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with energy.**

Corporate Governance Statement 2022



**Our future:
#climatepositive**

Corporate Governance Declaration

MVV bases its actions on high-quality and transparent corporate governance, i.e. on the principles of responsible company management aimed at sustainable value creation. That is a standard we conscientiously aim to meet in all aspects and all areas of our company. That is why we promote close cooperation based on trust between the Executive and Supervisory Boards and employees, account for the interests of our shareholders and all other stakeholders in our decisions, strictly comply with applicable laws and structure our reporting and corporate communications transparently and openly. We are convinced that high-quality corporate governance strengthens the trust placed in our company by our shareholders, customers, business partners, employees and the general public.

The following Corporate Governance Declaration pursuant to § 289f and § 315d of the German Commercial Code (HGB) includes the Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG), as well as those further disclosures on corporate governance at MVV Energie AG whose inclusion is either required by § 289f and § 315d HGB or recommended by the Code.

The Executive and Supervisory Boards of MVV Energie AG dealt extensively with the company's corporate governance in the 2022 financial year. The following Declaration of Compliance shows: MVV Energie AG complies with the Code's recommendations with just one exception. Our aim is to follow the recommendations and suggestions made by the Code as completely as possible in future as well.

Declaration of Compliance with the German Corporate Governance Code (§ 161 AktG)

The Executive and Supervisory Boards adopted the following Declaration of Compliance with the German Corporate Governance Code in September 2022:

The Executive and Supervisory Boards of MVV Energie AG hereby declare that the company complied and complies with the recommendations made by the German Corporate Governance Code Government Commission. For the past, this declaration refers to the version of the Code dated 16 December 2019 and published in the Federal Gazette on 20 March 2020. For the future, it refers to the version of the Code dated 28 April 2022 and published in the Federal Gazette on 27 June 2022.

No application was or is made of the following Code recommendation:

G.10: "Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years. Any benefits granted to Management Board members in a later year should be suitably explained in the remuneration report."

The remuneration system of MVV Energie AG www.mvv.de/investors, which was approved by a broad majority of shareholders at the Annual General Meeting on 12 March 2021, does not provide for any remuneration by ways of shares in the company, share ownership obligations or corresponding share-based remuneration models. Variable remuneration for the Executive Board is exclusively disbursed by way of cash payments. The remuneration system at MVV Energie AG nevertheless takes account of the interest of the company and its stakeholders in long-term, value-based and sustainable growth. The variable bonuses are based on the company's operating performance (adjusted EBIT) in the respective financial year and its average return on capital employed (ROCE) over a three-year period. Variable remuneration is disbursed when minimum thresholds specified in advance are exceeded. In particular, the link between variable remuneration and ROCE, and the development in this key figure over a three-year period, enables account to be taken of MVV's capital-intensive business and of the company's long-term performance. The ROCE measures how efficiently a company uses its capital and is, in our opinion, the most suitable key figure for assessing whether MVV has performed sustainably with its capital-intensive infrastructure and taken the right long-term strategic decisions. Furthermore, the shareholder structure of MVV Energie AG, above all its low level of free float and low share trading volumes, make it less appropriate to offer variable remuneration based on shares in the company or other share-based remuneration models.

Remuneration report and remuneration system

Although it is no longer part of the management report, the remuneration report prepared pursuant to § 162 AktG, including the audit opinion, forms a constituent component of the Annual Report. It is also published on our website at www.mvv.de/investors and, pursuant to the provisions of § 162 (4) will be available there for ten years. Moreover, on our website we have also published the Executive Board remuneration system pursuant to § 87a (1) and (2) Sentence 1 AktG, which was approved by the Annual General Meeting on 12 March 2021, and the most recent resolution adopted by the Annual General Meeting on 12 March 2021 in respect of the remuneration of Supervisory Board members pursuant to § 113 (3) AktG.

Shareholders and Annual General Meeting

The Annual General Meeting is where shareholders in MVV Energie AG exercise their voting and control rights. Each shareholder is entitled to participate in the Annual General Meeting if he or she registers within the relevant deadline and meets the requirements governing participation in the meeting and the exercising of voting rights. Shareholders may make statements on all agenda items at the meeting and submit relevant questions and motions. At the 2022 Annual General Meeting, which was held on an exclusively virtual basis due to the pandemic, due account had to be taken of the specific measures set out in greater detail below. For voting purposes, each share entitles its holder to one vote and voting is possible before or during the Annual General Meeting. Here, shareholders can cast their vote in a variety of ways: in person or via a proxy of their choice, by being represented by a voting proxy appointed by MVV Energie AG to act in line with their instructions, or by a bank or shareholders' association. Moreover, shareholders can submit their votes electronically in advance of the Annual General Meeting provided that they register within the relevant deadlines. Alternatively, they can communicate all declarations electronically using our password-protected shareholder portal, that can be reached via our website www.mvv.de/investors.

As mentioned, due to the coronavirus pandemic we held the 2022 Annual General Meeting on a virtual basis. The meeting was broadcast live and in full length on our website and the web-based shareholder portal. Moreover, through to the end of voting shareholders were able to cast their votes via the shareholder portal. They were thus able to decide at very short notice as to how to cast their vote. The option of submitting questions about the agenda via the shareholder portal up to one day ahead of the Annual General Meeting was drawn on by large numbers of our shareholders. The questions thereby submitted were answered in full by members of the Executive and Supervisory Boards at the Annual General Meeting. This way, we were able to ensure a high-

quality exchange of views with our shareholders in the virtual format as well.

Announced on 26 July 2022, the German Act on the Introduction of Virtual General Meetings of Stock Corporations has created a legal basis for holding virtual annual general meetings upon the expiry of the existing special regulations. We are currently reviewing the resultant options for holding our Annual General Meeting.

On our website at www.mvv.de/investors we publish all relevant documents for our Annual General Meeting in line with the requirements of stock corporation law. In particular, these include the invitation to the meeting and all reports and information needed for the resolutions.

Transparent and prompt communications

We aim to ensure a high degree of transparency and equal treatment of our shareholders in terms of their access to information. We have therefore set ourselves the standard of providing all stakeholders with simultaneous, equivalent and extensive information about material developments and about the company's situation. Our website, and here especially www.mvv.de and www.mvv.de/investors, serve as prompt sources of information. The information we publish on these sites includes our financial reports, our corporate governance declaration, the remuneration systems for members of the Executive and Supervisory Boards, the remuneration report, presentations from our analysts' conferences, press releases, ad-hoc announcements and our financial calendar.

Disclosures on auditor

The Annual General Meeting on 11 March 2022 elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, (PwC), Essen, as auditor for the 2022 financial year. Ahead of this, the Supervisory Board convinced itself of the auditor's independence. We comply with all statutory requirements resulting from the Audit Regulation and from § 316 et seq. HGB: from the selection, appointment, rotation of the auditor and of the persons responsible for managing the audit, through to commissioning the auditor to perform non-audit services.

Reporting and audit of financial statements

MVV Energie AG prepares its annual financial statements based on the requirements of the German Commercial Code (HGB). We prepare the consolidated financial statements and the interim financial statements in accordance with International Financial Reporting Standards (IFRS) in the form requiring application in the European Union. We present the situation of the MVV Group and of MVV Energie AG in a combined management report.

The auditor audits the annual financial statements of MVV Energie AG prepared by the Executive Board. Once the Audit Committee has discussed the financial statements, they are examined, approved and thus adopted by the Supervisory Board. The consolidated financial statements prepared by the Executive Board and audited by the auditor are also presented to the Supervisory Board for its own review and approval once they have previously been examined in detail by the Audit Committee. Furthermore, in its audit of the financial statements the auditor also audits the combined management report.

The quarterly statements for the first three months and first nine months are prepared by the Executive Board and discussed with the Audit Committee prior to publication, as is the half-year financial report. These documents are not subject to any review requirements by the auditor.

The combined non-financial declaration is subject to a limited assurance audit based on International Standards on Assurance Engagements ISAE 3000 (revised).

Compliance and risk management

We have set ourselves the standard of ensuring that our dealings with all our stakeholders are characterised by trust, fairness and integrity. Our compliance management system (CMS) supports us in safeguarding compliance with applicable laws, as well as with in-company guidelines and the ethical standards to which we are committed. The CMS is intended on the one hand to ensure that our managers and employees understand and adhere to these guidelines and standards and on the other hand to monitor all relevant business activities and processes within our Group.

We have summarised the most important requirements and necessary organisational structures and processes in our Compliance Management Handbook. This also lists the names of those employees who are responsible for our reporting system and describes the relevant processes in detail. The handbook is binding for all companies at the Mannheim subgroup of MVV Energie AG and is permanently available for downloading to all employees at this subgroup. The other subgroups have introduced equivalent compliance management systems.

MVV's Compliance Officer is responsible for our CMS with regard to its contents, organisation and processes. He compiles the relevant compliance regulations, updates these, and exchanges information with the various organisational units involved. He documents the regulations and ensures that they are implemented within business processes. Moreover, he is responsible for ensuring that employee training measures are implemented and that all CMS processes are adhered to. Furthermore, he acts in an advisory capacity to support measures intended to prevent and, where necessary, investigate any violations of the law, corruption or deliberate acts harmful to the company. The Compliance Officer reports to the Executive Board regularly and whenever otherwise required by specific developments, as well as to the Audit Committee in the context of the annual financial statements.

We have structured our CMS in such a way that any breaches of compliance are avoided on a preventative basis, particularly by implementing preventative measures in the respective business processes (systemic compliance). We perform advance checks on relevant processes in sensitive areas, for example, and act early to take corrective measures where necessary. Donations and payments to parties and political organisations are strictly prohibited. Payments to equity providers exclusively take the form of dividends.

We rely on active prevention measures within the actual business processes already in order to avert criminal or grossly improper violations of the law. Here, we pursue a zero-tolerance policy towards bribery and all other forms of corruption. With regard to corruption prevention, we provide extensive training to our employees, particularly those working in sales, related areas and procurement. We show them, for example, how to deal with gratuities and invitations, which we record and check. With these measures, we minimise the risk of so-called soft bribery. We likewise continually monitor all business fields, specialist divisions, group departments and subsidiaries to ascertain whether compliance requirements have been observed. Moreover, employees and third parties can contact the Compliance Officer or an external confidence lawyer directly via anonymous "whistle-blower" hotlines and thus provide tip-offs of potential misconduct. Among other places, the telephone number of the confidence lawyer is also published on our website at www.mvv.de.

Apart from a low number of minor incidents, no compliance-related infringements were detected in the period under report.

Regular training is provided to all of MVV's managers and employees who have contact to customers, service providers or suppliers to ensure that they are extensively informed of general compliance requirements and also familiar with the legal requirements relevant to their respective business units. Examples of the topics covered by this training are combating corruption and money laundering, capital market, stock market, competition and cartel law, handling sanction lists and the relevant requirements of energy industry law. In the 2022 financial year, 373 employees at the Mannheim subgroup and 441 employees at the other subgroups took part in this training.

Due to the coronavirus pandemic, most training sessions were still held as video conferences rather than in person. In parallel, 2,615 individuals completed an e-learning programme in the same period that was offered by our Stadtwerke Kiel and Energieversorgung Offenbach subsidiaries and the Juwi subgroup. All managers from a specific management level upwards are required to submit a Compliance Management Declaration (CMD) at the end of each financial year. The same requirement applies to the managing directors of our subsidiaries and select other shareholders. In this, they must state whether all relevant compliance regulations and legal requirements have been complied with. Among others, the questions in the CMD include asking whether the employees of the individual manager have received the required instruction and suitable training for the CMS. Moreover, in the context of the CMD the managers also provide detailed responses to questions specifically tailored to circumstances at their respective business unit.

We take all measures necessary to prevent money laundering and terrorism financing. Given its products, customer base and geographical areas of activity, MVV is only exposed to a low potential risk in this respect. To eliminate the risk of participating in money laundering and terrorism financing entirely, cash transactions are prohibited without exception. In addition, when business relationships are established requirements have to be met in terms of identifying the contract partners and their economic beneficiaries. To ensure that we do not maintain any business relationships with individuals who are subject to sanctions, we regularly deploy an IT tool to compare our business partners with the relevant sanction lists.

The energy industry supply chain is greatly influenced by fuel trading, which is handled on energy exchanges or in bilateral agreements. A significantly lower share of our total procurement volumes relates to suppliers who provide us with goods or perform services for us. Compliance has high priority for us in our cooperation with these suppliers as well. We use supplier management systems and require all suppliers to commit to our compliance regulations, particularly those relating to anti-corruption measures, environmental protection, respect for human rights in the supply chain and social responsibility. We base our cooperation with suppliers and service providers in Germany and the European Union on applicable laws and regulations, including the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (LkSG), which will apply to us from 1 January 2023, as well as on those compliance regulations, forms of conduct and work practices relevant to us. Among others, these comprise the international conventions of the United Nations (UN), the International Labour Organization (ILO) and the Organisation for Economic Cooperation and Development (OECD), as well as the UN Global Compact. We agree with our suppliers that they will comply with our Compliance Code of Conduct and our Suppliers Code of Conduct, both of which are published on our website www.mvv.de/zentraleinkauf. Our suppliers undertake to comply with legal requirements and internationally recognised standards governing anti-corruption measures, the protection of human and workers' rights and environmental protection. If these obligations are breached, then contractual sanctions, including contractual penalties, termination and damages payments, are provided for. To implement the requirements of the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (LkSG), we have initiated a groupwide project in which we will be introducing an AI-based risk analysis process and establishing supplier risk management connected to this. This will enable us to avoid, terminate or minimise any violations by our suppliers of human rights and/or human rights-related environmental protection requirements. The process already accounts for the requirements contained in the draft version of the EU Corporate Sustainability Due Diligence (CSDD) Directive.

Further key components of our corporate management are our risk management system (RMS) and our internal control system in respect of the financial reporting process (IKS). Our RMS is structured to enable us to detect financial and non-financial opportunities and risks at an early stage and thus assess the potential implications for our adjusted EBIT. Opportunities may result in a positive variance in our company earnings compared with the budget values, while risks may produce a negative variance. We evaluate opportunities and risks at the Group on the basis of in-depth analyses of the market and competition. If possible, we reduce our risks or, if they are of a commercial nature, pass them on to

third parties. To this end, we develop suitable measures and monitor their implementation. Our IKS covers relevant accounting and financial reporting processes at all major locations. The aim is to minimise those risks that might contravene our objective of ensuring correct, complete, prompt and understandable financing reporting. To this end, we regularly analyse all processes and interfaces involved in preparing the consolidated financial statements, the financial statements of MVV Energie AG and the combined management report of MVV.

Dual management system

As a listed stock corporation with its legal domicile in Mannheim, MVV Energie AG is governed by the requirements of German stock corporation law. One basic principle set out therein is the dual management system, which requires strict separation between the Executive and Supervisory Boards in terms of their composition and function. The Executive Board is responsible for managing the company and conducting its business, while the Supervisory Board is entrusted with advising and monitoring the Executive Board. The Executive and Supervisory Boards of MVV Energie AG work together closely and on a basis of trust in the interests of the company.

Composition and mode of operation of Executive Board

The Executive Board manages the company under its own responsibility with the objective of generating sustainable and profitable growth. It lays down the company's strategic alignment and determines its financial, investment and personnel planning. It reviews whether the strategic alignment is being implemented effectively and whether the risk management system is appropriate. Furthermore, it monitors risk controlling, the internal control system in respect of the financial reporting process (IKS) and the compliance management system, as well as more far-reaching decentralised management and control systems. It takes due account of the interests of the company's stakeholders in its decisions.

The activities of the Executive Board are governed by a Code of Procedure issued by the Supervisory Board. This lays down divisional responsibilities, as well as those tasks and decisions incumbent on the overall Executive Board. Furthermore, it defines the responsibilities of the Chief Executive Officer (CEO), the ways in which the Executive Board adopts resolutions and the transactions requiring Supervisory Board approval. Pursuant to the Articles of Incorporation, the Executive Board must have at least two members. It currently comprises four positions: CEO/Commercial Affairs, Technology, Sales and Personnel.

The CEO coordinates the work within the Executive Board. He also represents the Executive Board externally. Apart from this, Executive Board members enjoy equal rights and bear joint responsibility for managing the company. Each member of the Executive Board manages their division under their own responsibility but nevertheless subordinates the specific interests of the division to the overriding interests of the company. Due to the sickness-related absence of the CEO, his duties were temporarily assigned to the other members of the Executive Board. The Technology Director was responsible for coordinating Executive Board business during the absence of the CEO. The head of the Tax and Accounting department was appointed as a deputy member of the Executive Board and assumed responsibility for commercial affairs.

Diversity concept for composition of Executive Board

The diversity concept adopted by the Supervisory Board in 2020 for the composition of the Executive Board is based on MVV's entrepreneurial approach. Together with the Executive Board, the Supervisory Board ensures that long-term succession planning is in place. The Executive Board of MVV Energie AG should be composed in such a way that qualified leadership, control and business management is at all times ensured for MVV Energie AG and the MVV Group. Candidates for the Executive Board of MVV Energie AG therefore have to be able to correctly assess the economic situation and technical framework of a listed energy supplier with municipal roots and successfully shape its sustainable development. On an individual level, Executive Board members are not expected to have the full range of specialist skills, competencies and experience that are specifically required. Overall, their qualities should nevertheless complement each other in such a way that the Executive Board as a whole has the necessary expertise and a suitable breadth of experience. Executive Board members bear joint responsibility for managing the company and the Group. In view of this, they must have sufficient expertise for mutual supervision and deputisation.

When concluding employment contracts, an upper age limit of 65 years should be complied with. The term of first-time appointments should not exceed three years.

In 2017, the Supervisory Board set itself the objective of raising the share of women on the Executive Board and laid down a target of 25 % to be reached by 30 September 2021. With the appointment of Verena Amann to the Executive Board, this target was met as of 1 August 2019 and thus two years earlier than planned. The share of women on the Executive Board thus already meets the quota for women on the management boards of listed companies set by § 76 (3a) AktG for appointments after 1 August 2022 in cases where the respective management board has more than three members. With the temporary appointment of

Daniela Kirchner as a deputy member of the Executive Board as of 1 January 2022, the share of women on the Executive Board increased to 40 %.

The CVs of Executive Board members have been published on our website at www.mvv.de/investors to provide information about their experience, expertise and skills.

Composition and mode of operation of Supervisory Board and its committees

The Supervisory Board advises the Executive Board in its management of the company and supervises its activities. Its responsibilities also include appointing and dismissing members of the Executive Board. The Executive Board must involve the Supervisory Board in all decisions that are of fundamental significance for the company. In view of this, the Executive Board provides the Supervisory Board with regular, prompt and comprehensive information about the strategy and other fundamental matters of corporate planning. Moreover, the Executive Board regularly reports to the Supervisory Board on the business performance, major transactions and situation of the company, as well as on its risk situation and risk management.

The Supervisory Board of MVV Energie AG comprises 20 members, of which ten shareholder representatives and ten employee representatives. Their terms in office are identical. Eight of the shareholder representatives are elected by the Annual General Meeting, while two, namely the Lord High Mayor and the relevant specialist head of department, are directly delegated by the City of Mannheim. This provision is applicable for as long as the City of Mannheim is a shareholder and, directly or indirectly, holds shares corresponding to more than half of the company's share capital. Employee representatives are elected by the company's employees in accordance with the German Codetermination Act (MitbestG). The Chairman of the Supervisory Board, the Lord High Mayor of the City of Mannheim Dr. Peter Kurz, coordinates the work of the Supervisory Board, whose activities are governed by a Code of Procedure. We have published the Code of Procedure for the Supervisory Board on our website at www.mvv.de/investors.

To structure its activities efficiently, the Supervisory Board of MVV Energie AG has formed five specialist committees. The members of these committees are each particularly qualified in terms of their specialism. The Audit Committee meets regularly, and at least five times a year, while the Personnel, Nomination, Mediation and New Authorised Capital Creation Committees are only convened when necessary.

The **Audit Committee** addresses the corporate planning, strategy and the performance of individual business fields, as well as the development and structure of individual controlling systems. It also deals with fundamental financial reporting issues. Its responsibilities include preparing the selection of the auditor, reviewing and discussing the annual and consolidated financial statements in advance and preparing corresponding resolutions for the full Supervisory Board, as well as discussing the interim consolidated financial statements for the first half and the interim financial statements for the first three and first nine months with the Executive Board. The committee further monitors the effectiveness of the internal control system (IKS) and the internal audit and risk management system. It checks whether the organisational precautions taken are sufficiently effective to ensure compliance with legal requirements and internal company guidelines (compliance). Further tasks incumbent on the Audit Committee include determining key audit focuses and setting thresholds for the commissioning of non-audit services. The Audit Committee consists of three shareholder representatives and three employee representatives. At 30 September 2022, the committee had the following members: Dr. Lorenz Näger (Chairman), Heike Kamradt-Weidner (Deputy Chairwoman), Angelo Bonelli, Detlef Falk, Martin F. Herrmann and Gregor Kurth. The Audit Committee members meet the requirements of § 100 (5) and § 107 (4) 4 AktG, which state that at least one member of the committee should have accounting expertise, at least one further member should have auditing expertise, and that the members as a whole should be familiar with the sector in which the company operates. All members of the Audit Committee have accounting expertise and, with the exception of Angelo Bonelli, auditing expertise. All committee members are independent pursuant to the definition in C.10 of the Code. The Supervisory Board Chairman, Dr. Peter Kurz, the First Mayor of the City of Mannheim, Christian Specht, and the Supervisory Board member Dr. Stefan Seipl attend Audit Committee meetings as permanent guests.

The **Personnel Committee** focuses in particular on preparing any Supervisory Board resolutions which relate to the conclusion, amendment or rescission of employment contracts with Executive Board members. It proposes suitable candidates to the Supervisory Board for appointments to the Executive Board. In this, it takes due account of legal requirements, the diversity concept adopted by the Supervisory Board for the Executive Board and the recommendations made by the German Corporate Governance Code. The Supervisory Board as a whole is responsible for appointing new members to the Executive Board subsequent to preparation of the decisions by the Personnel Committee, as well as for decisions relating to existing employment contracts. When selecting new Executive Board members, the Supervisory Board develops and deploys current requirement profiles based on the diversity concept for the composition of the Executive Board. The Personnel Committee comprises six members: the Supervisory Board Chairman, who is also Personnel Committee Chairman, his deputy and four Supervisory Board members, of which two shareholder and two employee representatives. The Personnel Committee had the following members at 30 September 2022: Dr. Peter Kurz (Chairman), Heike Kamradt-Weidner (Deputy Chairwoman), Angelo Bonelli, Barbara Hoffmann, Gregor Kurth and Andreas Schöniger.

The responsibilities of the **Nomination Committee** involve recommending suitable candidates to the Supervisory Board for its own proposals to the Annual General Meeting. When selecting candidates, the committee takes particular account of legal requirements, the diversity concept adopted by the Supervisory Board, including the competency profile, and the recommendations of the German Corporate Governance Code. Furthermore, it compiles targets for the composition of the Supervisory Board. The six committee members include the Supervisory Board Chairman, who also chairs the committee, and five further shareholder representatives. The Nomination Committee had the following members at 30 September 2022: Dr. Peter Kurz (Chairman), Barbara Hoffmann, Gregor Kurth, Dr. Lorenz Näger, Tatjana Ratzel and Thorsten Riehle. Christian Specht attends the meetings of the Nomination Committee as a permanent guest.

Pursuant to § 27 (3) of the German Codetermination Act (MitbestG), the **Mediation Committee** submits further personnel proposals to the Supervisory Board if the two-third majority required to appoint and dismiss Executive Board members is not achieved in the first ballot. The Mediation Committee had the following members at 30 September 2022: Dr. Peter Kurz (Chairman), Heike Kamradt-Weidner, Gregor Kurth and Andreas Schöniger.

The **New Authorised Capital Creation Committee** is charged with exercising the powers of the Supervisory Board in connection with any capital increase based on

authorised capital. This committee comprises eight members: the Supervisory Board Chairman, who chairs the committee, his deputy and six further Supervisory Board members, of which one employee and five shareholder representatives. The New Authorised Capital Creation Committee had the following members at 30 September 2022: Dr. Peter Kurz (Chairman), Heike Kamradt-Weidner, Gregor Kurth, Dr. Lorenz Näger, Tatjana Ratzel, Thorsten Riehle, Andreas Schöniger and Christian Specht.

Diversity concept for composition of Supervisory Board

The diversity concept adopted by the Supervisory Board in 2020 and the specialist and personal requirements it sets out for the Supervisory Board are intended both to ensure a transparent and systematic selection process for new Supervisory Board members and to provide a suitable and well-balanced composition for the Board as a whole. The aim is for the Supervisory Board of MVV Energie AG, as is the case in its current composition, to be able at all times to provide qualified supervision and advice to the Executive Board in its activity on behalf of MVV. Candidates for the Supervisory Board of MVV Energie AG must be able to correctly assess the economic situation and technical context of a listed energy supplier with municipal roots and to successfully accompany its sustainable development. Individual Supervisory Board members are not expected to have the full range of specific specialist skills, competencies and experience required. However, their qualities should complement each other in such a way that the full Board has the competence and experience needed for it to perform the duties incumbent on the Supervisory Board and its committees.

Furthermore, the Board must include an adequate number of members with the qualifications called for by the German Stock Corporation Act (AktG) and the German Corporate Governance Code. The Supervisory Board should also include an adequate number of independent members.

Proposals for candidates should take due account of an upper age limit of 70 years. As a rule, this limit should also not be exceeded during the term in office.

The specialist and personal requirements stipulated in the diversity concept for the Supervisory Board are satisfied in the board as a whole and summarised in the qualification matrix provided below pursuant to C.1 of the German Corporate Governance Code.

**Satisfaction of diversity and competence requirements FY 2022
(Number of Supervisory Board members)**

Area of competence	Energy industry technical	Energy industry commercial	Company management	Renewable energies	International markets	Accounting and controlling	Auditing	Law	Municipal affairs	Human resources	Digital transformation	Sustainability and system transformation
Core competence	9	9	14	8	9	12	10	9	11	14	10	10
Secondary competence	7	9	6	11	5	7	7	9	8	5	9	10

The Supervisory Board of a listed company is required by § 96 (2) Sentence 1 AktG to comprise at least 30 % women and at least 30 % men. Pursuant to § 96 (2) Sentence 2 AktG, this requirement basically applies for the overall Supervisory Board. At MVV Energie AG, however, both the employee and the shareholder representatives on the Supervisory Board have exercised the option provided for in § 96 (2) Sentence 3 AktG, namely of deciding that these minimum shares should be met not only for the Supervisory Board as a whole, but also for employee and shareholder representatives respectively. This means that, of positions allocable to shareholder and employee representatives, at least three for each group must be held by women and at least three by men. This requirement was met in the period under report.

The responsibilities of the Nomination Committee include implementing the diversity concept for the composition of the Supervisory Board. It proposes suitable shareholder representative candidates to the Supervisory Board for its election proposals to the Annual General Meeting. In this, it also takes due account of legal requirements and of the recommendations made by the German Corporate Governance Code. Before nominating a proposed candidate, the Supervisory Board checks whether the potential candidate has sufficient time at his or her disposal to discharge the duties involved and whether he or she has any business and/or personal links to the group of companies or any of its competitors. The selection of employee representatives for Supervisory Board positions is governed by the provisions of codetermination law.

The composition of the Supervisory Board changed in the 2022 financial year. Jürgen Wiesner, an employee representative on the Supervisory Board, stood down from his position as of 30 April 2022. He was succeeded by Andreas Schöniger, who joined the Supervisory Board as of 1 May 2022.

Information about the experience, expertise and skills of our Supervisory Board members can be found in their CVs as published on our website at www.mvv.de/investors.

We conducted the self-assessment recommended by the Code with regard to the efficiency of the work performed by the Supervisory Board and its committees with support from an external consultant in the 2022 financial year. The results were presented to the Supervisory Board and discussed. Overall, members assess the work performed by the full Supervisory Board and its committees as highly efficient. We have acted on the feedback received. The next assessment is scheduled for the 2024 financial year.

Conflicts of interest and independence of Supervisory Board members

Conflicts of interest on the part of Executive or Supervisory Board members must be disclosed to the Supervisory Board immediately. In its report to the Annual General Meeting, the Supervisory Board provides information as to whether any such conflicts arose and, if so, how these were addressed.

In respect of Points C.1 and C.6 et seq. of the German Corporate Governance Code in its version dated 28 April 2022, we are of the opinion that all members of our Supervisory Board were and are independent in the spirit of the Code. A Supervisory Board member is considered independent if he or she is independent of the company and its Executive Board and independent of any controlling shareholder. This is the case for all Supervisory Board members. We also view Supervisory Board members who sit on the city council or work for the city administration and are delegated by the City of Mannheim as independent in this sense. The City of Mannheim owns a majority of the shares in MVV Energie AG. Pursuant to the Municipalities Code of the State of Baden-Württemberg, the city council is the topmost political body representing the city. In view of this, it is logical that the City of Mannheim, as the majority shareholder in MVV Energie AG, should be represented on the company's Supervisory Board by members of the city council and city administration. When determining independence, the decisive factor is whether there are any material conflicts of interest that are not only of a temporary nature. This is particularly not the case for Supervisory Board members appointed in accordance with the Articles of Incorporation, namely Dr. Peter Kurz and Christian Specht. The same is true of the other Supervisory Board members who sit on the city council or did so in the 2022 financial year.

Even if a different view is taken of the independence of those Supervisory Board members who are simultaneously members of the city administration or city council of the City of Mannheim, the Supervisory Board nevertheless certainly includes what is, according to C.9 of the German Corporate Governance Code, an appropriate number of independent members, namely Sabine U. Dietrich, Martin F. Herrmann, Barbara Hoffmann, Gregor Kurth, Dr. Lorenz Näger, Tatjana Ratzel and Dr. Stefan Seipl.

Some of our Supervisory Board members have been members for more than twelve years. These are Dr. Peter Kurz (since 2007) and Christian Specht (since 2005), who are shareholder representatives delegated to the Supervisory Board in accordance with the Articles of Incorporation, and Detlef Falk (since 2007) and Johannes Böttcher (since 2006) as employee representatives. Despite the length of their membership, based on their work to date the

Supervisory Board does not have any doubts as to their independence of the company and its Executive Board.

Report on equal participation of women and men

The Supervisory and Executive Boards of MVV Energie AG firmly believe that the company can generate sustainable business success only if responsibility is assigned to women and men on a basis of equality. Not least in view of demographic change, it makes sense for both social and economic reasons to promote all talents regardless of their gender. Among others, this approach also has the benefit of proactively countering the effects of any shortage of specialist and management staff. To date, women have only made up a comparatively low share of the overall workforce at companies operating in the energy sector. The Supervisory and Executive Boards of MVV Energie AG believe that increasing the share of women working at the group of companies on a long-term basis is one key to the company's successful further development. We have therefore set ourselves the target of raising women's share of our Group's workforce to 35 % by 30 September 2026, up from 28 % at 30 September 2022. Among our management staff, we also aim to increase the share of women to 25 %; at the balance sheet date on 30 September 2022, this share stood at 16 %. To achieve our targets by 2026, we will consistently implement our promotional measures and programmes and further expand these in the years ahead. That is particularly true for our targeted personnel development activities for women who have the potential to take on management positions.

For MVV Energie AG, we report on the share of women in the first and second management tiers below the Executive Board. In September 2021, the Executive Board set targets for the share of women at 25 % for the first and 30 % for the second management tiers, with both targets to be reached by 30 September 2026. The share of women in the first management tier amounted to 18 % at 30 September 2022 and was thus ahead of the previous year (30 September 2021: 14 %). In the second management tier, the share of women amounted to 22 % (30 September 2021: 31 %) and thus fell short of the target level set. We see the share of women in the first management tier as offering an improved basis for meeting our target and will have to further step up our internal efforts to raise the share in the second management tier. In addition to those measures that are already in place to promote women, we are taking steps to increase the number of applications we receive from promising external and internal women candidates.

Imprint/Contact

PUBLISHED BY

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