

Independent panel statement 2023 of the ewz Sustainability Board

Introductory remarks

The members of the Sustainability Board valued the in-depth insight into ewz's strategic planning and open dialogue with the ewz Management Board at the first Sustainability Panel in November 2023.

By establishing the Sustainability Board as a corporate body with recurring panels and interactions, ewz aims to enable tracking of its progress over the years as it puts its sustainability strategy into action. Challenges will be openly discussed, recommendations for potential improvements put forward.

This will sharpen ewz's overall profile as a leading, proactive player in the field of sustainability. In the panel discussions, the focus was on how ewz can further advance in its pioneering role. Along with general issues, for ewz itself the focus is on the topics of climate protection and biodiversity.

Basic expectations of ewz

This inaugural panel discussion began by examining the basic expectations that the board members have of ewz. They want to see ewz taking a pioneering role, supporting developments that point the way forward for Switzerland – as they do with hydropower usage, for example. Because in supporting decarbonisation with its products and services, ewz makes a key contribution as a trailblazer for the energy transition and for other companies. Here ewz can play an important part that goes beyond discussions, which tend to be fragmented.

The board believes ewz should be open to new business models (for example, incorporating trading in negative emissions), which are based on a top-down view of systems. And because ewz uses public goods such as water, it also needs to consider the internalisation of external costs.

The board values the pragmatism in ewz's implementation, a quality with broad appeal that deserves to be more widely communicated in the interests of building trust. For example, it would be worth communicating – to the younger generation in particular – why and how ewz makes a profit, and how this flows back into society both directly and indirectly. ewz can credibly defend the profitability of solutions, because sustainability also means solutions that are financially feasible for customers.

In general, it will take a degree of courage in dialogue to get the general public involved in the energy transition. The basis is genuine transparency around the relevant facts, which can often get lost in communications from companies.

Climate protection

For ewz, climate protection with a goal of net zero by 2040 is a focal point of its strategy. The Sustainability Board welcomes this strategic approach and believes ewz is generally on track when it comes to the expansion of renewable energy and the development of additional decarbonisation initiatives for customers, for instance. Along with obvious challenges like the conflicting interests around the expansion of hydropower versus protected areas, the Sustainability Board sees particular opportunities arising from ewz's role in the overall context of energy transition. So it would be good to see ewz making greater use of its pragmatic competencies and innovation to test forward-looking approaches in real-life settings which could be groundbreaking for actors throughout Switzerland. But to do this, it requires greater regulatory scope. The interaction of energy systems with urban planning, the role of the urban mobility system in an ageing society – these are areas that also require urgent solutions. The key question here is how to boost ewz in its pioneering role.

From a customer perspective, the main factors are concrete, affordable solutions. It will take courage to better involve customers in new business models. For individual members, other important issues include renewable energy 'as a service' and the participation of customers, for example in resident profit-sharing. Overall, it is important to bring the customer along on the journey and to create a better understanding for the concrete challenges of net zero.

Biodiversity

ewz aims to give more space to the issue of biodiversity in its environmental strategy. The Sustainability Board welcomes this, as this topic is rightly attracting greater attention in the business world. Here ewz is primarily concerned with doing the right thing and making it measurable. Strategically, ewz needs to declare what it aims to achieve in terms of biodiversity. The focus should be on optimising the ecological functions of land. In this area in particular it is important to take a systematic approach and to think and act holistically. This means considering the connectivity of ecosystem functions and promoting interconnected habitats. In general the use of earth resources needs to be considered from the perspective of overall value increase. New conditions can be addressed as opportunities and not just as risks. This is especially true of the consequences of climate warming. For example, if mountain slopes are destabilised due to the shrinking of glaciers in ewz catchment areas, a sophisticated concept for optimisation of ecological functions could assist in stabilisation.

Focus on the big picture

The Sustainability Board found the focus on climate protection and biodiversity in the first panel reasonable, but for future interactions it would also like to see issues like the social impact of ewz on the agenda – in relation to price movements in energy or empowerment of customers, for example.

One key concern of the Sustainability Board which arose in almost every discussion is how to discuss ewz's development and contribution to the overall system. The members would like to see ewz helping to define visions of the future, for example: What should the Zurich of the future look like? What is our contribution? How do we make the general public part of the energy transition?

The fact that the public is part of the 'our ewz' approach is often forgotten, yet there is great potential here. So it would be good to see user groups closely integrated and to showcase ewz as a partner that creates added value in cooperation with the population, to the benefit of the communities it serves. This also represents an attractive target image as a contrast to the large-scale energy corporations and their motive of profit maximisation.

Closing comments

It is the Sustainability Board's hope that some of the results of the first panel will flow into ewz's strategy and target-setting process. It would therefore welcome an exchange of information between the annual panel discussions. The five members of the Sustainability Board wish the ewz Management Board every success in implementing its sustainability strategy and would be happy to continue offering suggestions as a sounding board for the further development of ewz in the future.

The panel statement was put together by the members of the Sustainability Board in January 2024 with the support of Stephan Lienin, Sustainserv GmbH, who moderated the panel in November 2023.

The members of the ewz Sustainability Board comprise:

- *Prof. Ulrike Zika, University of Applied Sciences of the Grisons*
- *Nadia von Veltheim, CEO of Post Immobilien*
- *Prof. Matthias Sulzer, Empa*
- *Dr. Stephan Siegrist, Think Tank W.I.R.E*
- *Prof. David Bresch, ETH Zurich*