immediate actions aim to contain the damage and inform the affected person(s) as soon as possible. The long-term actions aim to implement improved security protocols and provide additional training to prevent data protection incidents occurring in the future. The process for dealing with data protection incidents is monitored continually and its effectiveness regularly reviewed.

The information received in 2024 on potential data security breaches was investigated by the Group Data Protection Officer and, where necessary, the relevant reports were submitted to

the responsible supervisory authorities. No legal actions were taken or proceedings initiated against BKW in the reporting year.

#### ESRS S4-4

### ACTIONS RELATED TO CUSTOMER DATA

#### Internal information and training measures

All employees of BKW are required to complete a data protection training course. In addition to mandatory data protection training, BKW also provides data protection training for specific areas and roles. All training measures are available via a digital Learning Management System. Furthermore, BKW's employees are informed about data protection on the intranet. For employees from areas particularly relevant to data protection, the GDPO offers separate on-site and online training courses.

#### Responsible use of artificial intelligence (AI)

In order to ensure responsible use of AI, BKW has implemented AI Governance. BKW's AI Governance consists of two core elements: a Group directive and an established risk management system for AI. The principles set out in the Group directive define the responsible and legally compliant use of AI, the protection of the privacy of affected persons and the safety and reliability

of the handling and use of AI systems. This includes protection against discrimination and safeguarding privacy. BKW ensures that the decisions and processes of AI systems are comprehensible and transparent.

#### Effectiveness test of the Privacy Information Management System (PIMS)

BKW is continuously developing its Privacy Information Management System (PIMS). With the help of the annual review process anchored therein, it examines the extent to which planned actions have been implemented and the objectives pursued have been achieved. The annual test of PIMS for the reporting year showed that the design of PIMS is appropriate and suitable for achieving the data compliance objectives. In some Group companies and business areas, however, there are still challenges in the operational effectiveness of data protection actions. Identified weaknesses are analyzed and passed on to a lessons-learned process.

# Targets

## ESRS S4-5

---

### TARGETS RELATED TO CUSTOMER DATA

BKW has set itself the goal of continually improving the protection of customer privacy when processing personal data. To this end, it intends to introduce a uniform, standardized and Group-wide Privacy Information Management System by

2028. This will be accompanied by the further development of BKW's data protection guidelines and additional training measures for employees to raise awareness of data protection violations.

# Governance Information

A photograph of two men in high-visibility yellow jackets and white hard hats standing on a construction site. They are looking at a set of plans held by the man on the right. The man on the left is pointing towards the background. The site is a large, open space with concrete pillars and a high ceiling with exposed pipes and conduits. Large windows in the background show an outdoor area with a ladder.

## **Munich airport, terminal 1**

Gregor Molnar, Project Manager  
Assmann Beaten + Planen,  
BKW Engineering in conversation  
with Manfred Abler.

---

## TABLE OF CONTENTS

222 Responsible business practices

## ESRS G1

# Responsible business practices



BKW is aware of its responsibility towards its employees, customers, business partners and society in general to be fair in its business dealings. The Group therefore attaches great importance to integrity, responsible corporate management, ethical business practices and good governance, based on the Group-wide Code of Conduct and the Group policies that apply throughout the Group. In addition to the fundamental principles of the BKW regulations and the Compliance Management System, this section focuses on the relationships with suppliers and thus the commitment of the BKW procurement organizations with regard to the double materiality analysis. It is based on a risk-based procedure with which BKW together with its suppliers develops its sustainability performance, for example through targeted requirements in procurement projects. It thus minimizes its risks in the supplier network and establishes a practice for responsible procurement within the Group.

# Impact, Risk and Opportunity Management

## ESRS G1-1

### POLICIES AND ORGANIZATION RELATING TO RESPONSIBLE BUSINESS PRACTICES

The Code of Conduct forms the basis for BKW's compliance architecture and defines binding ethical standards and legally compliant conduct for all employees and governing bodies. BKW defines compliance as adherence to all relevant laws, internal regulations and international standards.

The principles of good conduct set out in the Code of Conduct provide all employees with clear guidelines for their daily actions thereby creating a uniform understanding of compliance throughout the Group. With the aim of making the underlying principles even clearer, an update of the internal Group directives and regulations was launched in 2024 as part of a Group project.

The BKW regulations are being revised and in future will comprise nine Group policies in addition to the Code of Conduct, replacing the currently applicable directives and regulations. The policies concerning human rights and climate and the environment were adopted by the Board of Directors in 2024. The Group policies on corporate governance, occupational health and safety, compliance, human resources, finance and risk, taxes, cyber security and data protection will follow in 2025. These new and updated policies ensure that BKW sets Group-wide standards for these areas and achieves strategic corporate targets through fair and sustainable business practices.

#### The BKW Compliance Management System

BKW has an effective mechanism in place for ensuring compliance with and the promotion of lawful and responsible business practices: the BKW Compliance Management System (CMS). It comprises all the Group's regulations and measures, structures and processes, both internal and external, designed to ensure compliance. The CMS consists of the compliance program, the BKW Integrity Line and the Compliance Awareness Program. Group Compliance regularly reviews the effectiveness of the CMS and coordinates and mitigates compliance risks throughout the Group.

#### Organization and management

The Board of Directors bears ultimate responsibility for the Compliance organization and the CMS. It has delegated its supervisory duties relating to quality control and budgeting for Group Compliance to the Group Executive Board and the CEO.

Compliance with valid regulations, whether external or from within the Group, is achieved using the Three Lines Model<sup>67</sup>. In the first line, the directly affected employees and managers of the various business areas are responsible for observing the compliance regulations. Together with Risk Management and other functions with monitoring and controlling roles, the Group Compliance department forms the second line. As an independent function, Internal Audit constitutes the third line.

The head of Group Compliance thus performs the role of a Corporate Compliance Officer (CCO). In day-to-day business, the head of Group Compliance reports directly to the CEO and BKW's Audit and Risk Management Committee (ARMC). The Group Executive Board and the Board of Directors are kept informed about all key compliance issues by the head of Group Compliance.

The restructuring of the compliance organization mentioned in last year's report has been successfully completed and the actions to strengthen the Group Compliance function implemented. In the Infrastructure & Buildings business segment, locally embedded Compliance Managers will be appointed in the 2025 fiscal year; in larger entities, Compliance Partners will be appointed. They ensure that compliance is put into practice at an operational level.

#### BKW Integrity Line

BKW aims to promote a speak-up culture that encourages employees and external stakeholders to report violations. Internal and external stakeholders can report violations anonymously via

#### More information at:

[www.bkw.ch/codeofconduct](http://www.bkw.ch/codeofconduct)

<sup>67</sup> The Three Lines Model is a model drawn up by the international professional association for internal auditors, the Institute of Internal Auditors (IIA). It describes structures and processes that can be used to ensure sound governance and strong risk management.

the BKW Integrity Line, a publicly accessible whistleblowing system. Among other things, information on corruption, fraud, conflicts of interest, discrimination, harassment and breaches of environmental regulations and occupational safety standards can be reported.

BKW has introduced appropriate measures to protect whistleblowers from internal retaliation or discrimination. All reports are carefully scrutinized. The responsibilities and multi-stage processes for investigating reported internal incidents are set out in the Group directive on internal investigations.

The multi-stage process guarantees the independence and objectivity of the investigations. A further guarantee of these cornerstones of the investigations is the direct reporting of Group Compliance to the Group CEO. If circumstances require, Group Compliance can outsource individual investigative activities or the entire investigation to external parties, in order to protect the integrity of the investigation.

The results of investigations are shared with the independent disciplinary board, which makes a decision on appropriate sanctions or disciplinary actions. Depending on the severity of the violation, internal sanctions up to and including consequences under employment law as well as actions under criminal or civil law may be taken. The results of the investigations and the decisions of the Disciplinary Board are communicated to the Group Executive Board and, where appropriate, to the Board of Directors.

#### **Compliance awareness program**

It is the responsibility of Group Compliance to provide BKW employees with regular training at an appropriate level in all relevant areas of compliance. The objective is to raise awareness of compliance risks and violations, to prevent misconduct and to promote a culture of compliance within BKW. All employees are required to take part in training on the content of the Code of Conduct every two years. At the end of 2024, 90% of employees had completed the mandatory training (53% in 2023). This quota is to be increased further in 2025.

In addition to training about the content of the Code of Conduct, BKW has developed a program of specific training and further educational measures in individual specialist areas, which is continually being expanded. In the near future, customized e-learning courses on relevant topics will also be made available for all employees. One focus will be on the area of anti-corruption and bribery. These measures will be accompanied by the publication of revised directives and regulations in this area and on dealing with conflicts of interest.

Group directives and regulations can be accessed by employees at any time via the BKW intranet. BKW is currently testing a digital tool for delivering instructions to employees, following successful beta testing, employees should receive the relevant instructions automatically. They will also be informed of any changes.

**ESRS G1-2****MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS**

BKW builds respectful, appreciative relationships with its suppliers based on mutual trust. Monitoring and managing the supply chain are key factors in ensuring sustainable and responsible corporate governance.

BKW has five purchasing organizations: Procurement Services for the Grid and Energy business segments as well as four other purchasing organizations in the Infrastructure & Buildings business segment. To develop comprehensive sustainability management in procurement, BKW has made human resources available to Procurement Services in 2023 and 2024, in order to promote this Group-wide matter. As a Group function, Procurement Services receives their mandate from the Group Executive Board, which leads to regular reporting on projects and targets. The purchasing organizations coordinate their activities in the ESG<sup>68</sup> Procurement Board that has met several times a year since 2024 and is convened on an ad hoc basis in the event of problems with suppliers. Coordination at specialist level takes place in the Steering Committee.

BKW works closely with its suppliers to drive sustainability in the supply chains in order to reduce risks and strengthen resilience. At the same time, it is crucial for BKW to design the sustainability requirements in such a way that the market is not excessively restricted and the availability of suppliers remains guaranteed.

For the impact, risk and opportunity management in procurement, BKW has the following objectives:

- All suppliers with potential ecological and social risks shall have a sustainability rating by 2026 that is at least equal to the industry average<sup>69</sup>.
- Responsible purchasing practices will be standardized across the Group by 2025 through a robust set of rules and implemented in all purchasing organizations as of 2026.

The initial objective in the medium term focuses on onboarding and the development of ESG relevant suppliers in order to be able to cover all potential product-specific risks in the long term and to establish a supplier network with good sustainability performance. The second objective focuses on the internal regulations and processes of consumers and purchasing organizations. This ensures a coordinated approach to suppliers, in order to guarantee due diligence obligations and to be able to adapt easily to the requirements of future regulations.

**Supply chain risk analysis**

Since 2023, BKW has carried out a supply chain risk analysis in the areas of power production and grid operation. The starting point was to identify the areas of activity where relevant risks could potentially arise. During the analysis, four risk areas (power grids, photovoltaic systems, wind power and battery storage units) were identified for BKW, to which hydropower was added in 2024. For these risk areas, 25 raw materials<sup>70</sup> have been identified that are associated with potential environmental or social risks (see the table below).

68 Environment, Social and Governance

69 BKW defined the industry average based on data from 2023 and it corresponds to a EcoVadis rating of 56 points.

70 Antimony, balsa wood, bauxite (aluminum), lead, chromium, iron (iron ore), petroleum (plastics), germanium, graphite, cobalt, copper ore, lithium, magnesium, manganese, molybdenum, nickel, niobium (tantalum), sand (cement), selenium, rare earths (neodymium, dysprosium, praseodymium, boron and terbium, scandium, lanthanum, cerium, yttrium), silver, silicon (metallurgical), rock salt (PVC: together with crude oil/natural gas), zinc and tin.

## Sustainability risks in the supply chain analyzed by BKW

### Social risks

- Child labor
- Forced labor and all forms of slavery
- Inadequate occupational health and safety, and health hazards in the workplace
- Disregard for freedom of association and the right to collective bargaining
- Discrimination
- Precarious working conditions and withholding adequate wages
- Environmental human rights risks
- Land use conflicts and property rights
- Conflicts and security

### Environmental risks

- Greenhouse gas (GHG) emissions
- Consumption of water and land
- Exploitation of abiotic and biotic raw materials
- Emissions of air pollutants
- Discharge of substances hazardous to water
- Waste

Based on the risk areas and the goods and services procured by them, BKW has identified suppliers with potential environmental and social risks (ESG relevant suppliers). To this end, information on the supply chains and the origin of the raw materials risk was collected from suppliers, resulting in an ESG risk profile for each supplier. Procurement projects concerning these suppliers or goods and services with medium to high risks are closely monitored by sustainability management in procurement in order to minimize sustainability risks.

### Supplier assessment and development

BKW has set itself the goal of ensuring that all relevant suppliers with potential environmental and social risks have a sustainability rating that is at least equivalent to the respective industry average by the end of 2026. In coordination with all purchasing organizations, the respective ESG relevant suppliers are supported in partnership during onboarding for the rating process and their development. The EcoVadis platform is used to create a qualified sustainability rating and ensure the development of suppliers on the relevant sustainability issues.

In 2023, BKW identified 149 direct suppliers (TIER 1 – first level of the supply chain) in the power production and grid operation procurement areas. In 2024, the number of relevant suppliers in

these procurement areas increased by 22 to 171. They cover over 75% of revenues in the relevant product groups. Furthermore, 32 relevant suppliers in the Construction procurement area (engineering and construction companies) were identified in 2024 which will be included in the rating process as of 2025.

27 of the 171 relevant suppliers in the power production and grid operation procurement areas currently have no active business relationship with BKW. 17 others only have to complete a self-declaration due to the nature of their activities (low risk relevance). 42 of the remaining 127 suppliers have confirmed that they already have an EcoVadis rating.

- 30 have a rating above the industry average
- 12 have a rating that does not yet reach the industry average, but do not show any fundamental misconduct in their business practices. These suppliers are being developed towards the formulated target
- None have an inadequate sustainability performance or need to immediately rectify any fundamental shortcomings

With regard to activities to increase sustainability and transparency in the supply chain, BKW in 2024 was able to get seven initial ratings and one reeva-

evaluation underway. To date, no suppliers have refused to provide information on sustainability issues.

BKW is gradually extending onboarding of ESG relevant suppliers to all procurement areas and will continue to drive forward the development of existing suppliers.

#### **Actions in risk areas**

General sustainability requirements apply in all risk areas (including contractual clauses, self-declaration and supply chain transparency). In 2024, additional processes were also introduced in three of the five risk areas. In future, these processes will be used as standard to avoid risks in the respective risk areas.

#### **Power grid risk area**

An in-depth analysis of supply chain risks shows that copper – particularly in the cable product group – is highly relevant to BKW in terms of sustainability: there is a potential risk of the use of child labor, large quantities are procured and there are direct opportunities for action vis-à-vis the producers. In the tender for distribution grid cables (low voltage/medium voltage) strict MUST criteria were therefore specified. The suppliers had to disclose their supply chains as well as the origin of the raw materials. For example, it was possible to prove that none of the suppliers sourced copper ore from countries where there was

a risk of the use of child labor (Democratic Republic of Congo and Zambia). Moreover, BKW has started a dialog with the "Copper Mark", the leading standard for responsible copper to deepen cooperation with all suppliers.

#### **Photovoltaics risk area**

In the photovoltaics risk area there is a potential risk of forced labor in connection with the raw material silicon. The reason for this is that a large proportion of the raw material worldwide comes from the Xinjiang region of China. In preparation for a tender for photovoltaics modules for alpine facilities, extensive research was carried out. Based on this, BKW conducted a market survey of potential suppliers to identify sustainability risks with a focus on forced labor. The aim of the survey was to understand the aspirations of potential suppliers and make them aware of BKW's expectations.

**Large batteries risk area** In the procurement of large batteries, for regulatory reasons the focus is on conflict minerals (3TG)<sup>71</sup> as well as cobalt and lithium. The Responsible Minerals Assurance Process (RMAP) of the Responsible Mining Initiative (RMI) is used to minimize risk. This approach includes a reporting format for the supplier, which can be used to identify in-depth measures for the parties in the supply chain.

71 Tin, tungsten, tantalum and gold

**Responsible purchasing practice**

Responsible procurement is based on a set of rules that includes the directive for procurement management, the General Terms and Conditions of Purchase (GTCP), the Supplier Code of Conduct, the submission regulations for tenders (incl. a self-declaration form for suppliers and a criteria catalog), as well as decentralized regulations at the level of the purchasing organizations. In 2024, BKW started to standardize its extensive set of rules for responsible procurement across the Group. The work is scheduled for completion by 2026.

**Sanctioning mechanisms**

In the event of suppliers failing to meet BKW's sustainability requirements, BKW has defined a staged procedure (supplier interview, blocking of products until remedial action is taken, separation from the supplier). The ESG Procurement Board is regularly informed about progress in onboarding and convened on an ad hoc basis in the event of suspected infringements and breaches, i.e. when sustainability risks arise at suppliers or when measures need to be escalated. The aim is to find an effective solutions to remedy any shortcomings.

**Training**

In 2024, buyers received training on internal sustainability targets and potential risks in the BKW supply chains as well as the onboarding process. In subsequent years, they will also receive further training on the revised regulations and templates relating to sustainability.

Procurement Services also raised awareness of ethical standards and legal requirements in the procurement process. The buyers attended a mandatory training course on competition law. They were also made aware that stricter rules of conduct in the area of impartiality in public procurement will apply as of 2025.

**ESRS G1-3**

---

**PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY**

BKW pursues a zero-tolerance policy towards all forms of corruption. Corruption risks are addressed and mitigated by means of periodic training and sensitization of employees as well as a variety of other actions.

A key component here is the “Anti-Corruption” Group directive. As part of its efforts to raise awareness of this issue, BKW is already training its employees on the Code of Conduct. This training will be deepened and expanded in the coming year.

In addition, BKW is committed to limiting financial authority and carrying out continuous controls of relevant processes. These actions serve to identify potential risks at an early stage and address them in a targeted manner.

Group Compliance is the central point of contact for suspected cases of corruption and bribery and operates a whistleblower system (BKW Integrity Line, see page 223) that is available to employees and external persons. Whistleblowers are protected from retaliation.

# Metrics

## ESRS G1-4

---

### VIOLATIONS OF CORRUPTION, BRIBERY, HUMAN RIGHTS AND ENVIRONMENTAL REGULATIONS

In the fiscal year, there were no convictions or penalties in connection with breaches of bribery and corruption regulations. Similarly, there were

no convictions or penalties in connection with breaches of human rights and environmental regulations.

## ESRS G1-6

---

### PAYMENT PRACTICES

BKW maintains a partnership-based relationship with its suppliers. Fairness, openness and respect are the basis for a good business relationship. Management also includes the terms of payment, which are set out in the respective general terms and conditions of purchase (GTCP) and are publicly available. The standard payment period for supply contracts is 30 days net. For larger

capital goods (e.g., contracts for work and services), special agreements with an installment payment of typically 30 percent may be made. The whole payment procedure is subject to the supervision of Financial Controlling. In 2024, there were no pending cases regarding BKW's payment practices.

# Company-specific Sustainability Matters

## Arzberg

Stephan Fitze, Project Manager BKW Energy Solutions GmbH, BKW Infra Services at one of the largest energy storage facilities in Europe.



---

## TABLE OF CONTENTS

232 Security of energy supply

236 Emergency preparedness

# Security of energy supply



Reliable energy supply is a key prerequisite for prosperity, economic growth and social development. BKW makes a significant contribution to ensuring electricity supply in Switzerland. As an energy and infrastructure service provider, BKW seeks to ensure a high level of availability of the distribution grid and high availability of the power plants.

# Impact, Risk and Opportunity Management

## POLICIES AND ORGANIZATION RELATED TO SECURITY OF ENERGY SUPPLY

With regard to its production and grid facilities, the BKW Group pursues a predictive maintenance strategy. On the basis of regular needs and risk analyses, necessary maintenance measures and investments are made on an ongoing basis thereby ensuring the reliable functioning of the grids and facilities. At the same time, BKW makes targeted investment in the training of its employees. This means that the performance level with regard to reliability and availability of the power plants and grids remains at a continuously high level.

The impact, risk and opportunity management of BKW, relating to the availability level of the distribution grid, is the responsibility of the Power Grid business area. The availability of the power plants is the responsibility of the Energy Production business area. They are subject to numerous legal requirements related to security of supply. The national legislation on electricity, energy and land use planning, the Heavy Current Ordinance, the Swiss Standard SN EN 50110-1:2013 and specific instructions of ESTI, the supervisory and regulatory authority for electrical installations, are applicable to the Energy and Grid business segments in Switzerland. Both business areas also comply with national and international norms and standards. The distribution grid in particular is regulated and there are clear statutory provisions in place to ensure planning, construction and operation is performed in a safe, effective and efficient way, as well as implementing an obligation to connect.

### **Distribution grid**

The overall responsibility for the distribution grid is assigned to the Power Grid business area. This is based on the aforementioned legal requirements. In addition, tasks, responsibilities and competencies are defined in various internal role descriptions. The business processes are coordinated and documented in the integrated management system. They are accessible and binding for all employees. The management system has been certified according to ISO 9001, ISO 14001 and ISO 45001. Power Grid's integrated management system provides clear guidelines and defines how

operational processes should be planned, implemented, documented and monitored. To ensure continuous improvements, the processes are regularly reviewed and adapted in order to fulfill statutory requirements. Risk management, information security and Business Continuity Management are key pillars of high level of availability and are central to all internal processes. These are based on the Group-wide documents "Cybersecurity Group Directive" and "Risk Management Group Directive" which are integrated in the Power Grid processes. Risk management, information security and Business Continuity Management jointly contribute to strengthening operational resilience and ensuring reliable energy supply. A safety concept according to Art. 12 of the Heavy Current Ordinance was drawn up by Power Grid as proprietor, to ensure that sufficient qualified personnel are available. Regular internal and external audits ensure the efficiency and implementation of these processes. Furthermore, regular reviews are carried out by the Internal Audit department, focusing on the assessment of compliance, governance, financial management and control, risk management and IT security checks. Internal Audit has an unrestricted right to access information and files in order to fulfill its duties.

As a Swiss distribution grid operator, Power Grid is subject to the legal obligation to operate the distribution grid safely, efficiently and at a high level of performance. Operational management of BKW's distribution grid is performed from the central control center. Power Grid pursues a comprehensive, forward-looking approach to the maintenance, renewal and expansion of the distribution grid to successfully meet future maintenance and energy transition requirements. The basis for this, among other things, is the targeted grid planning for the medium and high-voltage grid, forecasts in the context of the expansion of renewable energies and the electrification of transportation and heat supply. Another component is the installation of smart meters. They contribute to the high availability level by better monitoring grid utilization, supporting grid planning and improving the quality of

forecasts thanks to more accurate measurement data.

### Electricity production

BKW's contribution to security of supply is based on the high level of availability of the distribution grid and of the power generation plants. BKW's production facilities are managed by the Energy Production business area.

The technologically diversified portfolio of BKW's energy generation plants is designed to meet the increasing demands on the energy system over the course of the energy transition. It comprises a balanced mix of flexibly controllable power plants (mainly hydropower plants but also stakes in modern and efficient coal and gas-fired power plants), plannable base-load energy (e.g., run-of-river power plants, biomass and nuclear power plants) as well as new renewable energy power

plants (wind and solar power plants). Furthermore, BKW plans to invest in battery storage systems that increase grid stability, permitting the integration of fluctuating new renewable energy generation in the power grid.

Reliable operation of BKW power plants is ensured in accordance with the specific requirements of the respective production technologies. For example, hydropower plants have their own management system that regulates responsibilities, operating processes and maintenance procedures. All sites have a quality management system certified according to ISO 9001, most of them also have ISO 14001 certification (environmental management systems). The maintenance workshop of the Hydraulic Power Plants function also has certifications for welding work (EN 1090 EXC3 and ISO 3834-2).

---

## ACTIONS RELATED TO SECURITY OF ENERGY SUPPLY

### Investments in grid expansion and maintenance

In 2024, BKW invested CHF 160 million in the maintenance and expansion of the distribution grid as well as in the use of modern processes and technologies throughout the energy system. Among other things, around 15,000 smart meter were installed by the end of 2024, marking the start of their widespread use across the entire supply area.

### Investments in refurbishment of power plants

To keep availability of the power generation plant at the highest level possible over the long term, BKW invested CHF 14 million in refurbishment measures in 2024.

### Flexibilization of run-of-river power plants and investment in battery storage

BKW is investing in making its run-of-river power plants more flexible and plans to invest in battery storage systems to increase their contribution to the security of supply.

### Solar plant system integration

BKW is working toward solar plants being built and operated in a grid-compatible manner. On the one hand, BKW is politically committed to flexible regulation of solar plants while on the other hand enabling flexible operation of its own solar power plants and those of third parties.

# Targets and Metrics

## TARGETS RELATED TO SECURITY OF ENERGY SUPPLY

BKW has set itself the goal of maintaining the high level of availability of its distribution grid it has already achieved for many years by 2030. To this end, it wants to invest CHF 1 billion (CAPEX) in the grid expansion and maintenance of the distribution grid by 2030. This includes, among others, the conversion and expansion of 2,500 km of power grids, the enhancement or new cons-

truction of 1,600 transformers and the implementation of modern processes and technologies throughout the entire energy system.

As part of this, over 400,000 smart meter will be installed by the end of 2028. In the area of power plants, BKW pursues the goal to increase its power generation capacity by 1,300 MW (38%) by 2030.

## METRICS RELATED TO SECURITY OF ENERGY SUPPLY

### Distribution grid

The grid availability in BKW's distribution grid was 99.997% in 2024. The average downtime measured according to the System Average Interruption Duration Index (SAIDI)<sup>72</sup> amounted to 17 minutes during this period. In 2024, additional planned shutdowns, three technical errors and the weather conditions in summer and winter affected the availability level.

### Average downtime of the distribution grid (SAIDI<sup>73</sup>)

	2022	2023	2024
BKW score	12 min	11 min	17 min <sup>73</sup>
Swiss benchmark	16 min	18 min	not available <sup>74</sup>

### Electricity production

In terms of power plant availability, BKW focuses on run-of-river power plants and the Tamarete thermal power plant.<sup>75</sup>

As in the previous year, the economic availability of the run-of-river power plants in 2024 was 96%. Commercial availability of 100 percent is the amount of energy that could be produced with technical machine availability of 100 percent. In 2024, the gas-fired Tamarete power plant operated by BKW achieved an availability of 87.4% (97.5% in the previous year), taking into account both planned and unplanned interruptions. The lower availability compared to the previous year is mainly referable to an unplanned outage in the high-voltage substation in August/September 2024.

72 Calculation based on the "old SAIDI method", regardless of the voltage level in order to facilitate a comparison with the Swiss benchmark.

73 Preliminary value

74 The Swiss benchmark will only be available after publication of this report.

75 No operational management of BKW for investments in coal, nuclear and pumped-storage power plants and the stake in the Livorno Ferraris gas-fired power plant. In the case of wind and solar power plants, interruptions to individual turbines or panels are negligible for the production output of the portfolio.

# Emergency preparedness



Preventive protection of technologies, processes, organizations and critical infrastructure facilities – especially of power generation plants and power grids – is a high priority. Digitalization is associated with potential and real risks from cyber attacks. Therefore, BKW has established a crisis management system at Group management level and an emergency management system at business area level, to ensure the functionality of (critical) energy supply structures, data security and the detection of and defense against cyber attacks.

# Impact, Risk and Opportunity Management

---

## POLICIES AND ORGANIZATION RELATED TO EMERGENCY PREPAREDNESS

BKW defines a crisis as a financial, safety-related or image-damaging event that has the potential to harm the population, a large number of customers or BKW employees or jeopardize the existence of the company in whole or in part. For example, natural events such as severe storms and flooding, major technical disruptions or large-scale cyber incidents can develop into a crisis. The resources required in such a crisis go beyond the capacities of the business areas and require the involvement of the central Group crisis team. By contrast, less serious incidents that can be managed with the resources of the affected business area are considered emergencies. They can be mitigated or eliminated with the help of the corresponding management system.

To prevent or manage potential crises, BKW established an efficient organizational structure: relevant strategic decisions and those of fundamental importance to the company are taken by the crisis management team (member of the Group Executive Board). Whether a crisis is declared is decided by the CEO at the request of the head of the Group crisis management.

### **Group crisis management team and emergency management**

The crisis management team is the Group's central management instrument at operational level. The activities of the Group crisis management team are based on specific BKW principles and specialist concepts as well as a manual that is also available in analog form in case the Internet should fail. In the event of a crisis, a rapid res-

ponse is essential. For this reason, the head of the Group crisis management team has the authority to initiate the necessary measures independently in the case of an emergency.

Depending on the assessment of the situation, other representatives from the business areas and external experts may be called in to form an "extended crisis team". This organization, with internal and external expertise, makes it possible to tackle all types of crisis according to a specific procedure. The crisis management team is supported by an assistance team and a "COM" back office. On the instructions of the crisis management team, this office takes over internal and external communication and is also responsible for the on-site media work. Around 80 BKW employees are involved in crisis management throughout the Group.

Each business area has its own emergency management system with specific emergency response teams. These management systems define and describe the responsibilities and escalation levels with their respective procedures and information flows. The focus of all emergency measures is on personal safety. The business areas are also responsible for handling of threats and attacks from the virtual world (objectives, procedures and responsibilities in case of cyber incidents and emergencies). Emergency response plans also specify the procedure to be followed with the emergency organizations of other business areas and the Group crisis management team.

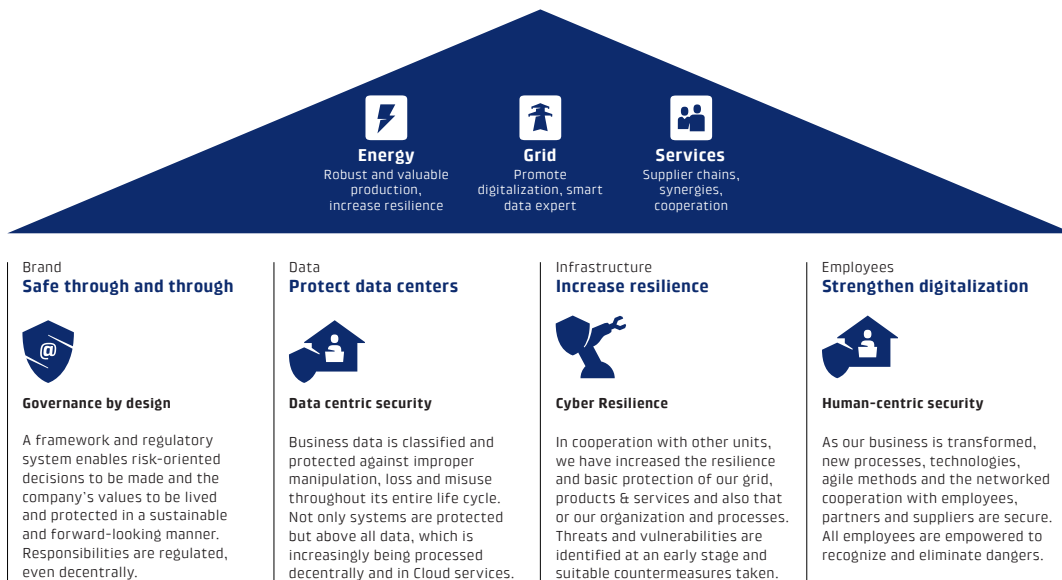
### Cybersecurity

The Group Executive Board is responsible for the operational organization of cybersecurity. The Group Executive Board delegates the strategic and tactical organization of the cybersecurity management system and the operational implementation of cybersecurity to the Group Security function, headed by the Group Chief Information Security Officer (Group CISO). The Group CISO reports to the CIO who in turn reports to the CFO. The CISO acts according to the Cybersecurity Group Directive. The CISO develops the cybersecurity strategy, defines the principles of cybersecurity (see diagram on the right), provides all requirements for information security, safe IT and OT operation and regularly checks compliance with them. In future, Group-wide specifications

for cybersecurity management will also be defined in the Cybersecurity & Privacy Policy to be introduced in 2025. Operational tasks in the area of cybersecurity are performed decentrally by local security officers in the BKW companies.

To detect and prevent potential cyber incidents and fend off actual attacks, BKW has established a four-pillar strategy, implemented with the help of the Information Security Management System (ISMS) (see figure). In the four-pillar strategy, objectives are defined taking into account the Group-wide corporate strategy and the current threat situation. Key criteria are the availability of services as well as the confidentiality and integrity of data in the areas of technology, procedures and organization.

### Overview of the cybersecurity strategy



## Overview of the principles of cybersecurity



At BKW, cybersecurity is operated according to the internationally recognized security standards NIST Cybersecurity (CSF)<sup>76</sup> and ISO/IEC 27001/27002:2022, IEC 62443 and the industry standards of the Association of Swiss Electricity Companies (VSE/AES). NIST CSF is applied to analyzing and assessing BKW's security level; regular stress tests, as well as internal and external audits, are carried out in parallel.

BKW places a special focus on data and information security. The ISMS includes interrelated

processes for determining the security level, implementing the required measures and performing the audit, optimization and reporting on the implemented measures. BKW also works closely with authorities and bodies in the context of the national cybersecurity strategy and is instrumental in formulating security requirements and recommendations in the Swiss energy sector. This applies, for example, to the definition of legally required levels of resilience to meet minimum cybersecurity maturity values in the energy sector.

<sup>76</sup> The NIST Cybersecurity Framework provides best practices and guidelines supporting companies in the private sector to improve their information and cybersecurity risk management.

## ACTIONS RELATED TO EMERGENCY PREPAREDNESS

In 2024, BKW implemented a wide range of measures both in the Group crisis management team and the area of cybersecurity (non-exhaustive list):

### Group crisis management team

- 30 to 40 employees, including all members of the Group crisis management team, are trained annually in different fields. The training includes crisis role-plays based on scenarios and with external support, the correct equipment for a crisis management room and alternative means of communication. In 2024, the scenario was blackmail by a hacker. Each scenario is used twice, and the scenarios are changed every two years.
- New members receive an in-depth, half-day training based on case studies and their analysis.

### Cybersecurity

The annual cybersecurity program for the entire BKW Group includes a large number of individual projects. The following central projects were implemented in 2024 (non-exhaustive list):

- Awareness-raising measures, training and communication on different channels aimed at different stakeholder groups (awareness communication)
- Expansion of the Bug Bounty Program
- Group-wide phishing simulations
- Group-wide security benchmarking (surveys and maturity level analyses)
- Increase in detection and response capabilities through targeted use of new technologies
- Operationalization of the management system (ISMS) with certification in accordance with ISO/IEC 27001:2022, individual Group companies are already certified accordingly
- Increase in application and data security through the use of new processes and technologies
- Extensive internal and external audits
- Reorganization of the Group Security Group function

# Target and Metrics

---

## TARGETS RELATED TO EMERGENCY PREPAREDNESS

Emergency preparedness of BKW's business areas is to be further strengthened in the future. To ensure fast and effective responses to constantly changing situations and unplanned incidents that could affect business, the emergency response plans for all business areas are to be continuously expanded. Based on the emergency response plans, training is provided for the relevant employees of all business areas.

In addition, continuously strengthening the ability to recognize and ward off cyber attacks and limit damage is an important goal of BKW. To this end, financial and human resources for Group Security will be further expanded. Furthermore, annual training and campaigns for cybersecurity will be implemented for all employees and continually expanded.

---

## METRICS RELATED TO EMERGENCY PREPAREDNESS

Over the course of 2024, BKW registered a monthly average of 1,500 cybersecurity events; furthermore, BKW is exposed each month to around 50,000 phishing attempts. Of all security events, around 40 actual security incidents with interventions were identified. To handle incidents, BKW made use of external services as an SOCaaS (Security Operation Center as a Service).

In 2024, 72% of employees with access to a computer completed an E-learning course on cybersecurity.



# Appendix

## **Lindt & Sprüngli, Olten**

Marc Hasler, Project Manager Sigren, BKW Building Solutions checks the control cabinets in the Cocoa Center.

---

## CONTENTS

- 244 Implementation of unbundling at BKW – for fair competition
- 249 Waste balance
- 250 ESRS Index
- 254 TCFD Index
- 255 Sustainable Development Goals

# Implementation of unbundling at BKW – for fair competition

BKW is committed to providing holistic solutions for energy, buildings and infrastructure for spaces for life. Based on its three-pillar strategy (see page 16 of the Annual Report) it operates in the business segments “Infrastructure & Buildings” (includes the “Building Solutions”, “Engineering” and “Infra Services” business areas), “Energy Solutions” (includes the “Energy Markets” and “Energy Production” business areas) and “Power Grid”.

While BKW competes keenly with other market participants in the two first business segments, in the Power Grid segment, where it operates the distribution grid and supplies customers with their basic needs, BKW has an effective monopoly. These include, on the one hand, the grid area (including the obligation to connect consumers, storage facilities and producers) and, on the other hand, the energy supply to the basic supply customers within the grid area: consumers with an annual consumption of less than 100 MWh are tied to their grid operator for their energy supply and are not free to choose their electricity provider. Thus BKW holds a statutory monopoly position in these areas of activity.

The following pages explain how BKW implements the so-called “unbundling requirements”, to ensure that the competing areas of BKW do not gain any advantages from their monopoly tasks.

## Statutory “unbundling” requirements

From a competitive perspective, monopoly positions can have negative implications: there is a risk that they will be exploited to gain advantage over competitors in competitive areas. This can occur, for example, through cross-subsidies, in particular by generating excessive revenues in the monopoly sector to support competitive activities, or by exploiting competitive advantages such as the use of customer information from monopoly activities that competitors do not have.

The government was aware of this problem when it enacted the Federal Electricity Supply Act (“StromVG”) and therefore provided rules on the unbundling of monopoly and competitive activities in Art. 10:

1. The electricity supply companies must ensure the independence of the grid operation. Cross-subsidization between the grid operation and the other areas of activity is prohibited.
2. Commercially sensitive information gained from the operation of the power grids must be treated confidentially by the electricity supply companies, subject to the statutory disclosure obligations, and may not be used for other areas of activity.
3. The electricity supply companies must separate the distribution grid areas from the other areas of activity, at least for accounting purposes.

BKW has implemented these stipulations through its internal organizational and system structures, as well as through its internal guidelines (directives, regulations, etc.) on which the employees are trained.

## Statutory unbundling of the service areas

The “Building Solutions”, “Engineering” and “Infrastructure” business areas form their own independent groups of companies within the BKW AG that are separate from the Grid business. With the statutory unbundling of the “Infrastructure & Buildings” business segment from the regulated activities, BKW goes beyond the requirements of the StromVG by providing these services through its own companies. These companies are independent in terms of personnel, independently organized and have their own management structure. As each company has to prepare its own financial statements, the corresponding business activities are fully separated from the regulated areas in accounting terms, and transfer pricing of services between different companies in the Group are in accordance with tax law requirements, in particular the “arm’s length” principle.

### Organizational unbundling of the Grid area from the energy area

For historic reasons, the “Energy Solutions” (which includes the business areas “Energy Markets” and “Energy Production”) and “Power Grid” business segments are combined in BKW Energie AG. From an organizational perspective, however, these business segments are independent of each other: with its own management responsible for the operational management of the business activities assigned to the business area. The business areas have their own employees and their own organization, which – subject to the use of shared services provided by Group functions – operate independently of each other.

### Shared Services

In order to achieve economies of scale, various Group functions provide certain services across the Group, which are purchased by the individual business areas (including the Power Grid business area). These services in particular include Corporate Human Resources, Legal and Compliance, IT services and Communications. These services are charged to the individual business areas within the Group on the basis of standardized criteria and, in particular, taking regulatory requirements into account.

### Accounting unbundling and cost allocation

#### *Chargeable costs of the distribution grid*

By implementing Art. 10, Sec. 3 of the StromVG, the Distribution Grid business area is unbundled from the financial accounting of the other areas of activity of BKW Energie AG by its own company code. All costs allocated to the Distribution Grid area, have separate posting processes and are recorded in specific account assignment elements. This means that the costs charged to grid users via the grid usage and basic supply tariffs are clearly defined and comprehensible.

The allowable costs of the distribution grid operation are defined in the StromVG and the Electricity Supply Ordinance and are determined by the industry documents and the requirements of the regulatory authority (Federal Electricity Commission ECom) for annual cost reporting.

Costs that may be charged to the end user via the grid tariffs include the operating and capital costs of a safe, powerful and efficient grid:

- The chargeable operating costs include costs for the operation and maintenance of the distribution grid, the grid connection, measurement, data provision and invoicing of grid usage, as well as the upstream grid costs, grid losses, levies and direct taxes.
- The chargeable capital costs are made up of depreciation and imputed interest. The latter result from the assets required for operations (residual value of fixed assets incl. assets under construction and current assets), multiplied by the weighted average cost of capital (WACC) as specified by the Federal Department of the Environment, Transport, Energy and Communications (DETEC).

The regulatory chargeable costs are allocated to the individual grid levels and charged to the respective consumption groups via the grid usage tariffs.

### Chargeable costs of basic supply

The basic energy supply comprises the supply of electricity within the BKW grid area to fixed end consumers and to end consumers who waive grid access. As the basic supply is also a legal and de facto monopoly, the permitted revenues are also regulated here: the tariff is based on the production costs of efficient production and on long-term supply contracts of the distribution grid operator (Art. 4 StromVV). The distribution grid operator must maintain separate cost accounting (Art. 6 Sec. 4 StromVG).

BKW's energy tariffs for basic supply are based on the production costs of the Swiss power plants and BKW's long-term supply contracts, the costs arising from the obligation to purchase and remunerate decentralized electricity production in the distribution grid area and on costs of additional energy purchases from third parties, insofar as these are necessary to ensure an uninterrupted supply. BKW calculates these cost elements based on legal requirements and the industry recommendations of the Association of Swiss Electricity Companies (VSE).



The chargeable production costs of one's own production include operating and capital costs as well as the charges and services to local authorities incurred related to production:

- Operating costs include all costs directly associated with the operation of production. These include, in particular, the costs of procuring energy for one's own use and maintenance of the production facilities.
- Chargeable capital costs include imputed depreciation and imputed interest on the assets required for production. This is based primarily on the original acquisition and production costs. The WACC of the production area is decisive for the interest calculated on the residual values of the assets. It takes appropriate account of the risks associated with electricity production.

In addition to the production costs, the chargeable costs for energy supplies in the basic supply include an amount of up to CHF 60 per invoice recipient and year for administrative and sales expenses, as recognized by ECom in accordance with its Directive 03/2022. It covers all expenses directly related to the purchase and sale of energy. These include costs for management, secretarial services, accounting, dunning and debt collection, controlling, human resources, IT, switchboard and bad debt losses. Management and administrative costs, profit and capital taxes as well as the calculated interest on net current assets are also taken into account.

#### **Supervision by ECom**

The chargeable costs for the distribution grids and the basic supply are estimated by BKW in advance for the coming tariff year and reported to ECom in accordance with regulatory requirements. ECom can request further information and also initiate proceedings to review the cost calculations.

In 2018, ECom initiated proceedings against BKW Energie AG and the Société des Forces Electriques de La Goule SA to review the costs of basic supply, which are currently still pending before the Federal Administrative Court. BKW and ECom have differing views on several conceptual issues, in particular whether and how the delivery quantities and procurement costs arising from commercial contracts in energy trading are to be taken into account in the production costs, which WACC is appropriate for the return on the capital employed in production and whether a uniform tariff for basic supply is permissible for the entire BKW Group.

**Use of profits from regulated business**

BKW's revenues from its regulated activities are derived from the chargeable costs as stated above. BKW makes a regulated profit from the return on the capital employed for the distribution grids and its own production in accordance with the defined cost of capital rates and from a margin over the maximum costs specified by ECom with regard to distribution and administrative costs of basic supply. There are no regulatory requirements regarding the use of these regulated profits and BKW is basically free to decide how to dispose of them.

In the BKW Group's IFRS consolidated financial statement, the profit from regulated activities is included in the results of various business areas: the profit from the basic supply is part of the profit of the Energy business segment because this is revenue from electricity supplies. By contrast, the regulated profit from the distribution grids is reported in the Power Grid business segment. The costs and revenues eligible for regulatory purposes are reported within the Power Grid business area in a separate company code corresponding to the published "Regulatory financial statements for the BKW Energie AG distribution grid"<sup>77</sup>. This differs from the annual financial statement prepared in accordance with IFRS as presented in the annual report, in particular due to EBIT-neutral differences in the disclosure of income and expenses (for example, different requirements for the accounting of income and expenses from feed-in remuneration at cost). On the other hand, the result reported in the annual report of the Power Grid business segment includes other profits generated from non-regulated activities of the business area. Overall, however, it should be noted that the profit arising from the regulated activities largely corresponds to the investments made by BKW for maintenance and expansion of the grid infrastructure in order to ensure faultless operation of the distribution grid (see [reference in Annual Report]).

**Informational unbundling**

Informational unbundling stipulates that BKW must not gain a competitive advantage over its competitors from the data and customer relationships resulting from operation of the grid. For example, it is prohibited to use specific customer data such as load profiles, recorded by the grid operator as the party responsible for metering, in the free energy market for customer acquisition and tender preparation.

BKW has taken comprehensive measures in its Group directive on unbundling to ensure informational unbundling. This directive is binding for all employees. It is published on the intranet and thus internally accessible to everyone. Group Legal Services also conducts regular training sessions on this topic for employees who work in areas that may be affected by the unbundling requirements. The designated employees from Group Legal Services are also available to answer specific questions on data use or requests for information. Possible violations of the unbundling requirements can be reported using the Group-wide compliance system. No cases were reported in the reporting year.

77 See: <https://www.bkw.ch/de/energie/gesetzliche-publikationen/jahresrechnung-verteilnetze-energie-ag>.

### Access restrictions to the grid operator data

Commercially sensitive grid operation data is only accessible to employees who require it for their work in the grid area (need-to-know principle). Other BKW employees do not have access to this data.

This basic requirement also applies, for example, when using measurement data within the Power Grid business area: each use is checked and approved by the person responsible for the measurement data. Particular attention is paid to compliance with regulatory requirements and adherence to competitive neutrality. For example, the provision of measurement data to the "Energy Markets" business area, which the latter requires for the management of the BKW Energie AG balance group for customers supplied by BKW, is carried out in accordance with industry-wide data exchange standards and procedures in exactly the same way as to any other energy supplier who supplies customers in the grid area of BKW.

### Sales approach and customer service

Informational unbundling also means that customer contacts from the regulated area cannot be used at the same time to approach customers for competing services. In this regard, BKW regularly reviews its published content in the area of regulated business (e.g., websites). New communication measures to be launched are reviewed by BKW's Legal Services prior to publication. This applies to both one-off measures and recurring customer information (e.g., the customer magazine flash!).

At BKW, customer inquiries are handled by a customer service center which is organized for

regulated customers and customers on the free market in accordance with the unbundling requirements:

- Customers who purchase their electricity from the BKW grid and at the same time are subject to BKW's supply monopoly are managed in a separate customer service center in the Power Grid business area. A service number is available for these customers.
- Customers who purchase their electricity from the BKW grid but have chosen their supplier freely are managed by the customer service of the Energy Markets business area if the supplier is BKW. If the supplier is not BKW, the customers are supported by the Grid customer support.

This ensures that customers who purchase their energy via BKW's distribution grid monopoly and exercise free market access, are supported by different employees on the energy and grid sides. The data of these customers is stored in different systems and the employees concerned are trained internally in the applicable unbundling rules.

Where grid customers contact the Power Grid customer service center with other concerns, employees are trained not to give information on, or recommendations for BKW services. For example, if a customer asks about service providers for PV systems, there is a rule that they are referred to the usual Internet search engines or the Swissolar website, where there is a list of solar installers and fitters. This ensures that customer contacts in the regulated area are not used to obtain services from the competitive areas.

# Waste Balance

## Amount of waste for recovery by recovery methods<sup>78</sup>

Amount in metric tons (t)	2023	2024
<b>Hazardous waste avoided</b>		
Preparation for re-use	0	0.9
Recycling	42.3	114.4
Other recovery processes	0	1.9
<b>Total hazardous waste avoided</b>	<b>42.3</b>	<b>117.2</b>
<b>Non-hazardous waste avoided</b>		
Preparation for re-use	0	62.5
Recycling	2,863.7	3,908.9
Other recovery processes	3.3	529.9
<b>Total non-hazardous waste avoided</b>	<b>2,867.1</b>	<b>4,501.3</b>
<b>Total waste avoided</b>	<b>2,909.4</b>	<b>4,618.5</b>

## Amount of waste for disposal by type of treatment<sup>78</sup>

Amount in metric tons (t)	2023	2024
<b>Hazardous waste</b>		
Incineration (with energy recovery)	395.7	468.2
Landfill	0	0
Other disposal methods	0.4	12.8
<b>Total hazardous waste</b>	<b>396.1</b>	<b>483.1</b>
<b>Non-hazardous waste</b>		
Incineration (without energy recovery)	0	0
Incineration (with energy recovery)	1,783.2	1,876.4
of which flotsam <sup>79</sup>	1,482.0	1,590.5
Landfill	115.6	83.6
Other disposal methods	0.9	8.16
<b>Total non-hazardous waste</b>	<b>1,899.8</b>	<b>1,968.1</b>
<b>Municipal waste</b>	<b>n. a.</b>	<b>2,795.6</b>
<b>Total waste</b>	<b>2,295.9</b>	<b>5,246.8</b>

BKW generates both ordinary municipal waste and industrial waste. The uniform collection and consolidation of waste volumes across the Group continues to pose a major challenge as waste disposal in some business areas, in particular outside of Switzerland, is regulated and managed decentrally. In Switzerland, the collection of operational waste data is mainly carried out in cooperation with the waste disposal companies commissioned by BKW. The granularity of the data varies depending on the business area and is still incomplete in some cases.

The increase in waste volumes compared to the previous year is mainly due to the closing of data gaps. What is new is that BKW now also shows an estimate of the municipal waste from office locations<sup>80</sup>. They are not disposed of directly by a waste disposal company, but via the municipal waste collection service and usually burned in waste incineration plants. BKW is continuously increasing the amount of waste recovery and is aiming to achieve a neutral waste balance in the coming years.

78 Waste for Energy Production, Energy Markets, Power Grid, Infra Services, parts of the Engineering und Building Solutions business areas; Switzerland only; excludes radioactive waste

79 Trunk and branch wood as well as organic material, which is generated in particular by run-of-river power plants.

BKW is fulfilling its obligation to dispose of this waste fraction, which is generated outside of its operational activities.

80 Average value of 270 kg municipal waste per FTE and year | Swissrecycle.ch

# European Sustainability Reporting Standards (ESRS) Index

The following tables list all ESRS disclosure requirements of ESRS 2 and the ten topic-related ESRS standards show where the relevant information can be found in the Annual Report. The topical standards E2, S2 and S3 are not material for BKW (see page 159) and have therefore not been reported ("not material"). This does not apply to reporting obligations arising from the Swiss Code

of Obligations. In addition, other data points from the topical standards applicable to BKW were not reported because they do not relate to any material impacts, risks or opportunities. Due to the current state of development of the ESRS implementation, certain further details have not been reported ("not reported").

## General information

Disclosure requirement	Page	
<b>ESRS 2 General disclosures</b>		
BP-1	General basis for preparation and presentation of the sustainability statement	150
BP-2	Disclosures in relation to specific circumstances	150
GOV-1	The role of the administrative, management and supervisory bodies	151 271–296
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	152
GOV-3	Integration of sustainability-related performance in incentive schemes	152–153 310–311
GOV-4	Statement on due diligence	153
GOV-5	Risk management and internal controls over sustainability reporting	114–115 153
SBM-1	Strategy, business model and value chain	16–21 154–157
SBM-2	Interests and views of stakeholders	157–158
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	119–120 159–165
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	166–167
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	250–253

## Environmental information

Disclosure requirement	Page	
<b>ESRS E1 Climate change</b>		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	152–153
E1-1	Transition plan for climate change mitigation	173
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	160 174–176
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	177–178
E1-2	Policies related to climate change mitigation and adaptation	179
E1-3	Actions and resources in relation to climate change policies	180–181
E1-4	Targets related to climate change mitigation and adaptation	182–183
E1-5	Energy consumption and mix	184–186
E1-6	GHG gross emissions in Scope 1, 2 and 3 categories and total GHG emissions	187–189
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not reported
E1-8	Internal carbon pricing	Not reported
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not reported

Disclosure requirement	Page
<b>ESRS E2 Pollution</b>	
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	166–167
E2-1 Policies related to pollution	Not material
E2-2 Actions and resources related to pollution	Not material
E2-3 Targets related to pollution	Not material
E2-4 Pollution of air, water and soil	Not material
E2-5 Substances of concern and substances very high concern	Not material
E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	Not material
<b>ESRS E3 Water and marine resources</b>	
ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	191
E3-1 Policies related to water and marine resources	192
E3-2 Actions and resources related to water and marine resources	Not reported
E3-3 Targets related to water and marine resources	193
E3-4 Water consumption	Not reported
E3-5 Anticipated financial effects from water and marine resources-related risks and opportunities	Not reported
<b>ESRS E4 Biodiversity and ecosystems</b>	
E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Not reported
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	161 195
ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	196
E4-2 Policies related to biodiversity and ecosystems	197
E4-3 Actions and resources related to biodiversity and ecosystems	198
E4-4 Targets related to biodiversity and ecosystems	199
E4-5 Impact metrics related to biodiversity and ecosystems change	Not reported
E4-6 Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Not reported
<b>ESRS E5 Resource use and circular economy</b>	
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	201
E5-1 Policies related to resource use and circular economy	201
E5-2 Actions and resources related to resource use and circular economy	202
E5-3 Targets related to resource use and circular economy	203
E5-4 Resource inflows	204
E5-5 Resource outflows	Not material Waste balance: 249 "
E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not reported



## Social information

Disclosure requirement	Page
<b>ESRS S1 Own workforce</b>	
ESRS 2 SBM-2 Interests and views of stakeholders	157–158
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	162–163 207
S1-1 Policies related to own workforce	208–210
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	210
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	211 223
S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	211–212
S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	213
S1-6 Characteristics of the undertaking's employees	214
S1-7 Characteristics of non-employee workers in the undertaking's own workforce	Not reported
S1-8 Collective bargaining coverage and social dialog	Not reported
S1-9 Diversity metrics	215
S1-10 Adequate wages	Not reported
S1-11 Social protection	Not material
S1-12 Persons with disabilities	Not reported
S1-13 Training and skills development metrics	Not reported
S1-14 Health and safety metrics	215
S1-15 Work-life balance metrics	Not reported
S1-16 Remuneration metrics (pay gap and total remuneration)	Not reported
S1-17 Incidents, complaints and severe human rights impacts	230
<b>ESRS S2 Workers in the value chain</b>	
ESRS 2 SBM-2 Interests and views of stakeholders	Not material
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Not material
S2-1 Policies related to value chain workers	Not material
S2-2 Processes for engaging with value chain workers about impacts	Not material
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	223
S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Not material
S2-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Not material

Disclosure requirement	Page
<b>ESRS S3 Affected communities</b>	
ESRS 2 SBM-2 Interests and views of stakeholders	Not material
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Not material
S3-1 Policies related to affected communities	Not material
S3-2 Processes for engaging with affected communities about impacts	Not material
S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	223
S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Not material
S3-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Not material
<b>ESRS S4 Consumers and end-users</b>	
ESRS 2 SBM-2 Interests and views of stakeholders	157–158
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	163 217
S4-1 Policies related to consumers and end-users	217–218
S4-2 Processes for engaging with consumers and end-users about impacts	218–219
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	218–219
S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	219
S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	220

## Governance information

Disclosure requirement	Page
<b>ESRS G1 Business conduct</b>	
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	151 271–296
ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	166–167
G1-1 Corporate culture and business conduct policies	223–224
G1-2 Management of relationships with suppliers	225–228
G1-3 Prevention and detection of corruption and bribery	229
G1-4 Incidents of corruption or bribery	230
G1-5 Political influence and lobbying activities	Not material
G1-6 Payment practices	230

# TCFD Index









## Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) on the disclosure of climate-related information

	Seite
<b>Governance</b>	
a. Describe the board's oversight of climate-related risks and opportunities	151 280
b. Describe management's role in assessing and managing climate-related risks and opportunities	151 166–167 280
<b>Strategy</b>	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	160 175–176
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	174
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	174–175
<b>Risk management</b>	
a. Describe the organization's processes for identifying and assessing climate-related risks	177–178
b. Describe the organization's processes for managing climate-related risks	114–115
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	114–115 177–178
<b>Metrics and targets</b>	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	119–120
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	189
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	182–183

# BKW's Contribution to the Sustainable Development Goals

In addition to the principles of the United Nations Global Compact, BKW is also committed to the 17 development goals of the 2030 Agenda (Sustainable Development Goals, "SDG"). It supports the 2030 Agenda with its business model and

sustainability activities in a number of ways. Using the "Solutions 2030" strategy and the actions and sustainability-related goals set out therein, it makes a key contribution to four development goals (non-exhaustive list):

Strategic direction	Linked development goals of the 2030 Agenda (SDG)	BKW's contribution
<p><b>Climate</b></p> 	<p>Take urgent action to combat climate change and its impacts                      13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	 <p>Section Climate change and energy transition, pages 172–189</p>
<p><b>Energy</b></p> 	<p>Ensure access to affordable, reliable, sustainable and modern energy for all                      7.1: By 2030, ensure universal access to affordable, reliable and modern energy services                      7.2: By 2030, increase substantially the share of renewable energy in the global energy mix                      7.3: By 2030, double the global rate of improvement in energy efficiency</p>	 <p>Section Climate change and energy transition, pages 172–189</p>
<p><b>Nature</b></p> 	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss                      15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species</p>	 <p>Section Biodiversity and ecosystems, pages 194–199</p>
<p><b>People</b></p> 	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                      8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value                      8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	 <p>Section Employees, pages 205–215</p>



ANNUAL REPORT 2024

# BKW Green Bond

257	BKW Green Bond
258	Reporting on Allocation and Impact
262	Independent Auditor's Report on Allocation and Impact

BKW GREEN BOND

# Reporting on Allocation and Impact

In 2024, BKW issued another green bond to finance its growth in renewable energy in Switzerland, Italy and Sweden.



Dear Investors,  
Ladies and Gentlemen,

In 2019, BKW became the first listed Swiss company to issue a Green Bond for stock exchange trading. At the beginning of 2021, BKW and KWO succeeded in placing Switzerland's first Green Bond for storage and large-scale hydropower on the Swiss capital market. BKW issued its second Green Bond at the beginning of 2022. In 2024,

BKW issued its third Green Bond, this time with a volume of CHF 200 million. BKW's Green Bond portfolio totals CHF 500 million, making BKW a leader in sustainable financing on the Swiss capital market. The proportion of BKW Green Bonds thus rises to over 40% of outstanding BKW bonds. The asset pool includes water, wind and solar projects in Switzerland, as well as in France, Italy, Norway and Sweden.

In 2024, BKW continued to systematically expand renewable energies. BKW is using the Green Bond to partially refinance its investments in the Augand hydropower plant in Switzerland with an installed capacity of 7.4 megawatts, investments in wind farms in Italy with a planned capacity of around 130 megawatts, and the purchase of wind farms in Sweden with an installed capacity of 125 megawatts. It also means BKW retains the financial flexibility it needs for the further expansion of renewable energies. With the planned commissioning of the wind farms in Italy at the end of 2025, BKW's installed capacity for new renewables will increase to around 1,100 MW. BKW has thus significantly exceeded its target of operating new renewable energies with a capacity of at least 1,000 megawatts by 2026.

The 537.5 GWh of electricity produced in 2024 attributable to the Green Bond is equivalent to the annual consumption of 119,000 households<sup>1</sup> in Switzerland. The CO<sub>2</sub>e emissions avoided in the same period amount to 12,338 metric tons – and 45,884 metric tons since the launch of the Green Bonds. We are pleased to provide you with details below about the allocation of the net proceeds and the impact we have achieved through the projects financed by the three Green Bonds in 2024.

Kind regards,



Dr. Martin Zwysig  
CFO

“As part of its new “BKW Solutions 2030” strategy, BKW has set itself the goal of expanding the capacity of renewables by 600 MW by 2030.”

<sup>1</sup> The calculation is based on the consumption of a household in a 5-room home and of 4,500 kWh/year according to <https://www.strompreis.elcom.admin.ch/>

The report is a translation from the original German version. In case of any inconsistency the German version shall prevail.

## Reporting on Allocation and Impact

To ensure the transparency and quality of the Green Bonds issued, BKW reports annually on the allocation of net proceeds and impact. The fol-

lowing reporting principles have been defined for quality assurance purposes:

### BKW Green Bond reporting principles

#### Installed capacity (MW)

For projects in operation, the installed capacity in megawatts (MW) shows the installed capacity attributable to the Green Bond based on the commissioning documentation. In the case of projects under construction, the capacity shows the planned capacity attributable to the Green Bond based on the manufacturer's type certificate or the hydroelectric concession.

The figures are given in CO<sub>2</sub> equivalents (CO<sub>2</sub>e), as the IEA also takes into account the greenhouse gases CH<sub>4</sub> (methane) and N<sub>2</sub>O (nitrous oxide) in addition to CO<sub>2</sub>. The following values are used for the calculations:

- Switzerland: 25.4 g CO<sub>2</sub>e/kWh
- France: 64.1 g CO<sub>2</sub>e/kWh
- Norway: 7.0 g CO<sub>2</sub>e/kWh
- Sweden: 11.3 g CO<sub>2</sub>e/kWh

#### Production (GWh)

Production in gigawatt hours (GWh) indicates production based on production data (energy statistics) for 2024 attributable to the Green Bond.

The direct emissions according to treeze<sup>2</sup> are used for the projects. These are 0 g CO<sub>2</sub>e/kWh each for the small hydropower and wind onshore technologies.

#### Avoided greenhouse gas emissions in CO<sub>2</sub>e (t)

The Green Bond projects generate renewable electricity in Switzerland, France, Norway and Sweden. When calculating the emissions avoided, we assume that the electricity generated by the Green Bond projects would otherwise have been generated using the country's typical production mix.

The CO<sub>2</sub>e in metric tons (t) avoided is calculated by multiplying the production volume of a project attributable to the Green Bond by the CO<sub>2</sub>e emission factor of the production mix of the country in which the project is located.

The emission factors for these production mixes thus form the baseline for our calculation. We use the latest data from the International Energy Agency (IEA)<sup>1</sup> for all countries.

#### Allocation (CHF million)

The allocation in millions of Swiss francs (CHF million) corresponds to the amount from the net proceeds of the Green Bond allocated to the respective technology.

#### Allocation (%)

The allocation in percent corresponds to the share of the net proceeds from the Green Bond allocated to the respective technology.

1 IEA Statistics Data Service: Emissions Factors, 2023 edition, released September 15, 2023

2 treeze Ltd. (Messmer A., Frischknecht R.) (2021): Umweltbilanz Strommix Schweiz 2018

## Reporting on Allocation and Impact

				Attributable to the Green Bond							
Technology	Project	Country	Status	Comission- ing	Installed production	Production 2024	CO <sub>2</sub> e avoided 2024	Allocation <sup>1</sup>			
				Year	MW	GWh	t	CHF millions	%		
Small hydro	Ragn d'Err <sup>2</sup>	Switzerland	Operation	2016	2.3	8.3	211.2				
	Schattenhalb			2017	1.3	4.8	121.4				
	Spiggebach			2017	0.8	3.4	87.5				
	Augand			2,023	3.3	18.4	468.6				
	Sousbach		Construction	2025/26	5.7	0.0	0.0				
<b>Subtotal small hydro</b>					<b>13.3</b>	<b>35.0</b>	<b>888.7</b>	<b>85.0</b>	<b>17.0%</b>		
Wind	Saint Germier	France	Operation	2017	7.1	18.3	1,174.8				
	St. Julien du Terroux			2017	6.1	9.7	623.3				
	RAZ Energie 3			2017	13.4	25.1	1,609.1				
	Julie <sup>2</sup>			2018	3.9	7.0	449.9				
	Coquelicot <sup>2</sup>			2018	7.3	13.3	850.3				
	Camomille <sup>2</sup>			2018	1.8	2.7	171.9				
	Nordex LII <sup>2</sup>			2019	8.3	19.1	1,225.8				
	Nordex LIII			2019	12.3	29.0	1,859.1				
	Oeillets			2021	2.9	6.5	418.5				
	Veneta Energia S.r.l.			Italy	Construction	2025/26	45.9	0.0	0.0		
	Roan			2018	25.0	61.6	431.1				
	Marker			2019	21.9	75.7	529.8				
	Hitra II			Norway	Operation	2019	7.9	20.6	144.4		
	Harbaks-/ Kvenndalsfjellet			Sweden	Operation	2020	22.4	61.3	429.3		
Geitfjellet	2021	17.1	44.3			309.8					
Rosenskog	2023	7.2	14.3			161.9					
Hedesta	2023	51.1	93.9			1,060.8					
<b>Subtotal wind</b>					<b>261.5</b>	<b>502.5</b>	<b>11,449.7</b>	<b>415.0</b>	<b>83.0%</b>		
Solar	Genzano <sup>3</sup>	Italy	Planning	2029	0.0	0.0	0.0				
<b>Subtotal solar</b>					<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>		
<b>Not allocated</b>								<b>0.0</b>	<b>0.0%</b>		
<b>Total</b>					<b>274.8</b>	<b>537.5</b>	<b>12,338.4</b>	<b>500.0</b>	<b>100.0%</b>		
<b>Total since issuance</b>						<b>2,396.2</b>	<b>45,883.7</b>				

1 As part of the issue of the new Green Bond in the amount of CHF 200 million, new assets were also included in the Green Bond reporting. The new additions are the Augand hydropower plant and the Hedesta and Rosenskog wind farms in Sweden, which were acquired in 2023. Further funds were allocated to the Veneta Energia wind farm in Italy, which is still under construction.

2 The look-back period of 36 months was exceeded for these plants (highest overrun nine months). According to the Green Bond Framework, the look-back period can be exceeded if the excess is transparently disclosed.

3 Photovoltaic system in planning. No Green Bond funds were allocated.

# Independent Auditor's Report on Allocation and Impact



## Independent practitioner's limited assurance report on Allocation and Impact

on the information and key figures in the 'BKW Green Bond' section of the Annual Report 2024 to the Management of BKW AG, Bern

We have been engaged by Management to perform assurance procedures to provide limited assurance on the information and key figures in the table 'Reporting on allocation and impact' in the 'BKW Green Bond' section on page 261 of the Annual Report 2024 of BKW AG for the period under review ending on 31 December 2024.

The information and key figures in the 'Reporting on allocation and impact' table on the allocation of net proceeds and the impact of the issued Green Bonds in the 'BKW Green Bond' section on page 261 of the 2024 Annual Report (hereafter the 'information and key figures') were prepared by the Management of BKW AG on the basis of the 'Green Bond Reporting Principles' and BKW Green Bond Frameworks available online on the BKW website at [www.bkw.ch](http://www.bkw.ch) (hereafter referred to jointly as the 'suitable criteria').

### Inherent limitations

The accuracy and completeness of the information and indicators are subject to inherent limitations resulting from the way in which data is collected, calculated and estimated. The quantification of the emission indicators is subject to uncertainty due to insufficient scientific knowledge regarding the emission factors and the values required to add the emissions of various gases. Our assurance report should therefore be read in conjunction with the 'Green Bond Reporting Principles' and the BKW Green Bond Framework.

### Management's responsibility

Management is responsible for the preparation and presentation of the information and key figures in the 'BKW Green Bond' section of the 2024 Annual Report in accordance with the suitable criteria. This responsibility includes designing, implementing and maintaining internal controls relevant to the collection of information and key figures that are free from material misstatement, whether due to fraud or error. In addition, Management is responsible for selecting and applying criteria and maintaining appropriate records.

### Independence and quality management

We are independent of the BKW AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the information and key figures in the 'Reporting on allocation and impact' table in the 'BKW Green Bond' section.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board.

PricewaterhouseCoopers AG, Bahnhofplatz 10, 3011 Bern  
Telefon: +41 58 792 75 00, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG ist Mitglied des globalen PwC-Netzwerks, einem Netzwerk von rechtlich selbständigen und voneinander unabhängigen Gesellschaften.



Those standards require that that we comply with ethical requirements and plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the information and key figures in the 'BKW Green Bond' section of the 2024 Annual Report for the period under review ending on 31 December 2024 were not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement and therefore less assurance is obtained.

We performed the following procedures, among others:

- Assessment of the appropriateness of the criteria applied and their continuous application;
- Inquiries of personnel responsible for the collection, consolidation and computation of information and key figures to evaluate the process of preparing the report, the reporting system, the methods of data collection and compilation, and the internal controls relevant to the review of the information;
- Assessment of the key figures by inspecting the basic data of the systems and processes for collecting, analysing and aggregating the information and checking it on a random basis;
- Analytical considerations, surveys and document inspection in samples with regard to the collection and reporting of quantitative information;
- Critical review of the report for plausibility and consistency with the information and key figures provided.

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

#### **Conclusion**

Based on the work we performed, nothing has come to our attention that causes us to believe that the information and key figures in the 'Reporting on allocation and impact' table in the 'BKW Green Bond' section on page 261 of the Annual Report 2024 for the reporting period ended 31 December 2024 are not prepared, in all material respects, in accordance with the suitable criteria.

#### **Restriction of use and purpose of the report**

This report is prepared for, and only for, the Management of BKW AG, and solely for the purpose of reporting to them on the information and key figures and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.



We permit the disclosure of our report, in full only and in combination with the suitable criteria, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the information and key figures, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of BKW AG for our work or this report.

PricewaterhouseCoopers AG

Thomas Wallmer

Matthias Zimny

Bern, 10 March 2025

*The maintenance and integrity of BKW AG's website and its content are the responsibility of the Management; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the BKW AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported information and criteria since they were initially presented on the website.*

# Investor Information

## 265 Investor Information

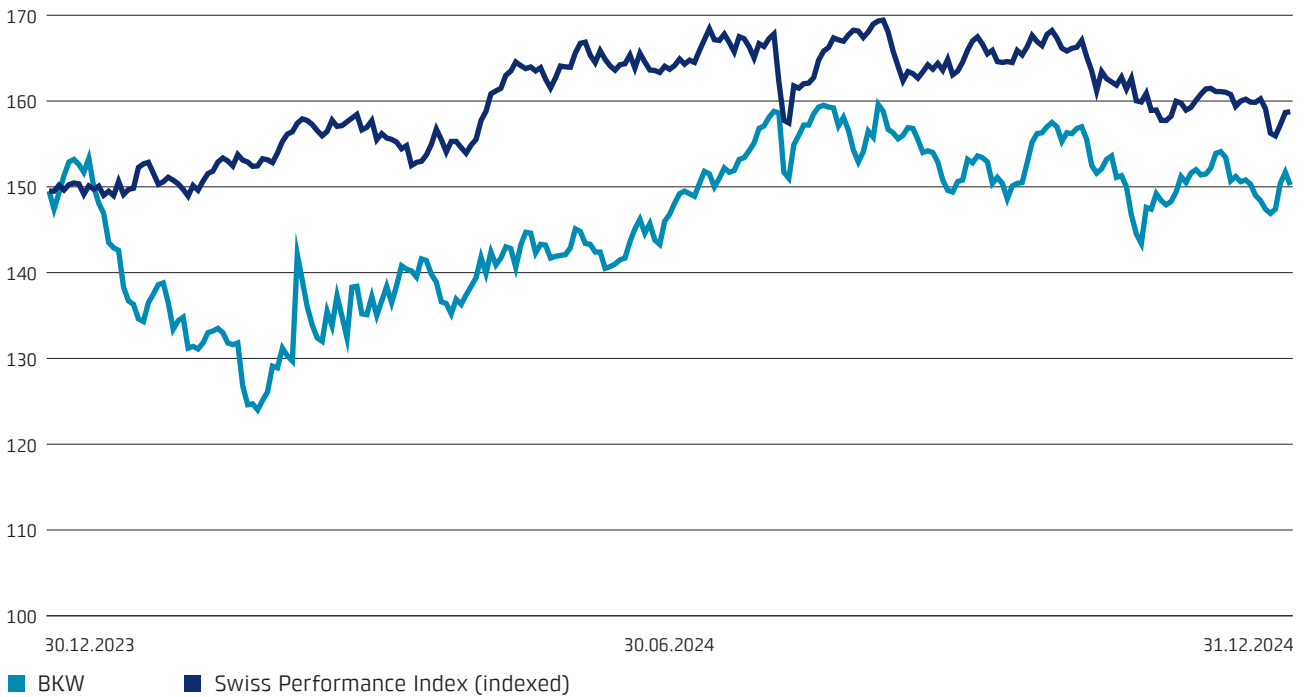
266 Key facts on the Share, Bonds and Financial Calendar

269 Production Facts and Figures

# Key facts on the Share, Bonds and Financial Calendar

## Performance of the BKW share

30.12.2023 – 31.12.2024



Following a slump in the first quarter, the BKW share has steadily gained in value, reaching a new high for the year of CHF 162.40 in mid-August. The share price ranged between CHF 140 and CHF 155 over the course of the year. The share price closed the year at

CHF 150.20, recording a performance of 2.99% for 2024 under continuing challenging conditions. The cumulative 5-year total shareholder return for the period from 2020 to December 31, 2024 is 138%.

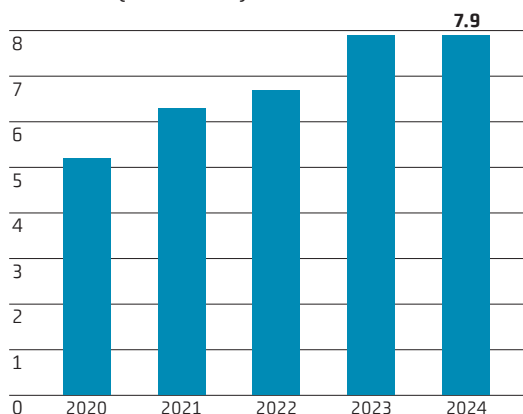
The shares of BKW AG are listed on the main segment of the SIX Swiss Exchange.

Ticker symbol on SIX	BKW
Securities number	13.029.366
ISIN code	CH0130293662

The BKW share is included in the following indices: SPI, SPI Mid, SPI Extra, SPI ex SLI, Swiss All Share, UBS 100, MSCI Switzerland.

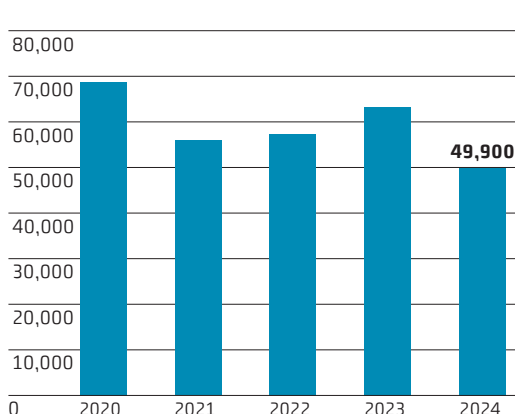
### Market capitalization

in bn. CHF (as of 12/31)



### Average daily trading volume on SIX

No. of shares



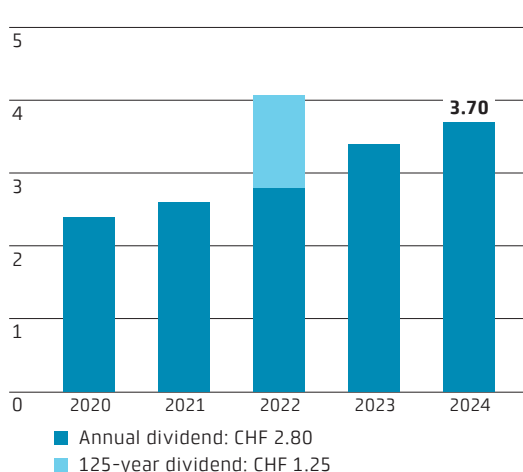
### Dividend policy and dividend yield

BKW is committed to a consistent dividend payout based on a ratio of 35% to 50% of adjusted net profit.

For the 2024 fiscal year, the Board of Directors will propose an ordinary dividend of CHF 3.70 per share to the General Meeting. The dividend will be paid out on May 6, 2025.

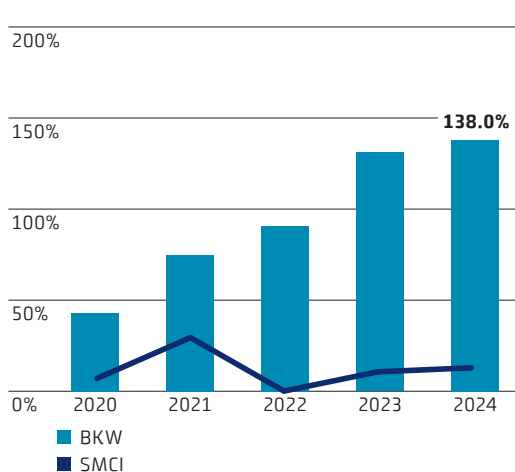
### Dividend

in CHF



### Total shareholder return

as of December 31 since 2020



### Restrictions on share transferability

The company may refuse to register an acquirer of shares in the register of voting shareholders for the following reasons:

a) If the acquisition results in a natural person, a legal entity or a partnership holding (directly or indirectly) more than 5% of the entire share capital. The same restriction applies to legal persons, partnerships, associations of persons, or joint ownerships that are linked to each other by capital or voting rights, shared management,

or in any other way. The restriction also applies to all natural or legal persons or partnerships that act jointly or in concert to acquire shares;

b) If the acquirer has not expressly declared that they have acquired the shares in their own name and on their own behalf.



### Major shareholders

As of December 31, to the best of BKW's knowledge, the following shareholders held more than 3% of the shares:

	31.12.2024	31.12.2023
Canton of Bern	52.54%	52.54%
Groupe E Ltd.	10.00%	10.00%
BlackRock Inc.	> 3%	> 3%

The free float amounts to 37.4%.

### Key figures per share

CHF	31.12.2024	31.12.2023
Result	11.80	9.06
Equity	98.77	87.44
Dividend	3.70	3.40
125-year dividend		
Dividend yield (in %) <sup>1</sup>	2.5%	2.3%
Price/earnings ratio <sup>1</sup>	12.7	16.5
Year-end	150.20	149.50
Year high	162.40	167.40
Year low	122.30	127.60

<sup>1</sup> Based on year-end price

### Bonds

As of December 31, 2024, BKW had the following bonds outstanding:

	Nominal amount	Term	Due	ISIN code
0.75% debenture bond	CHF 200 million	2018–2025	25.10.2025	CH0435590358
0.875% debenture bond	CHF 200 million	2022–2026	27.04.2026	CH1179184390
0.25% Green Bond	CHF 200 million	2019–2027	29.07.2027	CH0487087295
1.125% Green Bond	CHF 100 million	2022–2029	27.04.2029	CH1179184408
2.5% debenture bond	CHF 300 million	2010–2030	15.10.2030	CH0117843745
1.5% Green Bond	CHF 200 million	2024–2034	18.10.2034	CH1380011192

### Financial calendar

General Meeting	April 29, 2025
Ex-dividend date	May 2, 2025
Dividend payment	May 6, 2025
Publication of 2025 half-year results	August 21, 2025

Contact: investor.relations@bkw.ch

# Production Facts and Figures

Typ	Country	2024 Installed production MW	2023 Installed production MW	2024 BKW purchases GWh	2023 BKW purchases GWh
Run-of-river	Switzerland	247.0	247.0	1,307.0	1,111.9
Run-of-river	Italy	35.0	35.0	114.4	73.4
Storage	Switzerland	223.2	223.2	695.4	553.1
Pump storage	Switzerland	1,149.7	1,149.7	2,559.6	2,071.6
Small hydro	Switzerland	35.9	35.9	158.0	124.4
Small hydro	Italy	24.4	24.4	113.5	68.1
<b>Total hydroelectric plants</b>		<b>1,715.2</b>	<b>1,715.2</b>	<b>4,948.0</b>	<b>4,002.4</b>
Onshore wind	Switzerland	37.2	37.2	78.2	91.1
Onshore wind	Germany	159.3	135.5	242.0	269.8
Onshore wind	Italy	258.9	240.5	459.2	531.6
Onshore wind	France	168.2	168.2	343.8	435.8
Onshore wind	Norway	172.8	172.8	505.6	507.4
Onshore wind	Sweden	124.7	124.7	232.3	–
<b>Total wind</b>		<b>921.2</b>	<b>878.9</b>	<b>1,861.1</b>	<b>1,835.7</b>
<b>Total photovoltaic</b>	<b>Switzerland</b>	<b>14.4</b>	<b>14.4</b>	<b>11.5</b>	<b>12.8</b>
<b>Total Biomass</b>	<b>Switzerland</b>	<b>2.6</b>	<b>2.6</b>	<b>20.5</b>	<b>10.0</b>
Nuclear	Switzerland	177.5	177.5	1,401.8	1,405.7
Nuclear	France	155.0	155.0	872.8	729.8
<b>Total nuclear power plants</b>		<b>332.5</b>	<b>332.5</b>	<b>2,274.6</b>	<b>2,135.5</b>
Natural gas	Italy	254.4	254.4	1,051.2	1,165.6
Black coal	Germany	235.0	235.0	461.5	372.3
<b>Total fossil-fuel power plants</b>		<b>489.4</b>	<b>489.4</b>	<b>1,512.7</b>	<b>1,537.8</b>
<b>Total production including purchases and financial interests</b>		<b>3,475.2</b>	<b>3,433.0</b>	<b>10,628.4</b>	<b>9,534.4</b>
Switzerland		69.4	72.0	223.5	214.7
Germany		144.3	120.5	229.0	255.0
Italy		143.8	148.6	316.2	387.0
France		168.2	168.2	343.8	435.8
<b>Contracted production (incl. KEV, feed-in)</b>		<b>525.7</b>	<b>509.3</b>	<b>1,112.5</b>	<b>1,292.6</b>



# Corporate Governance

## 271 Corporate Governance

- 273 Group structure and shareholders
- 274 Capital structure
- 275 Board of Directors
- 288 Group Executive Board
- 293 Remuneration, shareholdings and loans
- 293 Shareholders' participation rights
- 294 Changes of control and defensive measures
- 294 Auditors
- 295 Information policy
- 295 Trading restrictions
- 296 Significant changes since December 31, 2024

# Corporate Governance

BKW's Board of Directors and the Group Executive Board attach great importance to good corporate governance in the interests of its shareholders and other stakeholders such as customers, public corporations and employees. BKW guarantees transparency and enables its investors to make their investment decisions objectively.

BKW bases its corporate management on recognized corporate governance principles, in particular the Swiss Code of Best Practice. It thus ensures a balanced relationship between management and control and thus a rule-based, value-oriented and sustainable development of the company.

In addition to legal provisions and international standards, the basic rules relating to corporate governance at BKW are embodied in BKW's Articles of Incorporation, organizational regulations, Code of Conduct and regulations governing the committees of the Board of Directors.

The information below is presented in accordance with the current requirements of the corporate governance guidelines of the SIX Swiss Exchange and the Swiss Code of Best Practice for Corporate

Governance produced by economiesuisse (Version 2023). Remuneration of the top level management of the company is detailed in the Remuneration Report on pages 304 to 317 of the Annual Report. The information disclosed in this report reflects the situation as of December 31, 2024.

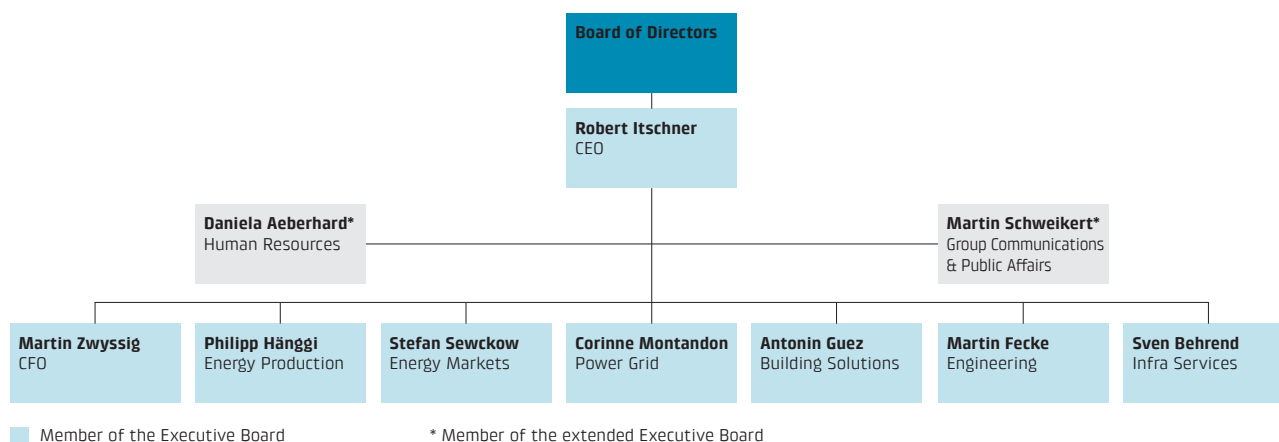
On the BKW website you can find the BKW AG Articles of Incorporation at [www.bkw.ch/](http://www.bkw.ch/) statutes, information on the Group Executive Board and Board of Directors at [www.bkw.ch/organization](http://www.bkw.ch/organization), the Code of Conduct at [www.bkw.ch/codeofconduct](http://www.bkw.ch/codeofconduct) and much more. The Sustainability Report can be found here on pages 145 to 255 and at [www.bkw.ch/sustainability](http://www.bkw.ch/sustainability).

## 1 Group structure and shareholders

### 1.1 Group structure

The operational Group structure of BKW can be derived from the following illustration and the segment reporting under Section 6 on pages 53 to 55 of the BKW Group's consolidated financial statements. The current organization can be

viewed on the BKW website at [www.bkw.ch/](http://www.bkw.ch/) organization.



#### Listed Group companies

The shares of BKW AG, which has its headquarters in Bern, have been listed on the SIX Swiss Exchange since December 12, 2011. On December 31, 2024, BKW's stock market capitalization amounted to CHF 7,924.7 million.

#### About the BKW share

Securities code	BKW
Securities number	13.029.366
ISIN	CH0130293662
Trading currency	CHF
Type of security	Registered share

#### BKW group of consolidated companies

With the exception of BKW itself, BKW's consolidation group only includes companies that are not listed separately on the stock exchange. The individual holdings of BKW in companies that are fully consolidated in the consolidated financial statements are listed on pages 122 to 127 of the consolidated financial statements. In all cases, the holding corresponds to the percentage of shares and voting rights.

### 1.2 Major shareholders

in %	Holding at 31.12.2024	Holding at 31.12.2023
Canton of Bern	52.54	52.54
Groupe E Ltd.	10.00	10.00
BlackRock Inc.	> 3.00	> 3.00
BKW AG and Group companies	0.07	0.04

No other shareholders registered more than 3% of the voting rights of BKW during the reporting year in accordance with Article 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA).

In the 2024 fiscal year, BKW did not publish any disclosure notifications in accordance with Article 120 of FMIA via the SIX Exchange Regulation

platform. Notifications from previous years can be viewed via the link <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html>.

### 1.3 Cross shareholdings

BKW has no cross shareholdings of more than 5 percent in a company outside of the BKW Group.

## 2 Capital structure

### 2.1 Capital

The share capital of BKW as of December 31, 2024 amounted to CHF 132,000,000, divided into 52,800,000 fully paid-up registered shares, each with a par value of CHF 2.50.

### 2.2 Authorized and conditional share capital

As of December 31, 2024, BKW had no authorized share capital or conditional share capital.

### 2.3 Changes in equity for the last three years

The share capital of BKW remained unchanged from 2022 to 2024.

### 2.4 Shares and participation certificates

All 52,800,000 registered shares in BKW with a par value of CHF 2.50 each are fully paid up. All shares have equal voting rights. Every share represented at the General Meeting is entitled to one vote. The company does not print or provide certificates for registered shares. However, any shareholder may request that certification of their shareholding be issued free of charge.

BKW has not issued any participation certificates.

### 2.5 Dividend rights certificates

BKW has not issued any dividend rights certificates.

### 2.6 Restrictions on transferability and nominee registration

The Board of Directors may refuse to enter a shareholder in the shareholders register as a shareholder with voting rights if the purchaser

- solely or jointly or in concert with other shareholders would directly or indirectly hold more than five percent of the total share capital as a result of the registration or
- does not expressly declare that he has acquired the shares in his own name and for his own account, that there is no agreement on the redemption or return of corresponding shares and that he bears the economic risk associated with the shares.

For details of the limitation on registration see Art. 5 of the Articles of Incorporation: [www.bkw.ch/statutes](http://www.bkw.ch/statutes).

Nominal entries, i.e. entries of shareholders who acquire shares in their own name but for the account of a third party, are possible, but these shares have no voting rights.

See Section 6 of this report for the procedure and conditions for lifting the restriction on transferability.

### 2.7 Convertible securities and options

BKW has no outstanding convertible bonds and has not issued any options.

## 3 Board of Directors

### 3.1 Members

According to the Articles of Incorporation, the Board of Directors shall consist of between seven and 10 members. Currently, there are seven non-executive, independent members. The Canton of Bern is entitled to appoint two members to

the Board of Directors in accordance with Art. 19 of the Articles of Incorporation and Art. 762 of the Swiss Code of Obligations (CO). Currently the Canton is using this right to appoint one member to the Board of Directors.

Composition	Function	Held office since
Roger Baillod	Chairman of the Board, Member of the Personnel and Remuneration Committee	2021 (on the BD since 2013)
Andreas Rickenbacher <sup>1</sup>	Deputy Chairman, Member of the Personnel and Remuneration Committee	2022 (on the BD since 2018)
Dr. Carole Ackermann	Member, Chair of the Audit and Risk Management Committee	2018
Prof. Dr. Petra Denk	Member, Member of the Audit and Risk Management Committee	2021
Rebecca Guntern	Member, Chair of the Personnel and Remuneration Committee	2018
Martin à Porta	Member	2022
Kurt Schär	Member, Deputy Chairman of the Audit and Risk Management Committee	2012

<sup>1</sup> Delegate of the Canton of Bern

At the end of 2024 the proportion of women in the Board of Directors was 42.9 percent. The Board of Directors of BKW AG therefore already exceeds the requirements of Swiss company law on gender guidelines for boards of directors of listed companies.

With regard to the composition of the Board of Directors, the Personnel and Remuneration Committee, like the Board of Directors, pays attention to appropriate diversity. To ensure that the skills and experience required for the management of the BKW Group are available on the Board of Directors, the Personnel and Remuneration Committee has developed a requirements

profile which is taken into account when searching for suitable candidates. This is in line with the strategic requirements, objectives of the company and corporate culture and in addition to specific specialist and industry knowledge; it also includes expertise in technology, risk management and finances.

The members of the Board of Directors have in-depth knowledge in their respective specialist areas. The following overview shows the expertise that the individual members bring to the Board, based on their experience and backgrounds.

**Board of Directors qualification matrix**

	Roger Baillod	Andreas Rickenbacher	Dr. Carole Ackermann	Martin à Porta	Prof. Dr. Petra Denk	Rebecca Guntern	Kurt Schär
International energy management	●	●	●	●	●	●	●
Infrastructure, buildings and services	●	●	●	●	●	●	●
Group strategy, corporate development	●	●	●	●	●	●	●
Accounting, M&A, risk management	●	●	●	●	●	●	●
Political understanding, regulatory environment	●	●	●	●	●	●	●
Corporate communications, corporate affairs	●	●	●	●	●	●	●
Company, group and capital market law <sup>1</sup>	●	●	●	●	●	●	●
Board / Corporate Governance	●	●	●	●	●	●	●
IT, cybersecurity	●	●	●	●	●	●	●
Digitalization, AI/data	●	●	●	●	●	●	●
Sustainability	●	●	●	●	●	●	●
Strategic HR Remuneration systems	●	●	●	●	●	●	●

1 The Secretary of the Board of Directors, Stefan Emmenegger, is a practicing lawyer and contributes legal aspects in an advisory capacity.

● High level of expertise and/or sound professional experience

● Medium level of expertise and/or little professional experience

**Resignations during the reporting period**

No member of the Board of Directors resigned in the reporting year.

**Independence**

With the exception of Chairman Roger Baillod, in the three preceding business years no member of the Board of Directors was a member of the BKW Group Executive Board nor of the management board of any Group company. Nor does any member have significant business relationships with BKW or a BKW Group company. In the period between the departure of Suzanne Thoma as CEO on June 30, 2022 and Robert Itschner taking over the office on October 1, 2022, Chairman Roger Baillod held the office of CEO ad interim.

The activities and vested interests of the members of the Board of Directors are reviewed annually and form part of the assessment of the independence of the individual members undertaken by the Personnel and Remuneration Committee. The Personnel and Remuneration Committee assesses all members of the Board of Directors as independent as defined by Art. 15 of the Swiss Code.

### 3.2 Activities and vested interests



#### Roger Baillod (1958, CH)

Degrees in business studies ETHZ and auditing Auditor

#### Professional background, career

- Since 2017** Board of Directors and Management Consultant  
**1996–2016** Chief Financial Officer (until 09.2016) and Member of the Board of Bucher Industries AG in Niederweningen, Zurich (until 12.2016)

#### Mandates in other listed companies

- Rieter Holding AG, Winterthur: Deputy Chairman of the Board of Directors, Chairman of the Audit Committee, Lead Independent Director

#### Mandates in other significant companies

- Edward Geistlich Sons, Limited Company for Chemical Industry, Schlieren: Deputy Chairman of the Board of Directors, Chairman of the Audit and Risk Committee, with a mandate in the subsidiary Geistlich Pharma AG, Wohlhusen: Member of the Board of Directors, Chairman of the Audit and Risk Committee



#### Andreas Rickenbacher (1968, CH)

Lic. rer. pol., business economist

#### Professional background, career

- Since 2016** Board of Directors, Entrepreneur, Management Consultant  
**2016–2018** Cantonal representative on the Board of Directors of Swissgrid AG  
**2006–2016** Government Concillor of the Canton of Bern, Director of Economic Affairs (until 06.2016); Cantonal representative on the Board of Directors of Gebäudeversicherung des Kantons Bern (GVB) (2006–2010, ex officio)  
**2004–2006** Owner of Rickenbacher Projekte GmbH (consulting in marketing and communication; directorships)

#### Mandates in other significant companies

- Bernexpo AG, Bern: Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee
- Aebi Schmidt Holding AG, Frauenfeld: Deputy Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee
- CSEM AG, Neuenburg: Chairman of the Board of Directors
- HRS Holding AG, Frauenfeld: Member of the Board of Directors
- Suva, Lucerne: Member of the Suva Board

#### Other significant mandates, official functions or political mandates

- Switzerland Innovation Foundation, Bern: Chairman
- International Lauberhorn Races Association Wengen, Lauterbrunnen: Deputy Chairman



### Carole Ackermann (1970, CH, A)

Dr. oec. HSG

#### Professional background, career

- Since 2007** CEO and Co-founder Diamondscull AG, Zug  
**2004–2007** Member of the Board of Ionbond AG, Olten, CEO Ionbond China  
**1999–2004** Director Saurer Group AG, Arbon

#### Mandates in other listed companies

- BVZ Holding AG, Zermatt: Deputy Chair of the Board of Directors, Member of the Nomination and Remuneration Committee, Member of the Audit Committee

#### Mandates in other significant companies

- Allianz Suisse Versicherungs-Gesellschaft AG, Wallisellen, Allianz Suisse Lebensversicherungs-Gesellschaft AG, Wallisellen and CAP Rechtsschutz- und Versicherungs-Gesellschaft AG, Wallisellen: Member of the Board of Directors
- BNP Paribas (Suisse) SA, Lancy: Member of the Board of Directors, member of the Remuneration Committee
- E.H.L. Holding SA, Lausanne: Chair of the Board of Directors

#### Other significant mandates, official functions or political mandates

- Fondation de l'École hôtelière de Lausanne (EHL): President of the Foundation Board



### Petra Denk (1972, D)

Professor of Energy and Business Administration, Prof. Dr.

#### Professional background, career

- Since 2024** Director of the Institute for Systemic Energy Consulting GmbH  
**2012–2024** Director of the Institute for Systemic Energy Consulting GmbH at the University of Applied Sciences Landshut  
**Since 2009** Professor of Energy and Business Administration  
**2001–2009** E.ON Energie AG, various positions, most recently Head of International Portfolio Development

#### Mandates in other listed companies

- VAT Group AG, Haag (Sennwald): Member of the Board of Directors, the Technology Committee and member of the ESG Committee

#### Mandates in other significant companies

- Pfisterer AG, Winterbach, Germany: Member of the Supervisory Board, Chair of the Technology Committee



### Rebecca Guntern Flückiger (1972, CH)

Federal Dipl. pharm. University of Basel, Bachelor of Business Administration

#### Professional background, career

- Since 2024** Chief Commercial Officer and Member of the Executive Committee, Sandoz AG, Basel
- 2020–2024** President Region Europe and Member of the Executive Committee, Sandoz International, Holzkirchen
- 2018–2019** Head Cluster Europe, Sandoz Pharmaceuticals AG
- 2015–2018** Head Cluster BACH, Sandoz Pharmaceuticals AG
- 2013–2015** Head of Strategy Accounts & Commercial Excellence WEMEA, Sandoz Pharmaceuticals AG
- 2011–2013** Country Head Spain & Cyprus, Sandoz Pharmaceuticals AG
- 2008–2011** Country Head Switzerland, Sandoz Pharmaceuticals AG

#### Mandates in other listed companies

- Sandoz AG: Chief Commercial Officer and Member of the Executive Committee



### Martin à Porta (1970, CH)

Dipl.-Ing., ETHZ

#### Professional background, career

- Since 2019** Owner and Board of Directors of APM Trans4mation AG, Zug
- 2016–2019** CEO Pöyry Plc., Finland
- 2012–2015** CEO Siemens Building Technologies Europe, Zug
- 2010–2012** CEO Siemens, Qatar

#### Mandates in other listed companies

- Stantec Inc., Edmonton, Canada: Member of the Board of Directors, Member of the Nomination, Governance and Remuneration Committee and Member of the Sustainability & Safety Committee
- UPM-Kymmene Corporation, Helsinki, Finland: Member of the Board of Directors, Chairman of the Personnel and Remuneration Committee

#### Mandates in other significant companies

- Wüest Partner AG, Zurich: Member of the Board of Directors



### Kurt Schär (1965, CH)

Radio/TV electronics engineer, marketing planner and board member of the Swiss Board School

#### Professional background, career

- Since 2014** Owner of Sunnsite Management AG, directorships

#### Mandate in sonstigen bedeutenden Unternehmen

- Kurt Schär has no significant mandates outside the BKW Group.

### 3.3 Number of permissible activities

Members of the Board of Directors may hold no more than 10 mandates in comparable functions in for-profit companies outside of the BKW Group and no more than four of which may be listed companies. Several mandates within one group are considered as one mandate. Mandates with companies that are controlled directly or indirectly by BKW are not included here. Nor may they hold more than ten mandates in management functions of industry associations and non-profit organizations. Further regulations can be found in Art. 21 of the Articles of Incorporation at [www.bkw.ch/statutes](http://www.bkw.ch/statutes).

### 3.4 Election and term of office

With the exception of the representative appointed by the Canton of Bern, the members of the Board of Directors are elected individually by the General Meeting. Members may be re-elected subject to an age limit of 70 years. The term of office for members appointed by the Canton of Bern in accordance with Art. 762 Swiss Code of Obligations (OR) shall be determined by the cantonal government.

The Chairman of the Board of Directors and members of the Personnel and Remuneration Committee are also elected individually by the General Meeting.

### 3.5 Internal organization

#### 3.5.1 Division of roles in the Board of Directors

The Board of Directors is responsible for the strategic and financial management of BKW and for monitoring the management of the company.

It takes decisions as the highest authority, except where the General Meeting is responsible by law. No special functions other than Chairman and Deputy Chairman are defined. The Secretary need not be a member of the Board.

The Chairman – or in his/her absence the Deputy Chairman – leads the Board of Directors, chairs its meetings as well as the General Meeting.

He is an important point of contact for the Chairman of the Group Executive Board for all matters relating to corporate management and he coordinates between the Board of Directors and Group Executive Board. All other members of the Board of Directors assume the same tasks in the plenary session and have the same responsibility. The responsibilities and mode of operation of the Board of Directors as well as how to act in the event of conflicts of interest are laid down in the organizational regulations.

The Board of Directors may decide to delegate some of its activities and responsibilities to committees from among its own members. The Board of Directors is supported by two standing committees, the Audit and Risk Management Committee and the Personnel and Remuneration Committee. The committees of the Board of Directors submit regular, timely reports to the Board of Directors on their activities and results. They file a motion on the business they have handled to the Board of Directors, which issues its resolution on the motion. The function, organization and competencies of these two committees are defined in detail in the regulations, which have been approved by the Board of Directors.

Furthermore, pursuant to Art. 20, para. 2 of the Articles of Incorporation, the Board of Directors may at any time appoint ad hoc committees for important individual matters such as major investments, acquisitions/divestments or cooperations. In the case of ad hoc committees, the Board of Directors will elect the members from among its own member. The Nomination Committee is formed on an ad hoc basis to prepare the election of new members of the Board of Directors and the Group Executive Board, particularly for the specific nomination processes for appointment to the Board of Directors or Group Executive Board. It is chaired by the Chairman of the Board of Directors. The further composition of the committee is determined on a case-by-case basis.

Dealing with sustainability issues and reporting on non-financial matters is the responsibility of the full Board of Directors and has not been delegated to any committee.

The Board of Directors pursues a continuous approach to improvement. It conducts an annual self-evaluation in which it analyzes and discusses the quality, composition and working methods of the committee. If necessary, appropriate measures are initiated. In addition to the performance of the Board committees and the Board as a whole, personal performance assessments are also taken into account.

### 3.5.2 Duties and competencies of the committees of the Board of Directors

#### Audit and Risk Management Committee

The Audit and Risk Management Committee is composed of three non-executive and independent members elected by the Board of Directors. The Chairman of the Audit and Risk Management Committee is also elected by the Board of Directors, while the Deputy Chairman is elected by the Audit and Risk Management Committee.

#### Members of the Audit and Risk Management Committee

Dr. Carole Ackermann	Chair
Kurt Schär	Deputy Chairman
Prof Dr. Petra Denk	Member
Martin à Porta	Member

The Audit and Risk Management Committee supports the Board of Directors in supervising the financial management and the risk and compliance management of the company.

#### Duties

- Discussion concerning the consolidated financial statements and the half-yearly consolidated financial statements with the internal and external auditors
- Assessment of the quality of accounting and financial reporting for the attention of the Board of Directors
- Creating the requirements profile for the external auditors and for the Head of Internal Audit
- Oversight of the internal auditor and assessment of the activities of the external auditor and its collaboration with the internal auditor
- Assessment of the independence of the external auditors and Internal Audit, including the

- compatibility of the audit work with any advisory mandates of the external auditor
- Undertaking of necessary measures in the event of imminent insolvency or excess debt of BKW AG or key Group companies
- Assessment of significant risks as well as the risk situation in the context of the financial statements, the budget and medium-term planning
- Assessment of compliance and the associated organizational structure
- Regular and timely reporting to the Board of Directors on the Committee's activities and results

#### Responsibilities

- Awarding audit contracts relating to accounting standards, financial control, annual and half-year accounts and annual reports as well as appropriation of retained earnings
- Setting the amount of compensation paid to the Head of Internal Audit and the external auditor

#### Personnel and Remuneration Committee

The Personnel and Remuneration Committee corresponds to the "Remuneration Committee" according to Art. 24 of the Articles of Incorporation. The Remuneration Committee consists of three non-executive and independent members who are elected individually on an annual basis by the General Meeting from among the members of the Board of Directors. These members may be re-elected. The Personnel and Remuneration Committee decides itself how to organize all other matters regarding its operation.

#### Composition of the Personnel and Remuneration Committee

Rebecca Guntern	Chair
Roger Baillod	Member
Andreas Rickenbacher	Member

The Personnel and Remuneration Committee deals with developing principles for the selection of candidates for the Board of Directors and the Group Executive Board, and, in particular, at top corporate level, with the remuneration strategy and performance targets and criteria of the BKW Group. It assists the Board of Directors in establishing and reviewing the remuneration system

and remuneration principles, and in preparing the proposals to the General Meeting in respect of the total amount of remuneration to be paid to the Board of Directors and the Group Executive Board. It specifies the qualitative and quantitative targets for the variable portions of the remuneration of the CEO and the members of the Group Executive Board and assesses whether objectives have been achieved. The Personnel and Remuneration Committee submits motions to the Board of Directors in respect of all transactions negotiated under its responsibility.

The role and responsibilities of the Personnel and Remuneration Committee are described on pages 301 to 303 of the Remuneration Report.

#### Ad hoc Committees

In 2024, the Board of Directors did not convene any Ad hoc Committees.

### 3.5.3 The work of the Board of Directors and its committees

#### Board of Directors

The Board of Directors meets at the invitation of the Chairman of the Board or the Deputy Chair, as often as business requires; in general there are six meetings per fiscal year. In addition, any member may ask the Chairman of the Board of Directors to convene a meeting by submitting their reasons in writing. The dates of the ordinary meetings shall be agreed on at an early stage so that all members may attend in person. Before the Board of Directors meetings, each member receives documents that they can use to prepare for the items on the agenda.

The Chairman of the Board of Directors heads the Board of Directors and coordinates between the Board of Directors and the CEO or Group Executive Board. Meetings of the Board of Directors are generally attended by the CEO and CFO in an advisory capacity; the other members of the Group Executive Board only attend if necessary, namely when topics concerning their areas of responsibility are to be discussed. Furthermore, the Board of Directors can hold (parts of) meetings without the presence of the CEO/CFO and/or members of the Group Executive Board. Other executives of the Group, members of the Audit department of BKW and other

experts can also be called to the meetings. The Board of Directors has appointed Stefan Emmenegger, attorney-at-law, as its Secretary. He attends the meetings of the Board of Directors.

The Board of Directors passes its resolutions at meetings or by electronic means. It is quorate when the majority of its members are present at the meeting or otherwise participating. Resolutions are adopted by a simple majority of participating members. In the event of parity of votes, the Chairman has a casting vote. Resolutions of the Board of Directors can also be passed in writing by circular letter. Minutes shall be kept of the discussions and resolutions. The minutes shall be approved by the Chairman of the Board of Directors before being sent to the other members of the Board.

#### Overview of meetings in 2024

Number of meetings	6 ordinary/ 1 extraordinary
Number of participations	7–15
Average duration (hours)	6–7
Attendance at meetings	100%

#### Overview meeting attendance

Roger Baillod, Chairman	7/7
Andreas Rickenbacher	7/7
Kurt Schär	7/7
Dr. Carole Ackermann	7/7
Rebecca Guntern	7/7
Prof. Dr. Petra Denk	7/7
Martin à Porta	7/7

In the 2024 fiscal year five ordinary meetings of the Board of Directors were held in March, June, August, October and December and each meeting lasted for six hours on average. The CEO and CFO were present at all meetings and, with the exception of the meeting in October, the other members of the Group Management were present in the second part of the meeting. The first part of the meeting that lasted about one hour was held without the CEO and CFO and the other members of the Group Executive Board being present. The second part of the Board of Directors' meeting in October was attended by the CEO and CFO as well as those members of the Group Executive Board for topics relating to their areas. After the General Meeting in May, the Board of Directors held a shortened meeting of one hour without the CEO and the Group Executive Board. In addition, the

Board of Directors held an extraordinary meeting in August to approve the half-year financial statement. All members of the Board of Directors attended all meetings. No external experts were invited to attend in 2024.

The Board of Directors conducts an annual self-assessment based on a questionnaire. Here the work, organization and composition of the Board, the performance of the chairman as well as the cooperation with the Group Executive Board are assessed. The questionnaire also covers responsibility towards stakeholders and the setting of strategic priorities. The results of the assessment are discussed at a meeting of the Board of Directors and the goals and measures for the current and following year are determined. The Chairman also holds at least one personal meeting each year with each member, to discuss individual opportunities for further development among other things.

#### Audit and Risk Management Committee

In accordance with its regulations, the Audit and Risk Management Committee convenes at least four ordinary meetings each year. The Audit and Risk Management Committee is authorized to negotiate and adopt resolutions provided that a majority of its members are present at the meeting or are attending via electronic means and that resolutions are adopted by simple majority of votes. In the event of parity of votes, the Chairman has a casting vote. Meetings are normally attended by the Chairman of the Board of Directors, the CEO, the CFO, the Head of Accounting & Tax, and the Head of Internal Audit in an advisory capacity. The minutes are taken by the Head of Controlling. If required, the Chairman may call upon the external auditor, further members of the Group Executive Board, the Extended Group Executive Board, senior management or external experts to attend and provide information.

#### Overview of meetings in 2024

Number of meetings	4
Number of participations	4
Average duration (hours)	5
Attendance at meetings	100%

#### Overview meeting attendance

Dr. Carole Ackermann, Chair	4/4
Kurt Schär	4/4
Prof. Dr. Petra Denk	4/4
Martin à Porta <sup>1</sup>	3/4

<sup>1</sup> Member of the Audit and Risk Management Committee since the end of April 2024

The Committee convened four ordinary meetings during the 2024 fiscal year in March, June, August and December, with the meetings lasting an average of five hours. The external auditor took part in two meetings.

#### Personnel and Remuneration Committee

According to its regulations, the Personnel and Remuneration Committee meets as often as business requires, however at least three times a year. The Personnel and Remuneration Committee is authorized to negotiate and adopt resolutions provided that a majority of its members are present at the meeting or are attending via electronic means and that resolutions are adopted by simple majority of votes. In the event of parity of votes, the Chairman has a casting vote. As a rule, CEO participates in the meetings of the Personnel and Remuneration Committee in an advisory capacity and has the right to submit motions. The Chairman of the Board of Directors may dispense the CEO from participation in a meeting of the Personnel and Remuneration Committee. The Chairman of the Board of Directors and the CEO respectively do not attend meetings during which their own remuneration and/or performance are discussed or if for other reasons there is a conflict of interest. If required, the Chairman may call upon further members of the Group Executive Board, the Extended Group Executive Board or external experts to attend.

#### Overview of meetings in 2024

Number of meetings	3 ordinary/ 1 extraordinary
Number of participations	3
Average duration (hours)	4
Attendance at meetings	100%

#### Overview meeting attendance

Rebecca Guntern, Chair	4/4
Roger Baillod	4/4
Andreas Rickenbacher	4/4

The Personnel and Remuneration Committee convened three ordinary meetings during the 2024 fiscal year in February, August and November, with the meetings lasting four hours on average. In addition, the Personnel and Remuneration Committee held a short extraordinary meeting in October. All members were present at all the meetings. In 2024, no external consultants took part in the meetings of the Personnel and Remuneration Committee.

### 3.6 Competence regulations

The Board of Directors bears overall strategic responsibility for the entire BKW Group. It is responsible for the overall management of BKW AG and supervision of its governing bodies. It bears overall responsibility for achieving sustainable value for shareholders and makes decisions regarding the business activities of the entire BKW Group, except where these responsibilities are transferred to other bodies by law, statutes or the organizational regulations.

The Board of Directors used the organizational rules to delegate the full operational business management to the CEO. Accordingly, the CEO manages the operational business of the BKW Group with the support of the Group Executive Board. Within the scope of the strategic specifications and stipulations set out by the Board of Directors, along with his competencies as specified in the Articles of Incorporation and regulations, the CEO bears comprehensive responsibility for the revenue and earnings of the BKW Group. He is responsible for implementing the decisions of the Board of Directors.

The CEO is the Chairman of the Group Executive Board which also consists of the CFO and the Heads of the Power Grid, Energy Production, Energy Markets, Building Solutions, Engineering and Infra Services business areas. The Group Executive Board supports the CEO in his responsibility for the operational management of the BKW Group. The members of the Group Executive Board also manage the business areas for which they are responsible, as well as the Group companies and participations assigned to them. They are responsible for ensuring that these entities pursue the strategy of the BKW Group prudently and efficiently as well as safeguarding the inter-

ests of the Group. Decisions of the Group Executive Board are made by the CEO in consultation with the other members of the Group Executive Board. Members of the Group Executive Board have the right of co-determination and may submit motions. The Group Executive Board may delegate tasks and authorizations within its remit. The Group Executive Board generally met every two weeks during the 2024 fiscal year. The meetings lasted an average of four to eight hours. The meetings are held four times a year over a period of two days.

#### Competencies of the Board of Directors

In addition to its statutory duties and the business reserved to it in the Articles of Incorporation, the Board of Directors has the following particular roles and competences:

- Preparation and approval of the *raison d'être* and the overarching corporate strategy
- Approval of the main focal points for implementing the corporate strategy (including financing, taking into account sustainable and responsible corporate development)
- Approval of the expansion of geographical coverage into new countries
- Determination of the top-level management structure and organization of the BKW Group (business areas and business segments), including their duties and competencies and the determination of governance principles valid Group-wide.
- Taking fundamental decisions relating to personnel policy, salary policy and salary systems, including succession planning for the Board of Directors and Group Executive Board, (see the presentation in Section 2 of the Remuneration Report from page 301 of the Annual Report)
- Appointment and discharging of the CEO and members of the Group Executive Board
- Approval of financial matters such as budgets and planning, financial statements, the BKW Annual Report and accounting standards, and establishing the BKW Group's financing and investment policy
- Approval of the principles for operation of the internal control system and risk management of the BKW Group, and assessment of the significant risks
- Assessment of the principles of applicable ESG standards (in particular compliance, health &

- safety, governance), including a regular review and assessment of compliance and the associated organization
- Approval for borrowing through instruments that can be publicly traded and the entering into significant financial obligations (> CHF 250 million) and for granting loans and securities for third parties
  - Approval of significant investments that are not planned for in the financial planning, of large real estate transactions and of significant corporate purchase and sale transaction

In the event of urgent individual matters in the competencies of the Board of Directors, where a delay could potentially be detrimental to the BKW Group, the Chairman of the Board of Directors (or the Deputy Chair in their absence) can decide. Decisions of this nature must be brought to the attention of the Board of Directors without delay and added to the minutes of the next meeting of the Board of Directors.

#### Competencies of the CEO

The CEO has the following particular duties and competencies:

- Management of operational business and implementation of the corporate strategy and the resolutions of the Board of Directors
- Development of the main directions for the corporate strategy and the main focal points for its implementation (including financing, taking into account sustainable and responsible corporate development) for the attention of the Board of Directors
- Reporting to the Board of Directors on the strategy implementation, course of business, market environment and measures to implement the strategy, the implementation of business of major strategic importance approved by the Board of Directors and immediate reporting on significant events.
- Compilation of the basis for determining the top-level management structure and organization of the BKW Group (business areas and business segments), including their duties and authorities for the attention of the Board of Directors
- Determination of the organization and the tasks and competencies of the business units

- assigned to the business areas and other organization units
- Preparation of the quantitative and qualitative performance criteria for the variable remuneration of members of the Group Executive Board and the assessment of whether targets have been achieved for the attention of the Personnel and Remuneration Committee
  - Management and supervision of the members of the Group Executive Board and other personnel under the CEO.
  - Establishing an appropriate organization and setting up controls to ensure compliance with applicable standards, regulations and codes of conduct, and with applicable requirements of legislation and the Articles of Incorporation
  - Preparation of the financial plans and the annual and half-yearly financial statements, the annual report of the company for the attention of the Audit and Risk Management Committee
  - Regular reporting together with the CFO to the Audit and Risk Management Committee and the Board of Directors on compliance and sustainability issues, significant risks and their development and liquidity management
  - Representation of the company to employees and third parties, in coordination with the Chairman of the Board of Directors, in particular ensuring effective communication with shareholders and stakeholders, including representatives of governments, regulators and organizations

The CEO has delegated roles and competencies to qualified subordinates and instructs and supervises them accordingly.

#### Competencies of the Group Executive Board

The Group Executive Board has the following particular roles and competencies:

- Provision of support to the CEO in the operational management of the BKW Group ensuring commercial success within the context of the Group strategy and instructions of the CEO
- Actively participating in the leadership, planning and implementation of the company strategy
- Leading the assigned business areas
- Ensuring cooperation within the BKW Group, in particular by defining and implementing the relevant principles, namely through coordinat-

ing and aligning activities within the business areas

- Developing the basis for determining the organization, tasks and competencies of the business units assigned to the business areas and other organization units
- Determining the central risks and risk management for the areas run by it for the attention of the CEO and Board of Directors
- Promoting ethical behavior and compliance with internal and external rules and regulations
- Preparation, creation and implementation of the financial planning (budget including investment budget, medium-term planning and long-term planning)

The Group Executive Board may resolve to delegate part of its role and competences or the preparation, execution and monitoring of decisions of the Group Executive Board to committees. The composition, organization, roles and competences of permanently staffed committees shall be defined in separate regulations. The roles and organization of ad hoc committees shall be determined in the resolution adopted to create them. On this basis the Group Executive Board has created the Energy Group Executive Board Committee. This committee is responsible for coordinating the activities of the Energy Markets and Energy Production business areas.

Additional information about the Group Executive Board is provided in Section 4 below, pages 288 to 292.

### 3.7 Information and monitoring instruments in relation to the Group Executive Board

The Board of Directors shall assume responsibility for supervision of its own committees and monitors the work of the CEO and the Group Executive Board by means of a range of reporting processes and rights to inspect business processes and business transactions.

At each of its meetings, the Board of Directors is informed by the CEO and the other members of the Group Executive Board about the current business and key business issues. The Board of Directors is provided with detailed information regarding the course of business at least half-

yearly when the Half-Year and Annual Reports are published. The BKW Group has a comprehensive electronic Management Information System (MIS) through which the Board of Directors and the Group Executive Board are kept informed about the course of business on a monthly basis. The Chairman of the Board of Directors is also informed about the current business at regular meetings and discussions outside of the meetings of the Board of Directors. In the case of extraordinary events, the CEO shall inform the Chairman of the Board of Directors without delay. Comprehensive information about risk management is provided in conjunction with the planning and financial statements.

Business that must be dealt with by the Board of Directors is first discussed in a meeting of the Presiding Board. The participants in this meeting are the Chairman of the Board of Directors, the CEO and where required the other members of the Group Executive Board

#### Monitoring instruments of the Board of Directors in relation to the Group Executive Board

The Board of Directors is responsible for setting up and monitoring the risk management, compliance and internal audit processes within the BKW Group.

#### Risk management

The Group Executive Board is responsible for implementing the risk management process as specified by the Board of Directors. The Board of Directors and the Group Executive Board are supported by the Risk Management business unit, which reports to the CFO. Risk Management is responsible both for the Group's strategic risk management, credit risk management and for the operational risk management of trading and treasury. The Risk Committee and a professional risk organization support the Group Executive Board and Risk Management in assessing the risk situation. As part of the regular systematic risk management process, risks for the entire BKW Group are identified and assessed on an ongoing basis and risk-reducing measures drawn up. The integrated risk management process is based on the ISO 31000 standard.

In addition to the risks arising from operating activities and strategy, external risks such as

cybersecurity and the regulatory environment are also assessed. Climate and environmental issues, together with other non-financial dimensions such as reputation, are integral parts of this risk assessment, and are therefore continually taken into account.

The effects of the energy crisis and the extreme price distortions of 2022 and 2023 have considerably receded and commodity prices and thus market volatility are back to pre-crisis levels. In the regulatory and legal environment, topics such as the revision of the Electricity Act and in particular the new regulation of chargeable costs in basic supply and the bilateral electricity agreement between Switzerland and the EU, as well as potentially completely opening the electricity market, are of great importance. The introduction of the ESG reporting has also greatly increased the focus on compliance and sustainability issues.

### **Compliance**

The Board of Directors bears ultimate responsibility for the Compliance organization. It has delegated its oversight duties relating to quality control and budgeting for Group Compliance to the Executive Board and the CEO.

The Group-wide and central Compliance Management System (CMS) strengthens the BKW Group's adherence to and promotion of legally compliant and responsible business practices. It comprises all the Group's regulations and measures, structures and processes, both internal and external, designed to ensure compliance. The CMS consists of the compliance program, the BKW Integrity Line and the Compliance Awareness Program. In 2024, the Compliance program focused in particular on expanding governance, mitigation of market manipulation risks, transaction monitoring, bribery, corruption, checks on business partners, human rights and data privacy. Compliance risks at BKW are consistently recorded, regularly discussed, assessed and monitored. In terms of compliance risks, the focus is on identifying and assessing any breaches of mandatory legal requirements and prohibitions, as well as on compliance with the UN Global Compact Principles, which BKW signed up to when it came into force in 2022. Measures include risk-based training, ad hoc information

on new developments, updated regulations and maintenance of the Integrity Line as well as consultations.

The Head of Group Compliance fulfills the function of a Corporate Compliance Officer (CCO) and reports directly to the CEO and the Chairwoman of the Finance and Risk Committee of the Board of Directors. The CCO submits a compliance report to the Board of Directors at least twice a year on compliance activities, assessment of compliance risks and the achievement of targets. In the event of significant changes to the assessment of compliance risks and potentially serious compliance breaches, the CEO and the Chairman of the Board of Directors are informed immediately.

### **Sustainability Management**

In 2024, the Board of Directors adopted extensive sustainability goals. The Group Executive Board is responsible to the Board of Directors for the implementation of these objectives. The Board of Directors and the Group Executive Board are supported by Sustainability Management which, as part of Corporate Development, reports to the CEO in organizational terms. In close cooperation with other Group functions, in particular Risk Management and Compliance, Sustainability Management coordinates BKW's sustainability activities, ensures they are coherent with the corporate strategy and compliant with the new sustainability regulations and standards, and prepares the annual Sustainability Report for the attention of the Group Executive Board and the Board of Directors.

### **Internal Audit**

Internal Audit submits a quarterly report on its auditing activities to the Audit and Risk Management Committee. In particular, the report covers audits of the internal control system of BKW, transaction and business processes for the whole Group. Internal Audit reports once annually on the implementation of the audit plan formulated by the Audit and Risk Management Committee, and on the implementation of the recommendations made to management on the basis of the audits that were conducted. In the event of serious shortcomings such as the detection of criminal acts or serious breaches of fundamental duties of care, the Internal Audit team will also

provide the Audit and Risk Management Committee with a report.

BKW's external auditor is PricewaterhouseCoopers AG, Bern. In its comprehensive report to the Board of Directors each year, it includes

information about the audit of the annual financial statements as well as its findings regarding the internal control system.

## 4 Group Executive Board

### 4.1 Members

The Group Executive Board of BKW consists currently of eight members.

#### Group Executive Board

Composition	Function	Since
Robert Itschner	CEO	2022
Dr. Martin Zwyszig	CFO, Deputy to the CEO	2023
Sven Behrend	Head of the Infra Services business area	2023
Martin Fecke	Head of the Engineering business area	2023
Antonin Guez	Head of the Building Solutions business area	2023
Dr. Philipp Hänggi	Head of the Energy Production business area	2020
Dr. Corinne Montandon	Head of the Power Grid business area	2023
Stefan Sewckow	Head of the Energy Markets business area	2023

At the end of 2024 the proportion of women in the Group Executive Board was 12.5 percent.

#### Resignations during the reporting period

No member of the Group Executive Board resigned in the reporting year.

## 4.2 Activities and vested interests

---



### Robert Itschner (1966, CH)

Electrical engineer, MSc in Electrical Engineering and Computer Sciences

#### Professional background, career

**Since 2022** CEO BKW Group

**2018–2022** CEO ABB Schweiz AG

**2009–2017** Various local and global management functions at ABB Group

#### Mandates

Robert Itschner exercises various mandates in BKW Group companies. Outside of the BKW Group he has no significant mandates.

---



### Martin Zwysig (1965, CH)

Dr. oec. HSG

#### Professional background, career

**Since 2023** CFO BKW Group

**2020–2023** CFO REHAU Group

**2014–2020** CFO Autoneum Holding AG

**2008–2014** CFO Ascom Holding AG

**2003–2008** CFO Schaffner Holding AG

#### Mandates in other listed companies

– Belimo Holding AG, Hinwil: Deputy Chairman of the Board of Directors and Chairman of the Audit Committee

#### Mandates held at the request of BKW

Kraftwerke Oberhasli AG, Innertkirchen: Member of the Board of Directors and President of the Finance Committee

#### Other mandates

Martin Zwysig exercises various mandates in BKW Group companies. Outside of the BKW Group he has no other significant mandates.



### Sven Behrend (1965, D)

Qualified electrical/electronics engineer

#### Professional background, career

- Since 2023** Head of the BKW Infra Services business area
- 2020–2023** CEO BKW Infra Services Europa SE, member of the executive management and COO of BKW Infra Services AG
- 2019–2020** Member of the executive management and COO Arnold AG
- 2011–2017** CTO and COO SAG Group GmbH

#### Mandates

Sven Behrend exercises various mandates in BKW group companies. Outside of the BKW Group he has no significant mandates.



### Martin Fecke (1964, D)

Engineering Graduate

#### Professional background, career

- Since 2023** Head of the BKW Engineering business area
- Since 2022** CEO BKW Engineering AG and VR BKW Engineering SE
- Since 2020** Executive Director BKW Engineering SE
- 2002–2022** Managing Director Assmann Beraten + Planen GmbH

#### Mandates

Martin Fecke exercises various mandates in BKW Group companies. Outside of the BKW Group he has no significant mandates.



**Antonin Guez (1978, FR)**

Dipl. Electrical engineer, MSc Electrical Engineering and Computer Sciences, MBA Insead

**Professional background, career**

- Since 2023** Head of the BKW Building Solutions business area  
**2017–2022** Head of Building Services (until 12.2018) and CEO of ENGIE Services AG  
**2011–2017** Head of Strategy (until 12.2013) and Deputy Chairman of Low voltage and Building Automation at Schneider Electric Germany

**Mandates**

Antonin Guez exercises various mandates in BKW Group companies. Outside of the BKW Group he has no significant mandates.



**Philipp Hänggi (1968, CH)**

Dr. sc. techn. ETH, exec. MBA HSG

**Professional background, career**

- Since 2020** Head of the BKW Energy Production business area  
**2014–2019** Head of Nuclear and Coal BKW Energie AG  
**2004–2014** Managing Director of swissnuclear Alpiq Schweiz AGG

**Mandates held on the instruction of BKW**

- Kernkraftwerk Leibstadt AG, Leibstadt: Member of the Board of Directors
- Kraftwerke Oberhasli AG, Innertkirchen: Member of the Board of Directors
- Nagra (National Cooperative for the Disposal of Radioactive Waste), Wetztingen: Member of the management

**Other mandates**

Philipp Hänggi exercises various mandates in BKW Group companies. Outside of the BKW Group he has no other significant mandates.



### Corinne Montandon (1976, CH)

Dr. rer. oec.

#### Professional background, career

- Since 2023** Head of the BKW Power Grid business area
- 2021–2023** Head of BKW Energy Markets & Group Services
- 2013–2020** Head of Strategy and Grid Development
- 2012–2013** Head of Regulation Management at BKW

#### Mandates

Corinne Montandon exercises various mandates in BKW Group companies. Outside of the BKW Group she has no other significant mandates.



### Stefan Sewckow (1971, D)

Industrial engineer

#### Professional background, career

- Since 2023** Head of the BKW Energy Markets business area
- 2017–2023** Managing Director, MVV Trading GmbH
- 2012–2017** Head of Trading & Origination, Trianel GmbH
- 2010–2012** Head of Origination New Markets, E.ON Global Commodities
- 2008–2010** Head of Short Term Trading SEE, E.ON Global Commodities
- 2002–2008** Head of Portfolio Management Generation, Vattenfall Trading Services GmbH

#### Mandate

Stefan Sewckow does not have any mandates in BKW Group companies and no other significant mandates outside of the BKW Group.

### 4.3 Number of permissible activities

Members of the Group Executive Board may only exercise mandates in comparable functions outside of the BKW Group with the consent of the Personnel and Remuneration Committee. The number of such mandates is restricted by law to no more than four mandates in for-profit companies and no more than two of them may be in listed companies. Several mandates within one group are considered as one mandate. Mandates with companies that are controlled directly or indirectly by BKW are not included here. Nor may

they hold more than ten mandates in management functions of industry associations and non-profit organizations. Further regulations relating to mandates can be found in Art. 21 of the Articles of Incorporation at [www.bkw.ch/statutes](http://www.bkw.ch/statutes).

### 4.4 Management contracts

BKW has delegated no management responsibilities to third parties outside the Group.

## 5 Remuneration, shareholdings and loans

All information on remuneration, shareholdings and loans of the members of the Board of Direc-

tors and the Group Executive Board can be found in the Remuneration Report on pages 304 to 318.

## 6 Shareholders' participation rights

The following provisions are taken from the BKW Articles of Incorporation. These can be accessed at [www.bkw.ch/statutes](http://www.bkw.ch/statutes).

### 6.1 Voting-right restrictions and representation

Only persons listed in the shareholders' register as a shareholder with voting rights are entitled to exercise shareholders' rights. There are no limitations on voting rights for BKW shareholders attending the General Meeting.

Every shareholder with voting rights can exercise their participation rights at the General Meeting themselves or have them exercised by a representative of their choice or by a proxy who is independent of the General Meeting. Shareholders may also assign their proxy and voting instructions electronically; the Board of Directors shall determine the details by which this is done. The independent proxy is obliged to exercise the assigned voting rights as instructed by the shareholder. If instructions were not provided, the vote must be withheld.

Public corporations, legal entities and trading companies are represented by their corporate bodies, partners or legal representatives, or by representatives with special written power of attorney.

Every share listed in the share register with voting rights is entitled to one vote at the BKW General Meeting. Shareholders who have participated in the management of the company in any form shall not be entitled to vote on the resolution to grant discharge of the Board of Directors.

The Chairman shall have full power to determine the procedure for voting and elections. He may, in particular, order that an open vote or election be repeated at any time by means of a written or

electronic ballot or election if he is in doubt about the result, or order a secret ballot.

### 6.2 Statutory quorum

Decisions at the General Meeting require a simple majority of votes unless otherwise provided by law. In the event of parity of votes, the Chairman has a casting vote. A simple majority of votes also applies to decisions concerning the relaxation or lifting of restrictions on transferability of registered shares.

### 6.3 Convening the General Meeting and setting the agenda

Notice of the General Meeting is to be given by the Board of Directors at least 20 days prior to the date of the meeting. The General Meeting is convened through publication in the "Schweizerischen Handelsamtsblatt" (SHAB). A meeting can also be convened by a non-registered letter or by an electronic notification to the contact details of the shareholders registered in the share register. A meeting may also be convened by one or more shareholders whose sole or combined shareholding represents at least five percent of the share capital. This must be requested in writing, stating the agenda items and motions.

Shareholders who solely or jointly hold at least 0.5 percent of the share capital or votes may request, up to 50 days before the General Meeting, an item to be included on the agenda or submit a motion for inclusion in an agenda item in the convening of the General Meeting.

### 6.4 Entries in the share register

Entitlement to attend or to be represented at the General Meeting is based on the status of entries of shareholders with voting rights in the share register on the fifteenth day before the General Meeting.

## 7 Changes of control and defensive measures

There are no statutory regulations regarding opting-up (threshold of 49 percent for the duty to make a takeover bid) or opting-out (no mandatory takeover offer required). This means that the statutory provisions on public takeover offers according to FMIA apply in full.

There are no agreements or plans for the benefit of members of the Board of Directors and/or the Group Executive Board or other members of senior management in the event of changes of control.

## 8 Auditors

### Term of office

BKW's auditors are appointed on an annual basis. In 2023, the Board of Directors decided to put the mandate out to tender again, as the current auditor, Ernst & Young AG, has held the mandate for many years. Based on this invitation to tender, the Board of Directors proposed the election of PricewaterhouseCoopers AG, Bern, as the new auditor for the fiscal year 2024 to the Annual General Meeting and the General Meeting, which approved this proposal on April 22, 2024. Since 2024, the Chief Auditor has been Thomas Wallmer.

### Fees

The auditors' fees for expenditures incurred by statutory audits of BKW and its consolidated Group companies amounted to CHF 1,640,000 for the reporting year. The fees for audit-related services (audits on behalf of the auditors and in accordance with special laws and advice on accounting issues) amounted to CHF 197,000; the fees for other services to CHF 403,000.

### External audit information mechanisms

Oversight and control of the auditors is a key responsibility of the Audit and Risk Management Committee (cf. sections 3.5.1 and 3.5.2, on pages 280 to 282, under the Audit and Risk Management Committee responsibilities). The Audit and Risk Management Committee convenes four ordinary meetings per year, in which the auditors sometimes participate. The external auditors attended for parts of the agenda at one ordinary meeting of the Audit and Risk Management Committee during the 2024 reporting year.

On behalf of the Audit and Risk Management Committee, the external auditors examine the annual financial statements according to the Swiss Code of Obligations (CO) as well as the consolidated annual financial statements according to IFRS. Towards the end of the year, the external auditors must advise the Audit and Risk Management Committee of the audit priorities they have set for the forthcoming year and the rationale for these priorities. The Audit and Risk Management Committee must approve this audit plan and may commission the external auditors to conduct additional specific audits. At the first meeting, the auditor's report on the results of their audit of the statutory and consolidated financial statements and the remuneration report for the previous year, present its audit reports and the comprehensive report according to Art. 728b para. 10R.

The performance of the external auditors and their independence are assessed annually by the Audit and Risk Management Committee. This assessment is based on the quality of the reports, implementation of the audit plans approved by the Committee and collaboration with the internal auditors. With regard to independence, the Committee examines the relationship between the budgeted audit fee and the fee for other services provided by the auditing company, and what these additional services include.

## 9 Information policy

BKW is committed to the timely dissemination of transparent and comprehensive information to its shareholders and clients as well as its employees and the general public. It regularly informs the media about important events related to its business activities.

Current information in German, French, Italian and English can be found on the BKW website. Amongst other things, share-price relevant facts are published in compliance with disclosure requirements under stock exchange law (ad hoc notifications). The ad hoc announcements can be accessed simultaneously with the notification to the SIX Swiss Exchange and subsequently for a period of three years at [www.bkw.ch/media-relations](http://www.bkw.ch/media-relations).

In addition, it is possible to receive potentially share-price relevant information directly from BKW free of charge and in a timely manner by email. This service is available at [www.bkw.ch/pressrelease](http://www.bkw.ch/pressrelease).

BKW provides information on the annual results in the form of an Annual Report in electronic form. The Annual Report can be downloaded at [www.bkw.ch/annualreport24](http://www.bkw.ch/annualreport24). BKW also presents its annual results at the yearly Annual Report and Financial Analyst Conference, as well as at the General Meeting. You can find the exact dates for the current and following year at [www.bkw.ch/financialcalendar](http://www.bkw.ch/financialcalendar).

The Half-Year Report as well as the half-year results from June 30 are available electronically at [www.bkw.ch/halfyearreport24](http://www.bkw.ch/halfyearreport24).

The Investor and Media Relations managers can be contacted via the website, email, telephone or post. Their contact details can be found in the editorial information on page 321, and the address of the headquarters is listed on the back cover of this report.

## 10 Trading restrictions

BKW sets general trading restrictions in connection with its annual and half-year financial statements. These apply to all members of the Board of Directors, the Group Executive Board and the Extended Group Executive Board, those taking the minutes at meetings of the Board of Directors, the Board of Directors' committees and the Group Executive Board and to all employees who assist in the preparation of BKW's annual and half-yearly financial statements or who receive knowledge thereof in accordance with their duties. The fixed suspension of trading applies on the day following the relevant balance sheet date, i.e. January 1 or July 1 of each year, and lasts until the end of the day on which the annual and half-year results are published. During these trading suspension periods, persons subject to the suspension are prohibited

from trading in BKW AG shares. In the reporting year no exceptions to the aforementioned general rules were granted.

In addition, BKW orders extraordinary trading restrictions on an ad hoc basis if other unpublished price-sensitive information is available. They apply to persons who have the relevant insider knowledge. Corresponding insider lists are kept for this purpose. The trading restrictions begin on the date specified by BKW and end at the end of the calendar day following the day of the public announcement of the price-sensitive information, or as soon as the price-sensitive information is no longer certain to occur and the persons concerned have been informed.



## 11 Significant changes since December 31, 2024

No significant organizational or personnel changes have occurred.

# Remuneration Report

## 297 Remuneration Report

298 The remuneration system supports long-term corporate success

300 BKW's remuneration policy

301 Determination of remuneration: Organization and competences

304 Remuneration of the Board of Directors

306 Mandates of the Board of Directors in comparable functions in commercial activities  
of third-party companies

309 Remuneration of the Group Executive Board

317 Mandates of the Group Executive Board in comparable functions in commercial activities  
of third-party companies

318 Shareholdings and options

319 Report of the statutory auditor on the audit of the remuneration report

## REMUNERATION REPORT

# The remuneration system supports corporate success



Dear Shareholders,  
Ladies and Gentlemen,

This Remuneration Report provides information on the principles of remuneration, remuneration programs and the framework of governance for the remuneration of the members of the Board of Directors and the Group Executive Board of BKW. It contains detailed information about the remuneration paid to the Board of Directors and the Group Executive Board during the 2024 fiscal year.

BKW closed the fiscal year 2024 with sales of CHF 4.8 billion. Compared to the previous year, this corresponds to an increase of 3.8 percent. In 2024, the operating result (EBIT) amounted to CHF 789.9 billion (up 27.3 percent compared to the

previous year). BKW generated a net operating profit of CHF 550.4 million (up 27.4 percent compared to the previous year). Reported net profit improves by 32.6 percent or CHF 159.1 million to CHF 647.5 million. The operating cash flow amounts to CHF 739.4 million. It does covers BKW's investments of CHF 301.2 million and further strengthens its financial power. The 2024 result is another very good one in the company's history.

The Remuneration Report explains the impact of these results on the variable remuneration of members of the Group Executive Board in the reporting year.

In 2023 the Board of Directors of BKW reviewed the remuneration system of the Group Executive

Board and modernized it for the next few years. Sustainability targets will now also be included in the calculation of short-term variable remuneration. Long-term variable remuneration in the form of shares also includes new performance criteria which are a pre-requisite for the transfer of shares after expiry of the earnings period. The new system has been implemented from the 2024 fiscal year. The aim continues to be to support the long-term success of the business and to unify the interests of the management with those of BKW and its shareholders.

The remuneration system of the Board of Directors, which is based on fixed fees and partially paid in restricted shares, and on function bonuses, has proven its worth and will continue unchanged.

For both the Group Executive Board and the Board of Directors, an external salary comparison was commissioned in order to ensure remuneration is in line with the market.

Further details about the remuneration systems for the Group Executive Board and the Board of Directors are described in this report.

At the 2025 General Meeting, this Remuneration Report will be presented for approval within the scope of a consultative vote. You will note that the remuneration paid to the Board of Directors and Group Executive Board are within the maximum remuneration amounts approved by the General Meeting.

You, the shareholders, will also reach a binding decision by voting on the maximum total amount of remuneration of the Board of Directors for the coming period of office until the next ordinary General Meeting and on the maximum total remuneration to be paid to the Group Executive Board for the 2026 fiscal year.

On behalf of the Board of Directors, I would like to thank you for your confidence in BKW.

Kind regards,



Rebecca Guntern  
Chair of the Personnel and Remuneration  
Committee of the Board of Directors

The remuneration report is a translation from the original German version. In case of any inconsistency the German version shall prevail.

## 1 BKW's remuneration policy

BKW's remuneration policy defined by the Board of Directors is derived directly from BKW's strategy and is intended, in particular, to promote the long-term interests of the company. In 2024 it was also designed around the following principles:

### Board of Directors (BD)

To reinforce the independence of members of the Board of Directors in their supervisory activities, they receive exclusively a fixed remuneration. The basic remuneration is paid 75% in cash and 25% in the form of blocked shares. They also receive additional remuneration for performing additional functions.

In 2024, the Board of Directors commissioned an external comparative analysis (benchmark) of the remuneration of the Board of Directors. It worked together with advisers from PricewaterhouseCoopers AG on this. The benchmark showed that the current level of remuneration for the members of the Board of Directors is below the median market value. The comparison group includes 30 companies listed in Switzerland from the SPI, SMIM and SPI50 whose market capitalization and revenue figures correspond to the median of BKW and selected government-related companies and companies in the energy industry. This group consists of the following companies: Adecco, Alpiq, ams-OSRAM, Avolta, Axpo, Bachem, Barry Callebaut, BELIMO, Bucher Industries, Burkhalter, Daetwyler, Die Post, DocMorris, dormakaba, Flughafen Zürich, Galenica, Georg Fischer, Implenia, Kuehne + Nagel, Landis + Gyr, Lindt & Sprüngli, Ruag, SBB, SGS, SIG Combibloc, Swiss Steel, Swisscom, Tecan, Temenos, VAT Group.

### Group Executive Board (GEB)

The remuneration system of the Group Executive Board as applicable in 2024 is designed to recruit and retain the most suitable persons for the critical functions. It is also designed to ensure alignment of the interests of the top manage-

ment with the interests of the company and its shareholders, with the aim of sustainably growing the value of the company. The remuneration system is based on the following principles:

### Rewarding performance

Group Executive Board remuneration is linked to a sustainability goal, the company performance and share price performance, compared to a broad benchmark. The Key Performance Indicators (KPIs) for the short-term and long-term variable components described in detail in the following report, have been carefully assessed and are reviewed annually.

### Continuity and stability

BKW's remuneration system both demonstrates continuity and creates stability. A significant part of the remuneration is transferred in the form of Performance Share Units (PSU) which are paid out in shares after a multi-year earning period and depending on performance targets, in order to link the interests of the Group Executive Board with the interests of the company and the shareholders. In addition, it guarantees that no disproportionate risks are taken and that the long-term growth trajectory is strengthened.

### Market and internal fairness

BKW strives to provide market-rate remuneration for all functions, irrespective of gender, age, nationality and other demographic characteristics. It rewards competency and responsibility as well as performance, with a focus on the implementation of the strategy and the company's results. In order to ensure that overall remuneration is in line with the market and performance, BKW regularly reviews the salary bands of the individual professional groups to make sure they correspond to the market median. In recent years, salary equality analyses have been carried out at all the major Swiss companies. The results showed that all the companies examined complied with the provisions of the Gender Equality Act.

Within the scope of this remuneration policy, BKW regularly reviews its remuneration system for the Board of Directors and Group Executive Board (at intervals of two or four years). As mentioned, in 2023 the Board of Directors reviewed the remuneration system of the Group Executive Board.

In addition, in 2024 the Board of Directors compared the level of remuneration of the members of the Group Executive Board with an external benchmark, based on the comparative group from [last year's comparison](#) (Annual Report 2023 page 239) regarding the composition of the remuneration components.

The benchmark showed that the current level of remuneration for the members of the Group

Executive Board (excluding the CEO) is broadly in line with the market. Therefore no adaptations to the remunerations will be made. The comparison group includes 30 companies listed in Switzerland from the SPI, SMIM and SPI50 whose market capitalization and revenue figures correspond to the median of BKW and selected government-related companies and companies in the energy industry. The group consists of the following companies (analog to the benchmark for the Board of Directors): Adecco, Alpiq, ams-OSRAM, Avolta, Axpo, Bachem, Barry Callebaut, BELIMO, Bucher Industries, Burkhalter, Daetwyler, Die Post, DocMorris, dormakaba, Flughafen Zürich, Galenica, Georg Fischer, Implenia, Kuehne + Nagel, Landis + Gyr, Lindt & Sprüngli, Ruag, SBB, SGS, SIG Combibloc, Swiss Steel, Swisscom, Tecan, Temenos, VAT Group.

## 2 Determination of remuneration: Organization and competencies

The broad outlines of the remuneration system as well as the corporate bodies involved in the determination of the compensation are defined in Art. 24 to 29 of the Articles of Incorporation. These can be found (in German) on the BKW website under [www.bkw.ch/statutes](http://www.bkw.ch/statutes) and include:

- Remuneration Committee (Arts. 24 and 25)
- Voting on remuneration (Arts. 26, 27 and 28)
- Remuneration of the Board of Directors (Art. 27)
- Remuneration of the Group Executive Board and additional amount for new members (Art. 28)
- Contracts with members of the Board of Directors and the Group Executive Board (Art. 29)

The table below shows how responsibilities and competencies are divided between the General Meeting (GM), the Board of Directors (BD) and the Personnel and Remuneration Committee (PRC).

### Overview of responsibilities and competencies

Object	PRC	BD	GM	PRC activity in reporting year 2024			
				February	August	October	November
Maximum total amount of remuneration of the Board of Directors and the Group Executive Board	GM <sup>1</sup>	S <sup>2</sup>	R <sup>3</sup>	●			
Additional amount for the remuneration of newly appointed members of the Group Executive Board	R <sup>4, 5</sup>			n/a	n/a	n/a	n/a
BKW's personnel policy, remuneration policy and system	GM	R			●		
Remuneration system and principles for the Board of Directors and Group Executive Board	GM	R			●		●
Performance criteria for remuneration of the CEO and the members of the Group Executive Board	R						●
Individual remuneration for the Board of Directors	GM	R <sup>6</sup>		●	●		
Performance assessment and individual remuneration of the CEO	R <sup>6</sup>			●			
Performance assessment and individual remuneration of the members of the Group Executive Board (excluding the CEO)	R <sup>4, 6</sup>			●			
Remuneration Report	GM	R	CV <sup>7</sup>	●			
Principles governing the selection of candidates for election or re-election to the Board of Directors	GM	R			●		
Succession planning for the Board of Directors and the Group Executive Board	GM	R			●	●	●
Carrying out BD self-evaluation on a regular basis							●
Review of the interests and independence of the members of the Board of Directors and its committees, and review of compliance with the maximum permissible number of mandates	R			●			
Checking for conflicts of interest when members of the Board of Directors or the Executive Board accept mandates	R			(●)	(●)		(●)

1 PS means preparation and submission to the Board of Directors

2 S means submission to the General Meeting

3 R means ratification

4 CEO's proposal

5 Within the scope of the Articles of Incorporation

6 Within the scope of the maximum total amount approved by the General Meeting

7 CV means consultative vote.

### Personnel and Remuneration Committee

According to Art. 25 of the Articles of Incorporation, the Personnel and Remuneration Committee is concerned at senior company management level with the remuneration strategy and with the company's objectives and performance criteria in relation to the remuneration of the Group Executive Board. In addition, it is authorized to develop criteria for the selection of candidates to the Board of Directors and the Group Executive Board. The committee has three members, and is comprised as follows:

Rebecca Guntern	Member of the Board of Directors, Chair
Roger Baillod	Chairman of the Board of Directors, Member
Andreas Rickenbacher	Deputy Chairman of the Board of Directors, Member

When required, managers may be invited to attend meetings of the Personnel and Remuneration Committee. However, no members of the company's management may be present when their own performance or remuneration is discussed or decided on.

At meetings of the Board of Directors, the Chair of the Personnel and Remuneration Committee reports to the Board of Directors on the committee's activities and decisions; urgent updates are also provided between meetings. All members of the Board of Directors have access to the minutes of the Personnel and Remuneration Committee's meetings.

At the Committee's three regular meetings and one extraordinary meeting held in 2024, it dealt

with matters including the recurring agenda items shown in the table above. At the extraordinary meeting, the succession planning of the Board of Directors was discussed in particular. All members were present at all the meetings.

Specific election business is not handled by the Personnel and Remuneration Committee but by temporary nomination committees set up on an ad hoc basis. Details are provided in the Corporate Governance Report (starting at page 281 of the Annual Report). There were no ad hoc committees in 2024.

### Shareholder involvement

At the Annual General Meeting of April 22, 2024, binding votes were taken on the maximum amounts of remuneration for the Board of Directors and the Group Executive Board, as well as a consultative vote on the remuneration report. The overall amount for the remuneration of the Board of Directors relates to the period from the current General Meeting until the next General Meeting. By contrast, the overall amount of remuneration of the Group Executive Board relates to the full fiscal year following the General Meeting.

At the General Meeting 2024, the shareholders approved the total amount of remuneration of the Group Executive Board for the 2025 fiscal year with an approval rate of approx. 99% and that of the Board of Directors for the 2024/2025 term of office with 99% (GM 2023: GEB 96% and BD 98%), while the approval rate of the 2023 Remuneration Report was 95% (Remuneration Report 2022 at GM 2023: 85%).

## 3 Remuneration of the Board of Directors

### 3.1 Remuneration elements for the Board of Directors

BKW's remuneration system is specifically designed to ensure the impartiality of the Board of Directors in its supervision of the Group Executive Board. For this reason, fixed remuneration elements are the key elements for the Board of Directors – no performance or success-related component is paid to the Board of Directors. The remuneration system for the Board of Directors is now as follows:

#### a) Basic remuneration

The basic remuneration for the Board of Directors includes a fixed Board of Directors' fee, whereby the Chairman receives a higher remuneration based on his higher expenditure:

Function	Net remuneration (p.a.)
Chairman of the Board of Directors	CHF 350,000
Member of the Board of Directors	CHF 100,000

75% of this basic remuneration is paid in cash in three equal payments, and 25% in the form of blocked shares in BKW AG. The shares are allocated annually in January of each year. The number of shares to be allocated is calculated on the basis of the average closing price on each of the first ten trading days of the fiscal year. The shares are transferred within three working days after the tenth trading day of the fiscal year. The allocation of the shares is not affected by a blocking of trading. The blocking period of the shares is three (3) years from the date of transfer.

#### b) Function allowances

If a member of the Board of Directors assumes additional functions, he or she is entitled to the following additional allowances:

Function	Net remuneration (p.a.)
Deputy Chairman of the Board of Directors	CHF 15,000
Chair FRA	CHF 25,000
Member FRA	CHF 15,000
Chair PVA	CHF 25,000
Member PVA	CHF 15,000
Chair of the Ad Hoc Committee	CHF 15,000
Member of the Ad Hoc Committee	CHF 10,000

The functional allowances for the Chair and members of the PRC were adjusted to those of the Chair and members of the FRA as of April 2024. In the past, the allowances were CHF 20,000 and CHF 12,000 respectively.

#### c) Social security contributions (other remuneration)

BKW pays the employer's and employee's social security contributions. For individual members of the Board, payment is made in whole or in part to their employers. Members of the Board of Directors are not insured by the BKW Pension Fund.

#### d) Contracts

Contracts between the company and the members of the Board of Directors, and on which their remuneration is based, must not exceed their term of office (Art. 29 of the Articles of Incorporation); however, the effectiveness of the mandate is subject solely to the annual election to the Board of Directors by the General Meeting. No employment contracts exist between BKW and members of the Board of Directors. The members of the Board of Directors are independent and their rights and obligations are based on the norms of company law and the provisions of the Articles of Incorporation, regulations and mandate agreements.

### 3.2 Remuneration paid in 2024

The remuneration amounts paid to the Board of Directors are disclosed in the fiscal year in which they are recognized in the annual financial statements. The details about the remuneration paid to members of the Board of Directors for the fiscal years 2024 and 2023 are below. In addition to the basic remuneration, functional bonuses were paid (divided into a cash portion of 75% and a share portion of 25%).

Members of the Board of Directors received the following remuneration elements in 2024:

#### Remuneration of members of the Board of Directors in 2024

CHF thousands		Remuneration in cash <sup>1</sup>	Share-based remuneration <sup>2</sup>	Total remuneration	Social security contributions <sup>3</sup>	Total
Roger Baillod	Chairman	277	85	362	35	397
Andreas Rickenbacher	Deputy Chairman	104	24	128	13	141
Dr. Carole Ackermann	Member	100	24	124	16	140
Prof. Dr. Petra Denk	Member	90	24	114	41 <sup>4</sup>	155
Rebecca Guntern	Member	98	24	122	12	134
Martin à Porta	Member	85	24	109	14	123
Kurt Schär	Member	90	24	114	15	129
<b>Total</b>		<b>844</b>	<b>229</b>	<b>1,073</b>	<b>146</b>	<b>1,219</b>

1 Remuneration in cash, in addition to basic remuneration, includes functional allowances, but not the portion of basic remuneration that is paid in shares.

2 Share-based remuneration is valued at the stock market closing rate on the day of the share assignment (January 17, 2024).

3 Includes social security contributions (employer and employee)

4 Petra Denk was retroactively exempted from social insurance in Switzerland up to May 1, 2021. This means that, like other members of the Board of Directors, she is entitled to social security compensation payments. This includes CHF 27,682 that was paid retroactively in 2024 for the period from May 1, 2021 to December 31, 2023 (less CHF 1,400 reimbursement at the expense of BKW).

AUDITED

#### Remuneration of members of the Board of Directors in 2023

CHF thousands		Remuneration in cash <sup>1</sup>	Share-based remuneration <sup>2</sup>	Total remuneration	Social security contributions <sup>3</sup>	Total
Roger Baillod	Chairman	305	89	394	47	441
Andreas Rickenbacher	Deputy Chairman	114	26	140	20	160
Dr. Carole Ackermann	Member	120	26	146	19	165
Prof. Dr. Petra Denk	Member	100	26	126	3	129
Rebecca Guntern	Member	95	26	121	17	138
Martin à Porta	Member	95	26	121	15	136
Kurt Schär	Member	90	26	116	15	131
<b>Total</b>		<b>919</b>	<b>245</b>	<b>1,164</b>	<b>136</b>	<b>1,300</b>

1 Remuneration in cash, in addition to basic remuneration, includes functional allowances, but not the portion of basic remuneration that is paid in shares.

2 Share-based remuneration is valued at the stock market closing rate on the day of the share assignment (January 17, 2023).

3 Includes social security contributions (employer and employee)

### 3.3 Compliance with the maximum overall remuneration ratified by the General Meeting in respect of the term of office 2024/2025

The General Meeting ratifies the maximum overall amount of remuneration of the Board of Directors for its term of office, i.e. from the General Meeting (each May) until the next General Meeting (the following April).

By contrast, this Remuneration Report is based on the fiscal year; the amount disclosed in this report has therefore been adjusted to a period of eight months (May to December 2024).

The 2024 General Meeting ratified a proposal for a maximum overall amount of CHF 1,400,000 in respect of remuneration of the Board of Directors for the 2024/2025 term of office. Calculated for the period of eight months to December 31, 2024, payments to members of the Board of Directors amounted to CHF 661,000. The amounts yet to be paid in 2025 (from January to April 2025), which were not yet known when this report was prepared, will comply with the maximum overall amount ratified by the General Meeting. A report on the entire remuneration period (General Meeting 2024 to General Meeting 2025) will be provided at the General Meeting 2025.

In respect of the previous term of office 2023/2024, the General Meeting 2023 ratified a maximum overall remuneration of CHF 1,400,000. This amount complied with the total remuneration actually paid during the mandate year amounting to CHF 1,208,000.

For the calculation of the total remuneration, the market value of the subscribed shares was taken into account.

### 3.4 Payments to former members of the Board of Directors and their related parties

No payments were made to former members of the Board of Directors during the reporting year. Neither were any payments made to related parties of members of the Board of Directors.

### 3.5 Loans and credit to members of the Board of Directors

No loans or credits were granted to members of the Board of Directors or related parties during the fiscal year. No such loans or credits existed at the end of the reporting year.

AUDITED

## 4 Mandates of the Board of Directors in comparable functions in commercial activities of third-party companies

As of December 31, 2024 members of the Board of Directors of the BKW Group held the following mandates in for-profit companies outside of the BKW Group:

### Roger Baillod, Chairman

Companies	Activity/Activities
<b>Listed</b>	
Rieter Holding AG, Winterthur	Deputy Chairman of the Board of Directors, Chairman of the Audit Committee, Lead Independent Director
<b>Non-listed</b>	
Ed. Geistlich Söhne AG for the chemical industry, Schlieren, with a mandate in the subsidiary:	Deputy Chairman of the Board of Directors, Chairman of the Audit and Risk Committee
Geistlich Pharma AG, Wolhusen	Member of the Board of Directors, Chairman of the Audit and Risk Committee
Cascina Immobilien AG, Vaz/Obervaz	Member of the Board of Directors
Obere Au happy car AG, Chur	Member of the Board of Directors
Configest AG, Pfäffikon	Chairman of the Board of Directors

AUDITED

**Andreas Rickenbacher, Deputy Chair**

Companies	Activity/Activities
<b>Listed</b>	
–	–
<b>Non-listed</b>	
Bernexpo AG, Bern	Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee
Aebi Schmidt Holding AG, Frauenfeld	Deputy Chair of the Board of Directors, Chairman of the Nomination and Remuneration Committee
CSEM AG, Neuenburg	Chairman of the Board of Directors
HRS Holding AG, Frauenfeld, with mandates in subsidiaries:	Member of the Board of Directors
– HRS Real Estate AG, Frauenfeld	Member of the Board of Directors
– HRS International AG, Zürich	Member of the Board of Directors
– HRS Investment AG, Frauenfeld	Member of the Board of Directors
– HRS Promotion AG, Frauenfeld	Member of the Board of Directors
– HRS Real Estate AG, Vaduz	Member of the Board of Directors
Leolea GmbH, Bern, with mandates in subsidiaries:	Member of the Executive Management
– Leolea Kanton Bern GmbH, Bern	Member of the Executive Management
– Leolea Luzern GmbH, Luzern	Member of the Executive Management
Suva, Lucerne	Member of the Suva Board
Rimane Ventures AG, Biel, with a mandate in the subsidiary:	Board of Directors
– Andreas Rickenbacher Management AG	Board of Directors

AUDITED

**Dr. Carole Ackermann, Member**

Companies	Activity/Activities
<b>Listed</b>	
BVZ Holding AG, Zermatt	Deputy Chair of the Board of Directors, Member of the Nomination and Remuneration Committee, Member of the Audit Committee
<b>Non-listed</b>	
Allianz Suisse Versicherungs-Gesellschaft AG, Wallisellen, with mandates in affiliated companies:	Member of the Board of Directors
– Allianz Suisse Lebensversicherungs-Gesellschaft AG, Wallisellen	Member of the Board of Directors
– CAP Rechtsschutz-Versicherungs-gesellschaft AG, Wallisellen	Member of the Board of Directors
Mandate in Tochtergesellschaften der BVZ Holding AG, Zermatt:	
– BVZ Asset Management AG, Zermatt	Deputy Chair of the Board of Directors
– Gornergrat Bahn AG, Zermatt	Deputy Chair of the Board of Directors
BNP Paribas (Suisse) SA, Lancy	Member of the Supervisory Board, member of the Remuneration Committee
E.H.L. Holding SA, Lausanne	Chair of the Board of Directors
DiamondScull AG, Zug	CEO, Member of the Board of Directors

**Prof. Dr. Petra Denk, Member**

Companies	Activity/Activities
<b>Listed</b>	
VAT Group AG, Haag (Sennwald)	Member of the Board of Directors, the Technology Committee and member of the ESG Committee
<b>Non-listed</b>	
Pfisterer AG, Winterbach, Germany	Member of the Supervisory Board, Chair of the Technology Committee
PMPL Consulting GmbH, Oberschleissheim, Germany	Managing Director
Institut für Systemische Energieberatung GmbH at the Landshut University of Applied Sciences, Germany	Managing Director

**Rebecca Guntern, Member**

Companies	Activity/Activities
<b>Listed</b>	
Sandoz AG, Basel	Chief Commercial Officer and Member of the Group Executive Board
<b>Non-listed</b>	
Mandates in affiliated companies of Sandoz AG: – Sandoz Pharmaceuticals AG, Risch	Chair of the Board of Directors

**Martin à Porta, Member**

Companies	Activity/Activities
<b>Listed</b>	
Stantec Inc., Edmonton, Canada	Member of the Board of Directors, Member of the Nomination, Governance and Remuneration Committee, Member of the Sustainability & Safety Committee
UPM-Kymmene Corporation, Helsinki, Finland	Member of the Board of Directors, Chair of the Personnel and Remuneration Committee
<b>Non-listed</b>	
Wüest Partner AG, Zurich	Member of the Board of Directors
VTU Investment Group GmbH, Grambach, Austria	Chairman of the Supervisory Board
APM Trans4mation AG, Zug	Member of the Board of Directors

**Kurt Schär, Member**

Companies	Activity/Activities
<b>Listed</b>	
–	–
<b>Non-listed</b>	
Sunnsite Management AG, Roggwil (BE)	Chairman of the Board of Directors
Herzroute AG, Burgdorf	Member of the Board of Directors
Event- und Tourismus AG, Burgdorf	Member of the Board of Directors
Sankt Martin Calfeisental AG, Pfäfers (SG)	Chairman of the Board of Directors
Touristische Unternehmung Grächen AG, Grächen, with a mandate in the subsidiary: – TUG Gastro AG, Grächen	Chairman of the Board of Directors
Striebig AG, Lucerne	Chairman of the Board of Directors
Stöcklin Möbel AG, Aesch (BL)	Member of the Board of Directors
Sorglos Design AG, Roggwil (BE)	Member of the Board of Directors
Bacol AG, Ochlenberg	Chairman of the Board of Directors
Tiliacor AG, Roggwil (BE)	Chairman of the Board of Directors

AUDITED

## 5 Remuneration of the Group Executive Board

### 5.1 Remuneration of the Group Executive Board

As mentioned earlier, the Personnel and Remuneration Committee reviewed the remuneration system of the Group Executive Board in 2023. It came to the overall conclusion that the remuneration policy described in Section 1 of this Remuneration Report relating to the remuneration of the Group Executive Board of BKW has proven its worth of the last few years. Therefore, basic remuneration and long-term variable remuneration remain relatively highly weighted compared to short-term variable remuneration. This supports the sustainable, long-term development of BKW and prevents any entering into excessively short-term risks.

However, the Personnel and Remuneration Committee has recognized the improvement potential in the tangible formulation of short-term and long-term variable remuneration. Accordingly, it resolved to make the adjustments described below, through which the principles of the remuneration policy described in Section 1 of the Remuneration Report are further reinforced.

- Increased transparency through a clear definition of the relevant performance criteria for the variable remuneration portions
- Introduction of “pay for performance” also in relation to long-term variable remuneration
- Reinforcement of Governance through the introduction of bonus and/or reclaim clauses for both parts of the variable remuneration

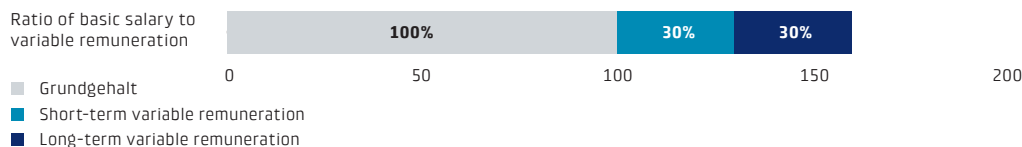
The remuneration system for the Group Executive Board is designed to create incentives to ensure the long-term positive development of BKW. For this reason, remuneration is made up of a substantial fixed base remuneration, a short-term variable remuneration in cash and long-term profit-sharing in the form of Performance Share Units (PSU) which, after a three-year vesting period, are converted into shares and paid out, based on achievement of the relevant targets.



**Remuneration elements for the Group Executive Board**

	Instrument	Purpose	Influencing factors	Performance goals 2024
<b>Annual base salary</b>	Monthly cash remuneration	Employee recruitment/retention	Position, market-level remuneration, qualifications and experience	
<b>Short-term variable remuneration</b>	Annual variable remuneration in cash	Performance-related remuneration	Performance criteria target achievement	– Operating net profit of the Group – Area objectives – Sustainability goals (ESG)
<b>Long-term variable remuneration</b>	PSU with a three-year vesting period	Long-term employee retention in line with shareholder interest	Share price, performance criteria target achievement	– ROCE – CCR – TSR
<b>Pension and social security contributions</b>	Pension and insurance Additional benefits	Hedging against risks Employee recruitment/retention	Market-level practice and position	

The short-term variable remuneration and the long-term variable remuneration each correspond to 30% of the base salary, in the case of 100% target achievement:



**a) Fixed annual base salary**

The base salary provides remuneration for the role performed in the organization. This takes into account the person's experience, scope of responsibility and influence on the company's success. The base remuneration is paid in cash.

**b) Short-term variable remuneration**

The Short-Term Incentive Plan, STI, is intended to reward the short-term success of the company. It is specified and paid out annually based on an assessment of target achievement of specific performance criteria. As always, if the full target (100 percent) is achieved, STI amounts to 30 percent of basic remuneration ("target bonus"), however, the degree of target achievement can vary between 0 percent and 200 percent.

The performance criteria are specified annually by the Personnel and Remuneration Committee for a fiscal year. They aim to constitute the most reliable and realistic depiction possible of sustainable and commercial company success.

At Group level the following targets apply to all Group Executive Board members:

- **Operating net profit:** Net profit according to the consolidated IFRS financial statements, minus positive/plus negative STENFO performance and corrected for the tax effect (flat-fee calculated at 20 percent) on performance
- **Sustainability (ESG: Environmental, Social, Governance):** Relative improvement (points) of the annually commissioned ESG Ratings compared to the baseline assessment in the previous year.

In addition to these general Group targets, for all members of the Group Executive Board a defined target was set for their area of responsibility or strategic focus:

- **CEO and CFO:** EBIT across all Services divisions, i.e. operating result before interest and taxes, whereby the same principles apply as for operating net profit
- **Energy and Infrastructure & Buildings business segments (Building Solutions, Engineering und Infra Services):** EBIT of the respective division,

i.e. earnings before interest and taxes, whereby the same principles apply as for operating net profit

- **Power Grid business segment:** Distribution grid costs according to cost declaration to the Swiss

Federal Electricity Commission (ElCom). Distribution grid costs (TOTEX) corresponding to total CAPEX (capital expenditure) and OPEX (operating expenses) of the grid and the basic supply according to the budget

The targets are weighted as follows:

	Operating net profit (at Group level)	ESG (at Group level)	Performance criterion for CEO/CFO	Performance criterion of business area
Functions without business areas	50%	20%	30%	
Functions with business areas	40%	20%		40%

At the end of the assessment year the Personnel and Remuneration Committee makes an assessment of the target achievement of every member of the Group Executive Board. The degree of target achievement is measured for each performance criterion during the relevant assessment year and the STI payout factor is subsequently determined.

The payout factor (based on the target bonus) is between 0 and 200 percent. PRC has defined a corresponding payout range. The amount of (any) STI payout per member of the Group Executive Board for the respective assessment year is calculated by multiplying the individual STI target amount by the STI payout factor. Whatever the case, the maximum value on the STI scale is 200 percent of the target bonus, i.e. 60% of the basic remuneration.

The short-term variable remuneration is paid out in cash during the calendar year following the year for which it is awarded.

At the request of the Personnel and Remuneration Committee, in exceptional circumstances, the Board of Directors can reduce or cancel the bonus payments, irrespective of the achievement of the target. Such exceptional circumstances may arise if the company's existence is under threat, and for this reason the payment of dividends and/or any profit-sharing due to employees is canceled. In such a case, there may be no claim to short-term variable remuneration despite achievement of targets.

If a member of the Group Executive Board resigns, he/she is entitled to a pro rata STI payout until the end of the employment contract. The payout factors are calculated based on a performance criterion and the amount of the STI payout is calculated according to the normal process for the entire year. The STI payout is made together with the general STI payout to the members of the Group Executive Board, irrespective of the date of resignation.

In the event of termination of the employment relationship by the employer for good cause, all claims of the member of the Group Executive Board expire without compensation, at the same time as the notice of termination is given.

#### Malus and clawback clause

The Personnel and Remuneration Committee can reduce or withdraw part or all promised benefits for the STI or request the return of benefits already paid from individual members of the Group Executive Board if it turns out that they were based on non-compliance of accounting standards or in the event of demonstrably unlawful acts or legal infringements by a member provided that the respective event was not more than three years ago.

#### c) Long-term variable remuneration

The Long Term Incentive (LTI) is aimed at securing long-term success and is linked to the achievement of the defined performance criteria and the share price performance. The objective of the LTI is to secure a sustainable increase in corporate value and an alignment between the interests of the Group Executive Board and the shareholders.



All members of the Group Executive Board are now allocated entitlements to shares in BKW AG (Performance Share Units or PSU), based on an amount of 30 percent of the base salary (target value at the time of allocation, whereby the share reference price corresponds to the average closing price of the share in the month prior to the meeting at which PRC decides on the allocation). These PSU are converted into shares at the end of the assessment period which is generally set at three years. However, this conversion is contingent on the Personnel and Remuneration Committee assessing that the defined performance criteria have been met: If the threshold values for the performance criteria have not been met, the payout factor is 0 percent. If the threshold values have been met, 50 percent of the assigned PSU is converted into shares. This value rises based on the extent to which the targets have been exceeded, but the amount does not exceed a maximum of 150 percent of the assigned PSU.

For the assessment period that started in 2024 and will terminate at the end of 2026, the Personnel and Remuneration Committee has defined targets for the following performance criteria:

- **Return on Capital Employed (ROCE):** This covers earnings before interest and taxes (EBIT) less imputed taxes (NOPLAT) divided by average committed interest-bearing capital over the year
- **Cash Conversion Rate (CCR):** Cash flow from operating activities divided by earnings before interest and taxes, depreciation and amortization (EBITDA)
- **Relative Total Shareholder Return (TSR):** The total amount that a shareholder achieves from his investment, including capital gains and dividends from a share, in comparison to a comparison group consisting of the SPI Middle Index

The targets are weighted as follows:

#### Weighting of the performance criteria

Return on Capital Employed (ROCE)	Cash Conversion Rate (CCR)	Relative Total Shareholder Return (TSR)
33.33%	33.33%	33.33%

The Personnel and Remuneration Committee measures the target achievement for each performance criterion annually and determines the payout factor with a linear interpolation between the threshold specified by the committee (below which the payout factor is 0 percent) and the maximum value, above which a maximum PSU of 150% is awarded.

After the conclusion of the assessment period, it determines the average of annual target achievement across the entire period. The payout factor, through which the PSU is converted into BKW shares, is calculated from the weighted average of the target achievement of all three performance criteria, and is between 0 and 150 percent.

If the employment relationship is terminated before the allocation date defined in the allocation document, the entitlement to an allocation of PSU lapses, regardless of who gave notice of termination and for what reason.

In the event of retirement, disability and termination by the employer for operational reasons, the termination of the employment relationship has no influence on the assessment period and the payout date of the outstanding PSU. The number of shares to be paid out is adapted pro rata, based on the duration of the full earning period in relation to the duration between the start of the earning period and the termination date. The shares are paid out at the end of the earning period in accordance with the stipulated provisions.

In the event of termination due to a change of control, or of death of a member of the Group Executive Board, the number of outstanding PSU is also reduced pro rata temporis. The LTI payout factor is determined for each year of the assessment period on the basis of the performance achieved. If the termination date falls within the first year, the LTI payout factor is set to 100 percent. In the second year, the factor is calculated on the basis of the average target achievement of the first year and 100 percent target achievement in the second year. In the third year, the calculation is based on the average target achievement of the first two years and 100 percent target achievement in the third year. The payment of the shares will take place as soon as administratively possible after the termination date.

If a member of the Group Executive Board terminates the employment relationship, or if the employer gives notice of termination for good cause or for reasons of performance or conduct, all outstanding, unearned PSU expire without compensation at the same time as the notice of termination.

If the employment relationship between the member of the Group Executive Board and BKW is terminated by means of a termination agreement, PRC may make other agreements with the member of the Group Executive Board that differ from the above provisions (taking into account the stipulations of Swiss Law regarding prohibition of [hidden] severance payments).

#### **Malus and clawback clause**

As for the STI, the Personnel and Remuneration Committee can reduce or withdraw part or all promised benefits for the LTI or request the return of benefits already paid from individual members of the Group Executive Board if it turns out that they were based on non-compliance of accounting standards or in the event of demonstrably unlawful acts or legal infringements by a member provided that the respective event was not more than three years ago.

#### **d) Social security contributions, pension and fringe benefits**

Members of the Group Executive Board are covered by the regular pension plan established for all employees. Pension contributions include the employer contributions to the social insurance and the Pension Fund. The BKW pension fund operates a defined-contribution pension plan in accordance with the provisions of the Occupational Pensions Act (BVG). The pension plan covers an annual income up to CHF 882,000 with age-related contribution rates (including a maximum of ten percent of the short-term variable cash remuneration) paid each by the company and the employee in accordance with the rules applicable to all employees.

The members of the Group Executive Board are entitled to an expense allowance in accordance with the ordinary expense policy applicable to all members of management, which is approved by the tax authorities. A company vehicle or a season ticket is provided to individual Group Executive Board members. The private portion is charged as remuneration. Like all employees, Group Executive Board members are also entitled to a long-service bonus in accordance with the general regulations. Apart from this, the Group Executive Board is not entitled to any other additional benefits.

#### **e) Contracts**

In accordance with Art. 29 of the Articles of Incorporation, contracts between BKW and members of the Group Executive Board may only be concluded for a maximum period of one year or with a maximum notice period of twelve months.

The employment contracts of members of the Group Executive Board comply with the requirements of the Swiss Code of Obligations. During the reporting period, all Group Executive Board members had unlimited employment contracts with a notice period of twelve months. Members of the Group Executive Board are not entitled to any contractual severance payments, special change-of-control provisions or non-competition payments.



#### **f) Changes to the Group Executive Board**

There were no personnel changes in the Group Executive Board in 2024 following the new composition of the Group Executive Board in 2023.

#### **5.2 Remuneration paid in 2024**

The remuneration amounts paid to the Group Executive Board are disclosed in the fiscal year in which they are recognized in the annual financial statements. This is due to the following changes in the individual remuneration elements:

##### **Basic remuneration**

In 2024, the CEO received an increase in base remuneration. The contracts of the Heads of BKW Building Solutions, BKW Engineering and BKW Infra Services were also adjusted to the conditions and remuneration elements (according to the STI and LTI regulations explained in this report) of a member of the Group Executive Board as of January 1, 2024. For the other members, the basic remuneration remained unchanged.

##### **Short-term variable remuneration**

All members of the Group Executive Board have two targets for short-term variable remuneration which are aligned with the BKW Group as a whole. The operative net profit and the ESG target:

Reported operating net profit for the BKW Group for 2024 is CHF 647.5 million. For the purposes of calculating the short-term variable remuneration, the Personnel and Remuneration Committee have adjusted this operating net profit by the performance of the Decommissioning and Disposal Funds (net taxes) and the inorganic growth, (which is not included in the target value). This has resulted in an adjusted operating net profit of CHF 549.6 million. The budgeted net profit was thus significantly exceeded, however, without reaching the maximum EBIT threshold. This results in a payout factor of 141 percent for this component.

An independent sustainability rating will be created for the ESG target (carried out by Ethifinance – formerly imug rating) for the assessment and classification of BKW's sustainability performance. In the rating, the "Corporate Management" (9 criteria), "Social Aspects" (5 criteria) and "Environment" (5 criteria) areas are weighted, added together and rated on a scale of 0 to 100 points. The defined target was exceeded. This results in a target achievement of 150 percent.

The defined area targets, which are based on the corresponding EBIT and the distribution grid costs, were also exceeded with an average target achievement of 131 percent.

AUDITED	Target	Target achievement
	Operating net profit (at Group level)	141%
	ESG target (at Group level)	150%
	Average target achievement of the area targets (according to Section 5.1)	131%

On average, this results in a target achievement of 139 percent for the individual members of the Group Executive Board, based on the individual target achievement values and the weighting shown in Section 5.1.

**Long-term variable remuneration**

The whole Group Executive Board (including the CEO) was allocated 9,504 shares (2023: 7,496). Due to the redesigned LTI, the number of restricted shares allocated is no longer comparable with the newly allocated PSU. The PSU allocation in 2024 will be converted into shares in 2027, based on the target achievements of the LTI plan 2024 to 2026.

**Ratio of fixed and variable remuneration**

In 2024, the variable remuneration of the CEO was 68 percent of the basic remuneration paid. For the other members of the Group Executive Board, this was 65 percent.

AUDITED

Group Executive Board member remuneration	100%	41%	24%
Effective CEO remuneration	100%	44%	24%

- Base salary
- Short-term variable remuneration
- Long-term variable remuneration

### Remuneration (gross) of members of the Group Executive Board and the highest-earning member in 2024

CHF thousands	Robert Itschner CEO 2024	Group Executive Board (including CEO) 2024
Fixed base salaries	800	4,595
Short-term variable remuneration	353	1,903
Langfristige variable Vergütung (PSU) <sup>1</sup>	195	1,118
Pension contributions and additional benefits <sup>2</sup>	244	1,270
<b>Total</b>	<b>1,592</b>	<b>8,886</b>

AUDITED

- 1 For the long-term variable remuneration, the PSU were evaluated according to the KPI weightings: for the TSR as market condition (to one third) using the Monte-Carlo simulation and for the ROCE and CCR (together two thirds) as performance condition at market value of March 1, less the anticipated dividend. This resulted in a fair weighted value of CHF 117.65 per PSU. The Monte-Carlo simulation is a statistical method used to model the probability of different outcomes in a process that is not deterministic due to random variables. It is often used to quantify uncertainties and assess risks by running numerous scenarios and using random values for uncertain parameters. Probability distributions for various possible outcomes can thus be created to support sound decision-making. Pension contributions correspond to the contributions paid in the reporting year and the assumed social security contributions for the PSU.
- 2 Pension contributions correspond to the contributions paid during the reporting year and the assumed social security contributions for the PSU.

### Remuneration (gross) of members of the Group Executive Board and the highest-earning member in 2023

CHF thousands	Robert Itschner CEO 2023	Group Executive Board <sup>1</sup> (including CEO) 2023
Fixed base salaries	770	3,688
Short-term variable remuneration	432	2,007
Long-term profit sharing (share-based remuneration) <sup>2</sup>	230	984
Pension contributions and additional benefits <sup>3</sup>	229	1,115
<b>Total</b>	<b>1,661</b>	<b>7,794</b>

AUDITED

- 1 As of October 31 2023, the Group Executive Board consisted of five members. As of November 1, the Group Executive Board was expanded by the Heads of the Service divisions (BKW Building Solutions: Antonin Guez, BKW Engineering: Martin Fecke, BKW Infra Services: Sven Behrend). Stefan Sewckow also joined as Head of Energy Markets. Their remuneration amounts are included in the remunerations stated above. Roland K pfer, Head of Power Grid, retired at the end of 2023, however as from November 1, 2023 he no longer attended Group Executive Board meetings. His last two months of remuneration is also included in the remuneration shown above.
- 2 The share-based remuneration is reported at the closing price on the allocation date (March 7, 2024). In the Remuneration Report 2022 this was recognized at the corresponding tax value.
- 3 Pension contributions correspond to the contributions paid during the reporting year. Also included in the additional benefits are CHF 40,000 for the CEO as compensation for relocation costs. Also considered are CHF 55,000 for paid out, but not taken leave days for a departed members of the Group Executive Board.

#### 5.3 Compliance with the maximum total remuneration for the 2024 fiscal year ratified by the General Meeting

In summary, the remuneration paid is in full compliance with the maximum total amount of CHF 9,800,000 for remuneration to the Group Executive Board for the 2024 fiscal year approved by the 2023 General Meeting.

AUDITED

#### 5.4 Payments to former members of the Group Executive Board and their related parties

No payments were made to former members of the Group Executive Board during the reporting year. Neither were any payments made to related parties of members of the Group Executive Board.

AUDITED

### 5.5 Loans and credits to members of the Group Executive Board

No loans or credits were granted to members of the Group Executive Board or related parties during the fiscal year. No such loans or credits existed at the end of the reporting year.

## 6 Mandates of the Group Executive Board in comparable functions in commercial activities of third-party companies

As of December 31, 2024 members of the Group Executive Board of BKW AG held the following mandates in comparable functions in for-profit companies outside of the BKW Group:

### Robert Itschner, CEO

No mandates in third-party companies

### Martin Zwysig, CFO

Companies	Activity/Activities
<b>Listed</b>	
Belimo Holding AG, Hinwil	Deputy Chairman of the Board of Directors and Chairman of the Audit Committee
<b>Not listed (on behalf of BKW)</b>	
Kraftwerke Oberhasli AG	Member of the Board of Directors and President of the Finance Committee

### Sven Behrend

Companies	Activity/Activities
<b>Listed</b>	
–	–
<b>Non-listed</b>	
FGH e.V., Mannheim, Germany	Member of the Board of Directors

### Martin Fecke

No mandates in third-party companies

### Antonin Guez

No mandates in third-party companies

### Dr. Philipp Hänggi

Companies	Activity/Activities
<b>Listed</b>	
–	–
<b>Not listed (on behalf of BKW)</b>	
Kernkraftwerk Leibstadt AG	Member of the Board of Directors
Kraftwerke Oberhasli AG	Member of the Board of Directors

### Dr. Corinne Montandon

No mandates in third-party companies

### Stefan Sewckow

No mandates in third-party companies

## 7 Shareholdings and options

As of December 31, 2024 the members of the Board of Directors and the Group Executive Board held the following shares in BKW AG:

### Members of the Board of Directors

Number of shares		31.12.2024	31.12.2023
Roger Baillod	Chairman	6,993	6,413
Andreas Rickenbacher	Deputy Chair	1,532	1,366
Dr. Carole Ackermann	Member	2,732	2,566
Prof. Dr. Petra Denk	Member	957	791
Rebecca Guntern	Member	2,732	2,566
Martin à Porta	Member	3,357	3,191
Kurt Schär	Member	957	1,366
<b>Total</b>		<b>19,260</b>	<b>18,259</b>

### Members of the Group Executive Board

Number of shares		31.12.2024	31.12.2023
Robert Itschner	CEO	2,261	509
Dr. Martin Zwysig	CFO	740	0
Sven Behrend	Head of Infra Services	1,796	1,106
Martin Fecke	Head of Engineering	1,670	967
Antonin Guez	Head of Building Solutions	721	0
Dr. Philipp Hänggi	Head of Production	8,181	8,900
Dr. Corinne Montandon	Head of Power Grid	6,952	5,471
Stefan Sewckow	Head of Energy Markets	209	0
<b>Total</b>		<b>22,530</b>	<b>16,953</b>

Some shares of members of the Board of Directors and Group Executive Committee have a lock-up period of up to three years.

As of December 31, 2024, the company's equity consumption (burn rate) amounted to 0.307 percent (2023: 0.354 percent). This is defined as the number of shares allocated by BKW participation programs in 2024 divided by the total number of shares outstanding. In 2024 162,085 shares were assigned across the entire BKW Group (2023: 187,011).

# Report of the statutory auditor on the remuneration report



## Report of the statutory auditor to the General Meeting of BKW AG, Bern

### Report on the audit of the remuneration report

#### Opinion

We have audited the remuneration report of BKW AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on pages 304 to 309 and 315 to 318 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report (pages 304 to 309 and 315 to 318) complies with Swiss law and the Company's articles of incorporation.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Directors is responsible for the other information. 'Other information' comprises information included in the annual report in German that we obtained prior to the date of this report (but does not include the financial statements, consolidated financial statements, remuneration report, BKW Green Bond reporting or our auditor's reports thereon) and the information in the annual reports in English and French that is expected to be made available to us after that date.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

#### Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

PricewaterhouseCoopers AG, Bahnhofplatz 10, 3011 Bern  
Phone: +41 58 792 75 00, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Thomas Wallmer  
Licensed audit expert  
Auditor in charge

Matthias Zimny  
Licensed audit expert

Bern, 10 March 2025

# Legal Notice

## Addresses

### Investor Relations

BKW AG  
Investor Relations  
Viktoriaplatz 2  
CH-3013 Bern  
Telephone +41 58 477 57 33  
[investor.relations@bkw.ch](mailto:investor.relations@bkw.ch)

### Media Relations

BKW AG  
Media Relations  
Viktoriaplatz 2  
CH-3013 Bern  
Telephone +41 58 477 51 07  
[media@bkw.ch](mailto:media@bkw.ch)

The expectations and forecasts expressed in this report are based on assumptions and are subject to risks and uncertainties. Actual future results may differ from those expressed or implied by the expectations and statements in this report. This report is published in German, French and English. The German text is the authoritative version.

## Imprint

### Editorial team

Group Finance,  
Sustainability Management,  
Group Communications, Bern

### Concept, design and production

NeidhartSchön AG, Zurich  
[www.neidhartschoen.ch](http://www.neidhartschoen.ch)

### Translation

Tradeo, Court  
[www.tradeo.ch](http://www.tradeo.ch)

### Photography

Beat Schweizer (p. 4, 6, 8, 11, 14, 15, 26, 30, 31, 147, 169, 205, 221)  
Johannes Mink (p. 1, 3, 6, 20, 24, 28, 149, 231)  
Oliver Oettli (p. 6, 23)  
Remo Buess (p. 6, 27, 243)  
Peter Neusser (p. 18)  
Manuel Stettler (p. 18)  
HGEsch Photography (p. 19)  
Daniel Hager (p. 20)  
BKW (p. 20)

