ENERGINET

SUSTAINABILITY AT ENERGINET

2023

A SUSTAINABLE PATH TO THE GOAL

A green transition of the energy systems is more urgent than ever if we are to ensure a sustainable future for our planet.

We take this task very seriously at Energinet, and we are determined to do our bit. We have to find new solutions, and we have to convert and expand our existing energy infrastructure at pace in order to be able to integrate significantly increased volumes of green energy in the future – and our core activities therefore have a major impact on the climate and our surroundings in general. At Energinet, we are very aware of our responsibilities and of our climate footprint. In the years ahead, it will be a key focus for Energinet to incorporate sustainability into our activities – without slowing down the green transition.

The green transition is a global challenge that is putting pressure on the markets for the necessary components. Due to the market challenges, we must be open to new suppliers and partners. It is crucial in this regard that we do not lose sight of the dilemmas associated with the sustainability journey and are good at balancing climate, environmental and social considerations.

Like other large companies, we are getting ready for our reporting to be done in line with the EU's new Corporate Sustainability Reporting Directive (CSRD) in the 2024 financial year. The new reporting requirements provide a good framework for us to refine our sustainability efforts and objectives at Energinet.

Compliance with the new regulations will be both challenging and resource-intensive, but will also make us more aware of Energinet's real impact on the world. This is valuable and will help us to target our efforts even better.

We adopted three new objectives in 2023, setting the direction for what we want to achieve in relation to the climate, biodiversity and the circular economy.

Our new climate goals align us with the Paris Agreement and the Danish government's aim for Denmark to be climate-neutral by 2045. This is only natural and right for us, but the climate is far from the only parameter we have to consider. We are all the time encountering a number of dilemmas inherently associated with sustainability, which we are doing our utmost to balance.

We are not only facing a climate crisis, but also a biodiversity crisis. We are greatly concerned about this at Energinet. We are therefore working concretely to protect biodiversity at our own facilities and areas with the aim of making a net positive contribution to Denmark's biodiversity by 2030. We enjoy good working relations with competent authorities and organisations, and firmly believe that we must help address the climate crisis and the biodiversity crisis at the same time. The solutions to the two crises must not counteract each other – even though the green transition will leave its mark on the Danish landscape and environment.

In 2023, we also felt the impacts of the rapid growth in our organisation, flowing from Energinet's central role in the green transition. We have been assigned new areas of responsibility in relation to both hydrogen and carbon storage, while also building, planning and operating electricity and gas infrastructure on an unprecedented scale. We are also devoting many resources to digitalisation and cybersecurity.

Such growth not only presents challenges to the sustainable management of our resources, but also to the cohesion of our organisation, having welcomed 500 new colleagues in the space of just one year. The well-being, safety and working conditions of both internal and external employees are therefore a high priority and a key part of our sustainability efforts.

Thomas Egebo
President and CEO

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CSR AND SUSTAINABILITY REPORT 2023

The report constitutes Energinet's report on sustainability and social responsibility in line with section 99a and 107d of the Danish Financial Statements Act and statutory statements in relation to the EU Taxonomy Regulation. It thus forms part of the management's review in the Energinet Group's Annual Report 2023. Like the annual report, it covers the period from 1 January 2023 to 31 December 2023. The report also forms part of Energinet's CoP (Communication on Progress) on our commitment to the UN Global Compact.

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ENERGINET'S VISION, STRATEGY AND BUSINESS MODEL

Energinet contributes to converting energy systems, so that citizens and businesses can use renewable energy for everything, with a continued high level of security of supply and at affordable prices. This is what we call the energy trilemma. We must create value for society in a broad sense – for citizens, businesses, institutions and civil society.

If we succeed in resolving the energy trilemma, the Danish energy system can serve to inspire the rest of the world. As we perform our core task, we thereby contribute to the global fight against climate change.

In 2019, the Folketing set an ambitious climate goal of a 70% reduction in greenhouse gas emissions in Denmark in 2030 and full climate neutrality by 2050. This year, the government brought the finish line forward five years to 2045. In fact, green energy production has already overtaken fossil energy production, but the green transition has to really be accelerated if we are to meet our climate goal.

A focused strategy

The enormous changes taking place in the world around us have a major impact on how we fulfil our duty to society. Our 'Energy on time' strategy sets the direction for how we will deliver infrastructure, security of supply and markets that meet future requirements and needs. We are also focusing firmly on our core tasks and the unique value we create for society.

Sustainability underlies our strategy and our vision – 'Green energy for a better world' – as a key element in all our activities. The activities of integrating renewable energy and maintaining a high level of security of supply in ways that are affordable to society consume resources and have a major impact on the climate. This is particularly the case when they have to happen at an extremely high pace. As a natural part of the energy trilemma, Energinet will therefore inevitably increase its carbon emissions in step with the green transition, particularly through the construction of facilities. Energinet's primary direct impacts stem from transmission losses in the electricity transmission grid and electricity consumption at Energinet's substations and gas facilities. We also have SF6 gas and methane emissions. These impacts have been increasing in recent years due to the need to expand the Danish infrastructure. It is a key focus for Energinet to ensure that this expansion takes place in the most sustainable way possible within the framework we are given.

Sustainability Report 2023 describes Energinet's handling of and initiatives to address the impacts of our own operations, while contributing to global climate action. The report is Energinet's report on social responsibility and related policies and due diligence processes for the climate and environment, employee and social conditions, respect for human rights and combatting corruption and bribery, as well as the gender breakdown of the management. The report also contains goals and actions for each of the areas covered.

Energinet is owned by the Danish Government, and the framework for Energinet's portfolio of tasks has been determined by law. The minister acts as the owner of Energinet, in accordance with the guidelines in the Danish Government's ownership policy, the EU regulations and the rules set out in the Danish Act on Energinet. This means that the minister is obligated to supervise at a general level and consider developments

in the enterprise. In December 2020, the minister approved three green indicators for Energinet's operations based on Energinet's climate targets.

They are now stated in the ownership document and included as part of the ongoing reporting to the ministry in line with other KPIs and indicators for the quality of Energinet's performance.

- SF6 gas emissions relative to grid volume
- Transmission losses relative to the amount of transported electricity
- Methane emissions relative to the volume of transported gas

Energinet also has a subsidiary, Energinet Associated Activities, the purpose of which is to share knowledge about the efficient integration of renewable energy into the electricity system globally via consultancy services, and to offer consultancy services related to open source IT cooperation and leasing of optical fibre and antenna positions. Associated Activities is financed by the Danish Energy Agency.
Read more about Energinet's structure and organisation at www.energinet.dk

ROLES OF THE COMPANIES IN ENERGINET

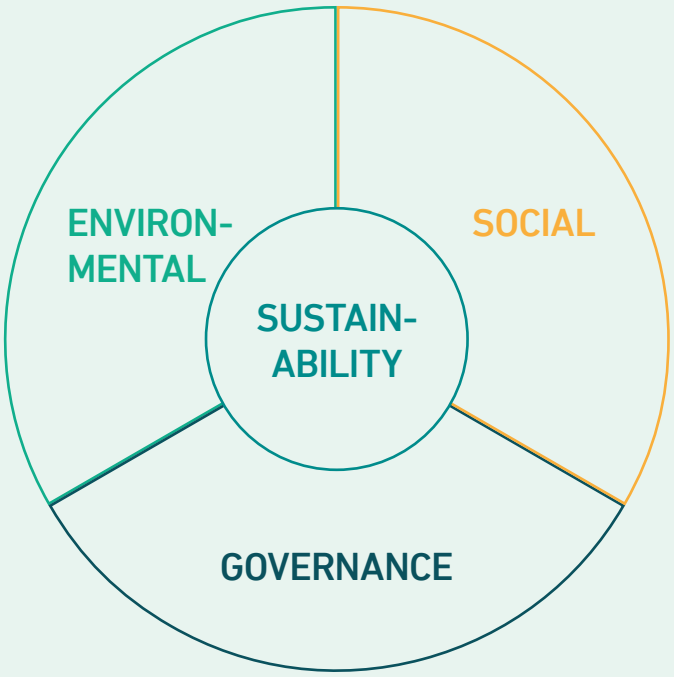
GRID We operate and develop electricity and gas grids and gas storage facilities, and we establish interconnections.

SYSTEM We have the operational and long-term TSO responsibility for the electricity and gas system.

MARKET We participate in the development of energy markets and market rules in Denmark, the Nordic countries and the EU.

SUSTAINABILITY AT ENERGINET

Sustainability is about striking a balance between climate and environmental considerations, social conditions and corporate governance. This approach can be abbreviated ESG (Environmental, Social, Governance). While ESG sets the general framework for our sustainability efforts, our Sustainability Programme contains nine specific programme strands that we are particularly focusing on at Energinet. Energinet must always work within the framework defined for our core task, but it is also crucial that we focus on delivering on the green transition in the most sustainable way possible.



ENVIRON-MENTAL

PROGRAMME STRAND 1
Emissions from natural gas and SF6 gas

PROGRAMME STRAND 2
Transmission losses and energy consumption for the transmission grid

PROGRAMME STRAND 3
Carbon-neutral passenger transport and administrative business operation, and other carbon emissions

PROGRAMME STRAND 4
General environmental conditions

Programme strand 5
Biodiversity

CLIMATE IMPACT

Energinet actively contributes to integrating more renewable energy into the Danish energy system. The green transition is part of our core task, but our activities also have a major impact on the climate, and as our project portfolio grows, so does our impact on the climate, the environment and society. In 2023, Energinet had a climate footprint of 462,522 tonnes CO2e. To minimise this, in 2023 Energinet adopted a new goal of being climate-neutral by 2045.
It will take a lot of work by our entire organisation to achieve this goal, and it is crucial that we strengthen our focus on mapping and reducing our climate impact.
You can read more about Energinet's initiatives to reduce our climate footprint on pages 15-19.

ENVIRONMENTAL FACTORS

Energinet's activities have both a major climate impact and a significant impact on the Danish landscape and local environments. As our activities expand, it is important that we also consider the environment and biodiversity and strike the right balance between climate action and protecting the environment. Energinet manages over 650 hectares of land all over Denmark. Our potential for doing something positive for the Danish environment is therefore considerable. In 2023, Energinet set a goal of making a positive net contribution to Danish biodiversity by 2030. Read more about our environmental initiatives under programme strands 4 and 5
on pages 21-22.

SOCIAL

PROGRAMME STRAND 6
Physical and psychological working environment

PROGRAMME STRAND 7
Diversity

PROGRAMME STRAND 8
Sustainable procurement

EMPLOYEES

The green transition is gaining pace, making high demands on our culture and way of working. We therefore have a strong focus on ensuring that the physical and psychological working environment provided for our employees meets the highest standards. Energinet aims to attract, retain and develop enthusiastic employees with strong skills and foster diversity as an asset. We believe that motivated, happy and healthy employees thrive in the workplace, and that their well-being depends in part on the conditions we offer them. We want a culture that focuses on the physical and psychological working environment, work-life balance and room for diversity and inclusion.

WORKERS IN THE VALUE CHAIN

As a company, Energinet is responsible for its entire value chain. We take responsibility for our own employees as well as the employees who contribute indirectly to our activities through suppliers and partners. It is important to us that the employees in our value chain also work under conditions that are up to our standards, and that human and employee rights are respected in all Energinet's activities. Read more about our initiatives for workers in the value chain on pages 31-33.

GOVERNANCE

PROGRAMME STRAND 8
Sustainable procurement

PROGRAMME STRAND 9
Responsible business conduct

RESPONSIBLE BUSINESS CONDUCT

Energinet is committed to combatting corruption, bribery and other fraudulent behaviour. In a tight supplier market, it is particularly important that we are aware of our responsibility to balance the need for a rapid green transition with sustainability. We have a major impact on the outside world through our many acquisitions. We therefore demand that our suppliers and partners meet certain standards in relation to climate, environment and social conditions.

GOVERNANCE, RISKS AND COMPLIANCE

Energinet's sustainability initiatives involve the entire organisation. From establishing frameworks and guidelines at Group level, standardised processes and collaboration with suppliers, to specific decisions about procuring sustainable solutions in the given project.

Energinet has seen a rising level of activity in recent years. Sustainability comes with a great deal of complexity in the form of opposing interests and perspectives, and navigating the dilemmas it entails is made harder by the pace of development. The best choices for the climate can involve social risks, and environmental considerations can slow the progress of the green transition. It is crucial that we do not lose sight of the importance of balancing the various considerations, and this requires sustainability efforts in Energinet to be solidly anchored. Our strategies and aims must be put into effect in our daily activities. It is therefore important that our employees have a broad understanding of Energinet's impacts, risks and opportunities in this area.

Energinet generally follows a risk-based approach. This also applies to sustainability. Our key sustainability risks in 2023 included:

Health and Safety
Energinet takes care of employees – both its own employees and those of its suppliers. The expansion of our infrastructure required for the green transition and the faster pace called for in operations and projects, combined with an increase in both the number and scope of projects, lead to more work pressure and greater risk of critical workplace injuries. We are seeking to mitigate these risks through a new organisation and by improving the quality of our working environment initiatives.The aim is to raise the bar for our working environment and safety standards, so we can measure ourselves against the best in the field.

Market conditions
Demand for components in the global market has risen sharply and is expected to rise further. The high demand is driven in part by the green transition of the energy systems in Europe. This is causing supply chain bottlenecks for a number of critical components. This leads to risk of delays and projects being more costly, but it also forces Energinet to work with new suppliers in regions with higher sustainability risks (e.g. in relation to human and labour rights).

New follow-up and reporting requirements
Very comprehensive new legislation in the field of sustainability is being introduced at the moment, such as the sustainability directive (CSRD)[1] and the EU taxonomy. The regulatory landscape is changing rapidly, and Energinet has to report under the CSRD from 2024, even though the legislation is not expected to be fully implemented in Danish law until some time in 2024. Considerable resources have to be devoted to ensuring that the right processes, data foundation and controls are in place. Greater complexity also creates risks and uncertainty in relation to implementation, and makes it difficult to communicate clearly about expectations and requirements to both internal and external stakeholders.

Risk management, prevention and mitigating actions are documented continuously through risk registers and reporting to Energinet's Executive Board and Audit and Risk committee. Energinet's risk management and general governance structure are supported by a number of policies and guidelines related to sustainability. Energinet is a member of the UN Global

Compact and follows the ten principles of the standard. These are reflected in Energinet's sustainability policy, which directs our efforts in this area.

In 2023, there was a major focus on taking the first steps towards compliance with the EU's new CSRD. The directive obligates companies to set targets for, report on and publish their sustainability initiatives in line with mandatory standards set by the EU. The stricter reporting requirements place great demands on Energinet's governance in this area, but they also ensure a more transparent approach to sustainability, and we welcome this change. The directive provides a framework, and in Energinet we use it as a basis for the risk-based prioritisation of our sustainability initiatives.

The first steps in this process were taken in 2023. Energinet adopted a new sustainability policy, conducted a double materiality analysis, and adopted three new goals for the climate, circular economy and biodiversity. Work is also underway on climate action plans, which are expected to be adopted in 2024. With these initiatives, Energinet has taken important steps to ensure compliance in the area. This work will remain a major focus in 2024. For example, the double materiality analysis will be revisited with the involvement of more stakeholders.

[1] Corporate Sustainability Reporting Directive

STAKEHOLDER INVOLVEMENT AND PARTNERSHIPS

Energinet plays a key role in the green transition of the Danish energy system, but both energy systems and sustainability are matters that cut across sectors, borders and interests. Energinet believes that the green transition calls for new partnerships – locally, nationally and globally.

Global cooperation towards the green transition
Energinet has a strong focus on how we can contribute to the green transition – nationally and internationally. Given that Denmark accounts for less than 1% of the world's total CO2e emissions, Energinet sees it as a high a priority to disseminate our knowledge and experience to other countries and thereby help accelerate the green transition globally. Energinet Associated Activities has projects all over the world and works closely with the Danish Energy Agency's global consultancy service and their partner countries. Associated Activities is financed by the Danish Energy Agency.

In 2023, Energinet Associated Activities took part in more than 50 projects in many different countries, and more than 70 Energinet employees were involved. The focus is always on green energy for a better world, and we are keen to share knowledge and experience that can benefit other countries, at any and all stages of their green transition process.

A major project is in Ethiopia, where a five-year programme has been planned in collaboration with the Danish Energy Agency. Ethiopia's electricity system runs almost entirely on flexible hydropower. They are therefore well-positioned to integrate wind and solar power and maintain their current low carbon emissions. However, they need more knowledge about things like reliable power grid operation, so it becomes robust enough to support both the country's current and increased consumption levels expected in the future. Energinet is sharing its knowledge and experience with operation and security of supply here, and the focus will also be on utilising wind and solar capacity as part of the solution to meeting the increased consumption.

Global cooperation contributes to dialogue between us and the other countries on sustainable green solutions, while the exchange of experience with others also provides new insights on how to further develop our own practice. We are continuously working to maintain existing and cultivate new international collaboration, so that we can achieve the global climate goals together. These are valuable partnerships and relationships that help other countries in their green transition, but they also benefit Energinet and Denmark because the knowledge we take home can be used to find new solutions in relation to our own tasks and goals.

Stakeholder involvement
At local and national level, it is also central for Energinet that we perform our core task with respect for the rest of society. We strive to be transparent about the fact that our efforts to develop the Danish energy system also entail sustainability risks, for example in relation to the climate, biodiversity and labour rights. For Energinet, it is important to be transparent about these risks with our stakeholders, and we make every effort to involve relevant stakeholders and create transparency about our activities. The table provides an overview of how we take our stakeholders' interests into account in relation to sustainability.

STAKEHOLDERS	PURPOSE OF INTERACTION	METHOD AND FREQUENCY
EMPLOYEES	We give high priority to ensuring that our employees are well-informed about Energinet's strategic objectives and the results we achieve, also in relation to sustainability, and this is central to achieving our aims.	Daily involvement Regular internal communication Involvement through projects Meetings in various bodies , such as the Social Responsibility Group and Consultation Committee
OWNER	Energinet is owned by the Danish state, under the Danish Ministry of Climate, Energy and Utilities. We have a special obligation to provide regular, complete and timely information to our owner. Energinet's strategic priorities and sustainability objectives are based on the political framework and aims set by our owner.	Ongoing dialogue
CITIZENS, THE PUBLIC AND INTEREST GROUPS	Energinet wants everyone to have easy access to timely information about the energy system. It is important to us that citizens who are affected by Energinet's construction projects and infrastructure are informed and consulted early in the regulatory processes.	Regular communication through media, publications and public meetings. Consultation and involvement in connection with regulatory processes.
MUNICIPALITIES	We make an effort to involve municipalities in relevant plans as early as possible, and we seek to find the best solutions together, with respect for local sustainability concerns, for example in relation to biodiversity.	Ongoing dialogue and involvement in projects
SUPPLIERS AND PARTNERS	Energinet seeks to uphold trusting and constructive relationships with suppliers and other business partners, whose innovations, input and products are critical to maintaining and developing the sustainable energy systems of the future. We are open about our own sustainability efforts, and make an effort to make the necessary documentation available to partners.	Ongoing involvement, for example through supplier days and in tender processes
ENERGY SECTOR AND ITS INTEREST GROUPS	Energinet seeks to uphold close, trusting and lasting relationships with the professional players in the energy sector. The green transition makes it necessary for the entire sector to be innovative and to work together in new ways.	Stakeholder Forum twice a year Ongoing involvement in stakeholder forums and networks
AUTHORITIES AND POLITICIANS	Energinet seeks to uphold close and trusting relationships with relevant authorities. We therefore seek to be as transparent as possible, and make our knowledge about the sustainable energy systems of the future available to both authorities and politicians.	Ongoing involvement
EUROPEAN COOPERATION PARTNERS	Energinet gives high priority to relationships with European partners. Due to the steadily increasing share of renewable energy in our energy system, an efficient transition is best achieved in close cooperation with other countries.	Ongoing dialogue through projects and networking with European and Nordic TSOs.

THE EU TAXONOMY

The EU taxonomy helps create the framework for sustainable investments throughout Europe, while also taking sustainability to a new level – also for Energinet.

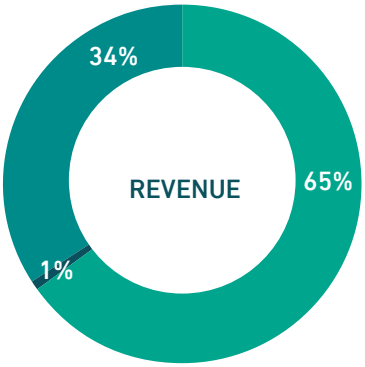
The EU taxonomy is a classification system that defines which economic activities can be classified as environmentally sustainable based on a number of technical assessment criteria. Energinet has been reporting according to the EU taxonomy since 2021. For each environmental objective, the EU has defined a number of sectors and related economic activities which could potentially make a significant contribution to one or more of the six environmental objectives. These are eligible activities under the EU taxonomy. For an economic activity that is eligible under the taxonomy to be classified as environmentally sustainable (aligned), the economic activity must:

1. **MAKE A SUBSTANTIAL CONTRIBUTION** TO ONE OR MORE OF THE ENVIRONMENTAL OBJECTIVES
2. **DO NO SIGNIFICANT HARM** TO THE OTHER ENVIRONMENTAL OBJECTIVES (DNSH CRITERIA).
3. **COMPLY WITH THE EU TAXONOMY'S MINIMUM SAFEGUARDS.**

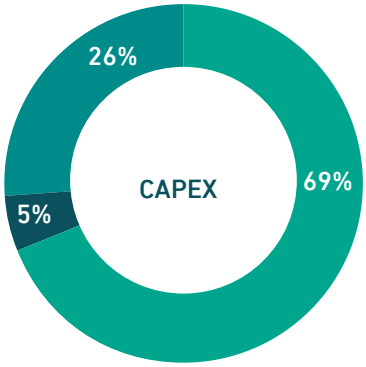
The table on page 13 shows how Energinet's sustainable activities meet these three criteria.

The figure below shows the division of Energinet's activities into aligned activities, eligible but not aligned activities and non-eligible activities. Energinet's full taxonomy statement is shown on pages 42-47.

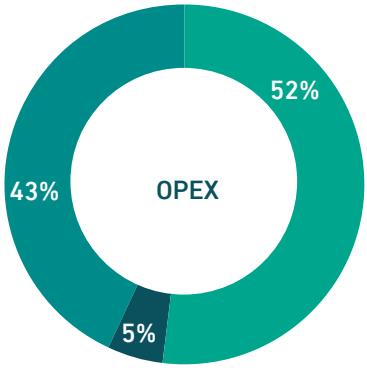
ALIGNED ACTIVITIES



ELIGIBLE BUT NOT ALIGNED ACTIVITIES



NON-ELIGIBLE ACTIVITIES



ALIGNED ACTIVITIES AT ENERGINET

Energinet's activities related to the transmission of electricity are aligned activities in the EU taxonomy. The activities contribute substantially to the environmental objective of climate change mitigation described in section 4.9 of the taxonomy, "Transmission and distribution of electricity". The activities meet the technical assessment criteria for a substantial contribution, and Energinet has completed the necessary processes and procedures for compliance with the principles of doing no significant harm and the minimum safeguards. Energinet's activities related to the transmission of electricity are therefore categorised as sustainable.

SUBSTANTIAL CONTRIBUTION: CLIMATE CHANGE MITIGATION		Energinet's electricity transmission activities meet the criterion of making a substantial contribution to climate change mitigation. This criterion is fulfilled because the Danish energy system is interconnected with the European system and because Energinet has no direct connections to power plants that are more greenhouse gas-intensive than 100 g CO2e/kWh measured on a life-cycle basis.
DO NO SIGNIFICANT HARM (DNSH)		CLIMATE CHANGE ADAPTATION Energinet works with climate and vulnerability assessments in line with the process described in the taxonomy.
		SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES This goal is not included in the taxonomy's description of the transmission and distribution of electricity activity.
		POLLUTION PREVENTION AND CONTROL For power line projects, the activities on the construction sites follow the principles laid down in the IFC general guidelines for the environment, health and safety. Power line projects observe the criteria relating to limiting electromagnetic radiation. It is believed that PCBs have previously been used in transformers and cable oil, but this is no longer the case, and that potential assets have been replaced.
		TRANSITION TO A CIRCULAR ECONOMY Energinet DNSH meets the circular economy criterion, as we have a waste management plan that helps us maximise reuse and recycling of our waste in line with the waste hierarchy.
		PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS Energinet meets relevant requirements and performs environmental impact assessments in line with applicable requirements and standards.
MINIMUM SAFEGUARDS		Energinet has a focus on complying with the minimum safeguards by adapting initiatives and processes that support the international standards mentioned in the EU taxonomy. We are working with a due diligence process which requires continuous improvement and evaluations. This has led, among other things, to changes to our labour clauses and human rights assessments in selected projects. For more information on human rights, see page 31.

ELIGIBLE BUT NOT ALIGNED ACTIVITIES AT ENERGINET

Energinet's activities related to the transmission of biogas are eligible under the EU taxonomy, but are categorised as not sustainable. The activities contribute substantially to the environmental objective of climate change mitigation described in section 4.14 of the taxonomy, "Transmission and distribution networks for renewable and low-carbon gases". Energinet has not yet completed the necessary processes and procedures to meet the 'do no significant harm' criteria. Priority has been given to expending resources on developing these for electricity transmission activities, as they constitute the largest proportion of Energinet's activities. The work must be gradually transferred to the rest of the organisation, so that eligible gas activities can also be categorised as sustainable.

NON-ELIGIBLE ACTIVITIES AT ENERGINET

Other Energinet activities, including the transmission and storage of natural gas, are not eligible under the taxonomy.


7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION

CLIMATE IMPACT

Energinet plays a key role in the green transition of the Danish energy system. Our activities associated with the green transition also have a considerable climate impact – particularly our construction activities. We are therefore focusing on reducing emissions from all Energinet's activities in scopes 1, 2 and 3.

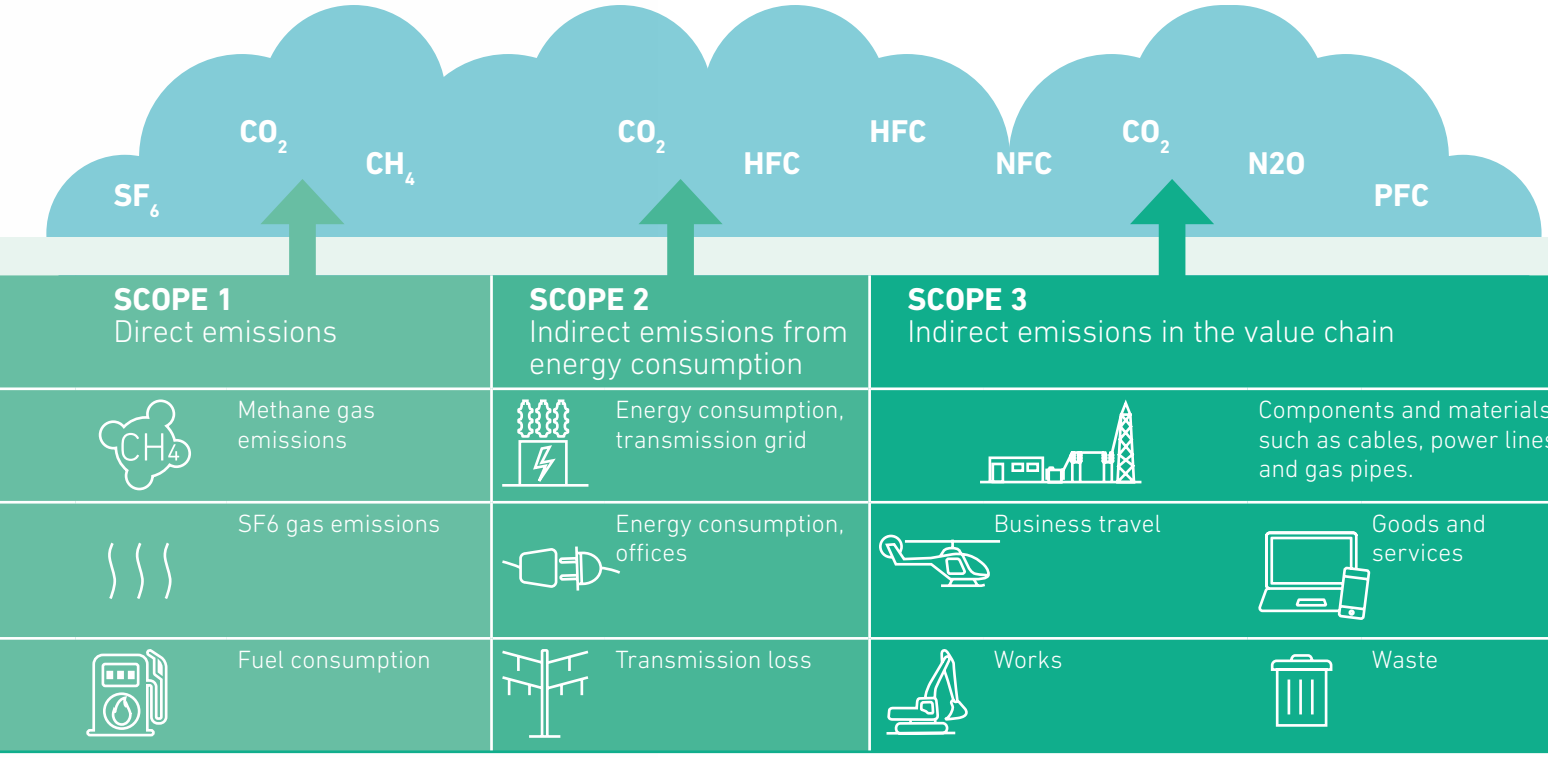
In 2023, Energinet saw a decrease in our total emissions of 15,214 tonnes CO2e compared to 2022. This makes 2023 the year with the lowest emissions since 2019. Energinet will continue to work towards reducing its emissions in the years ahead.

For Energinet, having to expand its activities in order to perform its core task presents major challenges in the work to reduce its climate impact. While working to limit our own emissions, it is vital that we do not slow down the green transition at the same time. This balance is central to our work on climate impact.

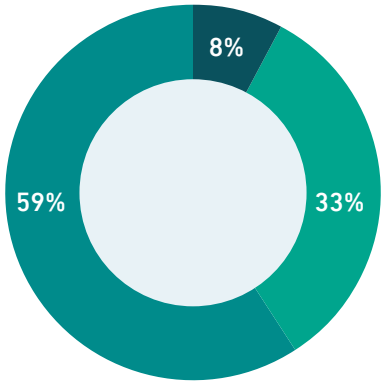
Energinet adopted a new climate goal in 2023, setting a course towards climate neutrality in 2045. This climate goal is aligned with the Danish government's current climate aims and the Paris Agreement. The new goal complements Energinet's existing climate goals and adds scope 3 emissions to our goals.

Scope 3 covers Energinet's indirect emissions in the value chain, over which we have no direct control. They arise as a consequence of our activities when we purchase goods and services from our suppliers. They include emissions from our construction work and from the production of the materials and components we procure. Scaling up our activities by expanding the grid and building energy islands and infrastructure for hydrogen will result

ENERGINET'S CLIMATE GOAL IS TO BE CLIMATE-NEUTRAL FOR SCOPES 1, 2 AND 3 BY 2045



ENERGINET'S CLIMATE ACCOUNTS 2023



- Direct emissions (scope 1)
- Indirect emissions from energy consumption (scope 2)
- Indirect emissions from other consumption + cost-based (scope 3)

in more scope 3 emissions. Given our expected growth in the coming years, it is therefore extra important that we balance the need to perform our core task with climate, environment and social considerations.

Climate action plans and climate accounts

Energinet adopted a comprehensive climate action plan in 2023, which sets out the concrete actions needed to achieve our goal of being climate-neutral by 2045. The action plan builds on the work already underway, primarily in relation to scope 1 and 2 emissions, while also providing a framework for how we work towards reducing our emissions in the value chain (scope 3).

Documentation and data are key elements in our efforts to reduce our climate impact. We must continue to improve the quality of our climate accounting data. This applies to our own activities, but in order to work actively with scope 3, we also increasingly need data from our suppliers. Improved data will facilitate our work with reduction measures, but it is also essential in order to meet the new EU requirements as set out in the CSRD. Energinet's climate accounts are shown on pages 39-40.

Reduction of SF6 gas

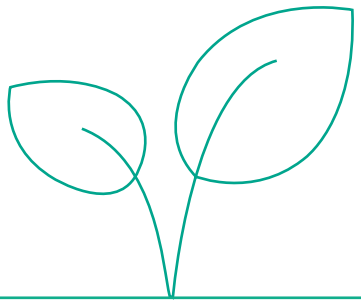
SF6 gas is a very strong greenhouse gas with a climate footprint approx. 23,500 times greater than CO2. However, it is still a necessary part of Energinet's plant, and reducing our SF6 gas emissions is therefore an important part of our work on our climate impact. We are working towards the goal of phasing out all SF6 gas by 2050, with the sub-goal of gradually reducing our relative emissions – initially to 0.1% by 2030. Our relative emissions are currently around 0.2%.

To succeed in this, not just Energinet but the entire industry is dependent on the development of SF6-free components for voltage levels up to 400 kV. Energinet initiated a dialogue with the market in 2023, seeking to promote the necessary development in this area in cooperation with our European colleagues. In this way, we can ensure that the future SF6-free components meet our technical requirements, and also that we can begin making use of the new components as soon as they are sufficiently developed and tested.

As we work towards an SF6-free energy system, we are encountering one of the dilemmas inherent in our sustainability efforts. We are working towards phasing SF6 gas out in our system as quickly as possible. However, some of the alternatives to SF6 contain PFAS gases, and certain substances contained in PFAS gases are harmful to the environment. Further regulation of these substances is expected in the coming years.

Until SF6-free alternatives have been developed, Energinet's most important task is to minimise emissions and breakdowns and reduce the use of SF6 gas in general. Work continued in 2023 on the plans from 2022 to improve monitoring and response options in connection with SF6 gas emissions.

We have developed an app that makes it easy for our external suppliers (and ourselves) to register the amount of SF6 gas being filled. We are also



HYDROGEN

A political agreement was reached in 2023 regarding the ownership and operation of hydrogen infrastructure in Denmark. The agreement gives Energinet and Evida a key role in developing pipeline infrastructure. Energinet will be responsible for connecting cross-border hydrogen infrastructure and hydrogen storage, and will serve as the transmission system operator for the hydrogen system. Hydrogen may become a key element in the future green energy systems, as it offers ways of smoothing out the large fluctuations in energy production that arise in a system based on solar and wind energy.

finalising the call for tenders that will form the basis for implementing digital gas pressure meters. These will make it possible to immediately detect leaks and breakdowns from circuit breakers, so emissions can be reduced by promptly sealing or replacing components. These initiatives will allow us to obtain the data necessary to measure the effect of our efforts and prepare a proper baseline for SF6 gas volumes. The improved data will form the basis of a plan for the prioritised replacement of gas-filled components. We are, of course, also focusing on not increasing the total amount of SF6 gas in the system more than is absolutely necessary, for example by filtering and reusing SF6 gas removed from a plant.

A new F-gas regulation will enter into force in the coming year. This will impact our work with SF6 gas in the form of new documentation requirements, and will also affect our choice of products and our options for using certain alternative gases.

Methane gas emissions
Energinet operates and develops the gas transmission system and gas storage facilities in Denmark. Energinet saw a large increase in natural gas emissions in 2023 compared to 2022. This increase stems from natural gas transport, storage, flaring and blow-off, and is largely due to construction of the Baltic Pipe gas pipeline. The rise makes it clear that we need to have a greater focus on limiting our emissions if we are to achieve our goal of carbon-neutral emissions from natural gas in 2050. A major transition has been underway in recent years to supplement fossil natural gas with more and more upgraded biogas. In 2023, greener gas accounted for 39% of Danish gas consumption, and this figure continues to rise. Greater use of biogas is a key element in the green transition of the gas system and has great potential for contributing to Denmark's climate goals. Work continued in 2023 on establishing new entry points for biogas in the transmission grid, helping to pave the way for larger volumes of biogas to be added to the gas grid in the coming years.

However, methane emissions from gas pipelines and facilities impact the climate, irrespective of whether or not the gas is green. Energinet therefore focuses on limiting its own emissions. This work is carried out by Gastransmission and Gas Storage Denmark (GSD). In particular, efforts are being made to reduce emissions through more monitoring and leak repairs, and reducing the volume of blow-off gas.

Energinet managed to minimise emissions from gas grid leaks in 2023. In 2023, Gastransmission worked specifically to improve documentation of leaks using a new app. The app covers all components in the system and can be used by technicians to report leaks. The new system was launched in 2023. This work will continue going forward and will be central to improving documentation and monitoring and providing the foundation for a continued reduction in leaks.

Gas blow-off is a controlled release of gas, which helps ensure that plants are operated safely. Energinet is working to reduce blow-off emissions using recompression, which allows the gas to be returned to the plant instead of being blown off. During the relocation of 20 km of pipeline on West Funen, Energinet rented a large unit for this purpose, reducing our climate impact from the project from approx. 10,000 to 200 tonnes CO2e. In 2023, we also initiated the procurement of mobile compressors for use in connection with daily maintenance. The compressors are expected to be operational in 2025, due to long delivery times.

Energinet is a member of the Oil and Gas Methane Partnership 2.0 (OGMP 2.0), a global voluntary organisation. OGMP places high demands on its members in terms of reporting and reduction targets, in order to ensure progress on methane reductions. Gastransmission and GSD did their first OGMP reporting in 2023, and both companies achieved the 'gold standard pathway'. Gastransmission was also heralded as a 'measurement champion' along with five other members.

[2] REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942

CARBON STORAGE FACILITY

GSD is currently developing Denmark's first carbon storage facility on land. The carbon storage facility is a pilot project aimed at building knowledge about carbon storage among players and stakeholders. GSD has been engaged in ongoing market dialogue on building the business foundation since last summer. This resulted in a call for tenders for carbon storage capacity last autumn, where contracts were awarded for a total capacity of 1.77 million tonnes over 10 years, out the 2 million tonnes tendered.

SUSTAINABILITY IN THE WORKPLACE

Energinet strives to incorporate energy-efficient and sustainable solutions into our daily routines. Below are listed some of our focus areas in 2023:

All Energinet's pool cars are electric, and operations vehicles are being replaced with electric vehicles where possible

Energinet's canteen has attained bronze level (30-60% organic) under the 'Det Økologiske Spisemærke' label

Energinet's new office building is to be DGNB-certified at Gold level to ensure that sustainability is incorporated into both construction and operations. Construction is expected to begin in 2024.

In connection with the implementation of the new EU methane emission regulation[2], the efforts to reduce blow-off and leaked volumes and continue to improve data quality will be expanded.

Energinet's system operator role and transmission losses
Energinet plays a key role in the green transition, but we are also responsible for a significant climate impact in the form of transmission losses when energy is transported from producer to consumer.

Transmission loss is the largest item in Energinet's CO2e emissions for scopes 1 and 2, and totalled 142,298 tonnes CO2e in 2023. This is a large figure, not just for Energinet, but also in a national context. It is not possible to completely avoid losses from the electricity grid, but Energinet is striving to maximise energy efficiency. There are essentially two approaches to limiting transmission losses – design and operational optimisation.

We are constantly working to design the power grid in a way that minimises transmission losses. This is done, for example, through the careful choice of transformers, power lines and cables. Losses can also be limited through voltage optimisation. This will eventually be automated using new digital tools in the Control Centre. One challenge at present is that data quality needs to be improved. Work is underway to ensure that we will be able to make better use of technology to minimise transmission losses in the future.

Energinet initiated a dialogue with our partners in neighbouring countries in 2023 to introduce implicit transmission loss management on Danish interconnectors. Implicit transmission loss management involves preventing exchanges between electricity price areas where the price difference between the two markets is too small to cover the value of the transmission loss in the interconnector. To date, implicit transmission loss management has been implemented on the interconnectors between Denmark and Norway, and Energinet is in dialogue about implementation on other interconnectors. A Nordic project was launched in 2023 to introduce implicit transmission loss management on Kontiskan between Denmark and Sweden, and Fennoskan between Sweden and Finland.

Energy consumption
Energinet's own energy consumption covers our office building, substations and facilities. Energy optimisation is a constant focus. Eltransmission has installed electricity meters at the 15 substations with the highest energy consumption. The meters supplied data during 2023, which will be used to analyse and identify potential areas for optimisation. Work has also gone into a 'detailed inspection' of all our technical facilities built before the year 2000.

There continues to be a strong focus on investigating the options for utilising surplus heat from Energinet's stations, for example through connections to local district heating companies. A business case has been prepared for an initial project, to be realised in 2024. The approved business case will provide a framework for how we finance similar projects, and will specifically form the basis for initiating another three to five projects, to be launched in parallel and with expected start-up in 2024. The project will help reduce carbon emissions from the local district heating companies by replacing heat that would otherwise have been produced using combustion. The CO2 reduction will be seen in the affected municipalities and not in Energinet's own climate accounts. Energinet is keen to enter into partnerships and contribute to best utilising the energy available to us for the benefit of society as a whole.

Energinet is also working with energy optimisation of our office buildings. Achieving our aim of carbon-neutral business administration by 2030 will require a systematic approach and good data. The Facility department began working with energy management in 2023, which will help provide a better overview of energy data from our office buildings.

Energinet's IT equipment is another area in which we work with continuous energy optimisation. In 2023, an analysis showed that energy savings equivalent to around 25 tonnes of CO2e a year can be realised by replacing our screens, and this process has been initiated and will be gradually rolled out.

However, not all emissions happen on site. Data storage is very energy-intensive and results in significant scope 3 emissions from the data centres we use. In 2023, we succeeded in moving a system to a carbon-neutral data centre powered by renewable energy – primarily from Nordic wind power, leading to a saving of 707 tonnes CO2 in 2023. In the coming year, we will continue to investigate whether we can make use of other similar solutions and thereby contribute to our goal of being climate-neutral for scopes 1, 2 and 3 by 2045.

Other emissions
Energinet is working to create access to and transparency in Danish energy data through its DataHub subsidiary. We are doing this via two systems – EnergiOprindelse and ElOverblik. Developing and improving our data is necessary for the Danish electricity grid, but it is also key to our transition towards a greener energy system.

EnergiOprindelse is a certification solution that can track electricity from producer to consumer on an hourly basis and with high accuracy. In addition to a need in the market for more confidence about where power comes from, the solution will also focus on the source of green power in relation to where it is used. The team behind the system made so much progress in 2023 that they started onboarding customers around the start of the new year, and they look forward to continuing the work in 2024.

The ElOverblik platform provides access to historical consumption and production data, and can be used by private individuals and companies. The aim is, through insight into their own data, to encourage electricity customers to either cut their electricity consumption or consume electricity at other times. Use of the system increased in 2023, and we will continue to support this trend in the coming years.

CLIMATE GOAL

GOALS	STATUS	INITIATIVE
Energinet aims to be climate-neutral by 2045 for scopes 1, 2 and 3 (own direct emissions, own indirect emissions and value chain indirect emissions).	Climate action plan to be published in 2024	The specific objectives in programme strands 1-3 described below all contribute to achieving Energinet's general climate goal.
PROGRAMME STRAND 1 EMISSIONS FROM SF6 GAS AND NATURAL GAS **AIM** TO SUPPORT THE PHASING-OUT OF SF6 GAS BY 2050		
Emissions are 0.1% of the volume of SF6 gas in use in 2030	Our relative emissions are currently around 0.2%. Work is underway to build BI reports and detailed views so that the scale of emissions can be monitored and actions initiated.	Long-term plans address SF6 gas systematically. App-supported digital registration and monitoring of SF6 gas filling and emissions. Improve data quality and make forecasts. Plan for replacement of components. Closer cooperation and pilot projects with suppliers. Filter and recycle SF6 gas. Implement online leak measurement by 2024.
AIM WORK TOWARDS EMISSIONS FROM NATURAL GAS BEING CARBON-NEUTRAL BY 2050		
Reduce methane gas emissions by 10% in 2025 for the gas transmission grid. This corresponds to a relative reduction of 45-50% based on an expansion of our gas transmission infrastructure.	We are working proactively to prevent leaks using recompression. Results are promising, and a procurement process is underway to acquire mobile compressors to disseminate the practice. The compressors are expected to be operational in 2025.	Work is being done to improve data quality, which will provide the basis for compliance with new regulation[3] and the continued work on reduction measures. Develop and implement app for reporting leaks. Purchase mobile compressors to minimise blow-off of gas during maintenance. We are working with a supplier to develop a biogas product which physically supports gas consumption using biogas hour by hour. This is an alternative to certificate solutions.
Reduce methane gas emissions in the gas transmission grid by 60% (taking into account the expanded infrastructure in 2030)		
Reduce methane gas emissions by 45% in 2025 for the gas storage facilities.	Efforts are continuously going into minimising the number of blow-offs. All gas for process and administration purposes at the storage facility in Stenlille is certified biogas.	
Reduce methane gas emissions by 70% for the gas storage facilities by 2030		
PROGRAMME STRAND 2 TRANSMISSION LOSSES AND ENERGY CONSUMPTION FOR THE TRANSMISSION GRID **AIM** WORK TOWARDS ENERGY CONSUMPTION FOR THE TRANSMISSION GRID AND TRANSMISSION LOSSES BEING CARBON-NEUTRAL IN 2023		
Work towards energy consumption for the transmission grid being carbon-neutral by 2030	Model for data collection and scope of 'detailed inspection' of technical installations prepared. Roll-out began in Q3 2023	Energy optimise buildings and substations by replacing light bulbs, radiators etc. 'Detailed inspection' of technical facilities with a focus on energy optimisation. Digitalise energy settings. Support sector coupling and surplus heat connection.
Work towards carbon-neutral transmission loss and energy consumption for the transmission grid by 2030	Optimising operations: Focus on correct design of transformers, power lines and cables and on voltage-optimising operation of the power grid. This will be automated using new digital tools for the Control Centre in the long term.	Assess transmission losses in all investment decisions, and calculate the carbon impact in business cases where relevant. Optimise transmission losses on the Kriegers Flak connection. Design and optimise losses for filters, cables and overhead lines during planning.
	Implicit transmission loss management: This has so far been implemented on the international connections between Denmark and Norway. A Nordic project was launched in 2023 to introduce implicit transmission loss management on Kontiskan between Denmark and Sweden, and on Fennoskan between Sweden and Finland.	Specific projects implementing implicit transmission loss management at the Nordic level. Dialogue regarding implementation of implicit transmission loss management on other international connections.
PROGRAMME STRAND 3 OTHER EMISSIONS **AIM** WORK TOWARDS ENERGINET'S BUSINESS ADMINISTRATION AND PASSENGER TRANSPORT BECOMING CARBON-NEUTRAL		
Energinet's business administration must be carbon-neutral by 2030	Climate impact is considered when equipment is replaced in the building, and energy optimisation efforts are ongoing.	Apply energy management to ensure a more systematic approach to energy optimisation. Systematise Energinet's own consumption data using the EnergyKey data platform.
Energinet's passenger transport must be carbon-neutral by 2025	The pool cars have been replaced with pure electric vehicles and three operations vehicles have been replaced with electric vehicles. 59.4% of salary package vehicles are electric, 18.8% are hybrid vehicles and 21.9% run on diesel.	Replace operations vehicles with electric vehicles where possible


12 RESPONSIBLE CONSUMPTION AND PRODUCTION
14 LIFE BELOW WATER
15 LIFE ON LAND

ENVIRONMENTAL FACTORS

Environmental factors and biodiversity are two important focus areas at Energinet. We take the biodiversity crisis seriously, and are aware of our responsibility to consider environmental factors on the land where we operate.

Energinet adopted two new circular economy and biodiversity-related goals in 2023, which will help provide a framework for our efforts in these areas in the coming years.

General environmental factors

Energinet has a strong focus on protecting the environment in connection with our many construction projects, in line with the legal requirements and framework the authorities have set for our work. We actively plan our work so as to minimise Energinet's environmental impacts through preventive measures, for example to accommodate annex IV species, adjusting routes and horizontal directional drilling in connection with conservation areas.

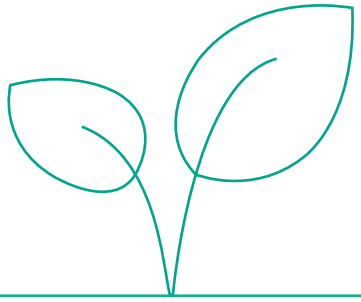
In 2023, Energinet's environmental assessment departments updated the risk assessment for the additives used in drilling mud in connection with horizontal directional drilling. Based on this risk assessment, a positive list has been created stating which additives our contractors and suppliers may use. A process has also been implemented to ensure that a new risk assessment is performed if new additives are to be used. We will look at how to ensure continuous follow-up on these risk assessments in 2024 – to guard against any changes to product formulas. An emergency response plan has also been prepared and implemented for environmental incidents, such as blowouts during horizontal directional drilling – again to ensure that any environmental impacts are minimised.

Circular economy

New waste management rules were introduced in 2023, which have led to new requirements governing the way we have to separate our waste at source as a construction company – both construction waste and general waste. We must also provide more detailed data on this in line with the stricter reporting requirements in the EU's CSRD.

Components involved in the operation of the electricity transmission grid are recorded – both components in operation and those that have been disposed of. We worked on how we can use data from our components to increase circularity in 2023, and this work will continue in 2024.

Energinet specifically targeted management of its IT waste in 2023. A large amount of IT equipment in storage was processed during the year. Some of it was reused directly as spare parts, and as much of the rest as possible was recycled.



CIRCULAR ECONOMY

Energinet aims to utilise, reuse or recycle 90% of its waste by 2025.

We have an important responsibility to consider security, also whenever we reuse and recycle. This is particularly relevant in connection with the handling and disposal of our IT equipment. We focus on correct handling that balances security considerations and responsible consumption.

Biodiversity
Energinet set a goal in 2023 of making a net positive contribution to Denmark's biodiversity by 2030. This goal aligns Energinet with the UN Convention on Biological Diversity, about making a positive contribution to biodiversity. Energinet's substation sites occupy over 650 ha of land in different parts of Denmark.

As a large construction company, we have a responsibility to minimise our environmental impact. There is also a great potential for Energinet to increase the natural value of our sites, as new substations are often built on monoculture farmland.Energinet therefore also has a major focus on not only protecting but also advancing biodiversity. We are increasingly giving thought to the value of local natural assets in new substation areas, and consider biodiversity during the construction phase where possible, for example when designing percolation systems for surface water. During the construction phase, steps are taken to increase the potential for biodiversity during the operating life of the plant.

In order to meet Energinet's biodiversity objective, it is necessary not only to implement biodiversity initiatives in the projects – but also to monitor and follow up on these. We have therefore appointed a working group to ensure systematic implementation of biodiversity in all phases of our projects, method development for baseline and monitoring and data collection.

A biodiversity leaflet was produced in 2023 to serve as a dialogue tool when our employees are out talking to municipalities and other players. The leaflet describes how Energinet actively works with and considers biodiversity – with concrete examples of potential scenarios. We expect to produce a catalogue of biodiversity measures in 2024, and that our technical standards will be updated to include biodiversity and sustainability in general.

Energinet would like to help develop new knowledge about marine biodiversity. We therefore became a member of the Ocean Institute in 2023. The institute gathers knowledge about sustainable use of the ocean and translates this into concrete initiatives and actions. Energinet contributes to the activities through its membership and participates in the dialogue with other members, stakeholders and partners.

GOALS	STATUS	INITIATIVE
PROGRAMME STRAND 4 ENVIRONMENTAL FACTORS **AIM** ENSURE COMPLIANCE WITH REQUIREMENTS AND TAKE RESPONSIBILITY FOR OWN ENVIRONMENTAL IMPACTS		
Implement an action plan for systematic management of chemicals.	A new procedure has been developed for working with chemicals. This will be fully implemented in 2024, and documentation of chemical use will be further improved.	Dialog with and requirements for suppliers. Chemical inspections at substations Risk assessment and positive list for drilling mud additives. Emergency response plan for environmental incidents, such as blowouts. Supervision of various projects.
Energinet aims to utilise, reuse or recycle 90% of its waste by 2025.	Work has begun on mapping waste management data, and this will continue in 2024.	Map waste management data – including volumes and fractions.
PROGRAMME STRAND 5 BIODIVERSITY **AIM** MAKE A POSITIVE CONTRIBUTION TO DENMARK'S BIODIVERSITY		
Energinet is making a net positive contribution to Denmark's biodiversity by the end of 2030, through biodiversity-promoting initiatives at our own facilities and land over the entire life cycle of the plant.	Work on identifying the necessary measures has been initiated and is expected to continue in 2024.	Systematically implement biodiversity initiatives in all project phases Produce a catalogue of biodiversity measures Work to ensure more biodiversity-friendly maintenance of green areas. Biodiversity leaflet as a tool for dialogue Membership of Ocean Institute.

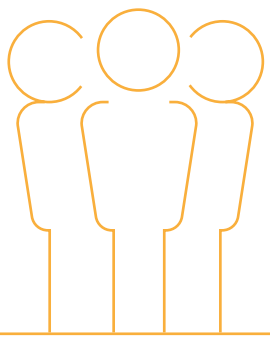
BIODIVERSITY GOAL

Energinet is making a net positive contribution to Denmark's biodiversity by the end of 2030, through biodiversity-promoting initiatives at our own facilities and land over the entire life cycle of the plant.


5 GENDER EQUALITY
7 AFFORDABLE AND CLEAN ENERGY

EMPLOYEES

Energinet strives to offer its employees the best possible conditions when they go to work. Energinet has seen a rapid rise in both investment and activity levels in recent years, which makes it particularly important that we focus on the safety and working environment of both internal and external employees, so that pace and well-being are in balance. For Energinet's own employees, we are also working to improve our diversity and inclusion initiatives.



Health and safety
We give high priority to safety at Energinet. It is important to us that it is safe to go to work. Many of our activities involve construction work, and this entails many physical risks for our employees. In recent years, we have seen an unsatisfactory number of accidents at work. Many tasks are performed by contractors and involve subcontractors. The longer the value chains between Energinet and the workers performing the tasks, the more difficult it is for Energinet to ensure that the right processes are followed.

Value chains have become more complex in recent years. This means that we must prioritise development in this area, and ensure that our experience from incidents is used proactively to reduce the risk of similar incidents happening. We can do this by making better use of existing incident data and developing a structured learning process. We can thereby ensure that working conditions for everyone who does work for Energinet are up to our standards.

A key element in assessing our work with safety is our LTIF figure (lost time injuries per one million working hours). In 2023, we saw a declining trend in our weighted LTIF average, which was 3.5 for the year as a whole. This is due to a greater focus on qualifying data and hours from our suppliers and partners. Structured processes have been set up, and reporting has been centralised and made less person-dependent. However, we still have some way to go, and we therefore need to initiate measures and further raise awareness of safety.

It has become increasingly clear over the past year that we can only succeed in raising safety levels across all our activities by aligning our concrete efforts with our strategic thinking and general efforts.

To ensure even better cohesion, we decided in 2023 to merge all HSE (Health, Safety and Environment) functions across Energinet into one unit, Group HSE. This gives us a stronger foundation upon which we can work towards the goal set out in Energinet's group strategy – 'Energy on time', in which we have committed to improving our working environment and safety and measuring ourselves against the best in the field. This is a large and complex task, as we have to work with the general mindset in the organisation, while also focusing on concrete problems in our daily work.

The work in 2023 centred around implementation of the new Synergi Life Connect incident and registration system introduced in March. We have worked to raise awareness of the importance of registering incidents and sharing knowledge and learning across the organisation, in order to target preventive efforts and ongoing improvements.

Read more about our work to maintain a good working environment in the value chain in the section 'Workers in the value chain' on pages 31-33.

Health and well-being
Energinet grew by more than 520 new employees in 2023, and the number is still rising. Growth brings changes, and places great demands on onboarding, management and employees.

Among Energinet's own employees, we have a particular focus on well-being, commitment and a healthy working environment, where they can thrive and perform well. We therefore work actively to prevent and manage stress and job dissatisfaction, because nobody should get sick from going to work. The initiative is called 'work-life balance'.

Our efforts include:
- Ongoing focus on the whole person and work-life balance. We do this particularly by having a flexible workplace.
- 'Work-life balance' was relaunched in 2023 through a series of webinars.
- Health checks were offered to all Energinet employees in 2023. This was a popular initiative, with 718 taking up the offer of a health check this year.

Energinet has policies and guidelines for areas such as health and safety and sexual harassment, and a Code of Conduct focusing on a working environment free of harassment, bullying and discrimination. Breaches can be reported anonymously via Energinet's whistleblower scheme.

Absence due to illness was 3.2% in 2023, falling short of our goal of 2.5% or less. In a historical perspective, this is a high level of absence due to illness for Energinet, but the benchmark for absence due to illness in society in general has risen significantly since 2020.[4] Several units have given extra focus to well-being and long-term absence due to illness, and the ongoing work with our 'Trivselstjek' satisfaction surveys is an important tool for dialogue about this. The target of 2.5% may need to be increased in light of the benchmark trend in this area.

Trivselstjek
Energinet introduced a new Trivselstjek setup in 2023. With the new setup we can perform two surveys a year, allowing us to more quickly follow up, make adjustments and take any action needed. We do this by conducting a 'mini' and a normal satisfaction survey. The availability of flexible and updated data on well-being benefits both our management and our employees.

The surveys identify any scope for improvement as well as areas where the many changes associated with growth might have an impact on well-being and motivation. Efficient and clear processes, roles and responsibilities, work-life balance, and a stronger focus on learning and development are some of the focus areas highlighted in the surveys.

With a commitment score of 82, Energinet was named 'Top in Class' among companies with 2,000+ employees. We are proud of this, especially given the substantial increase in employee numbers in recent years.

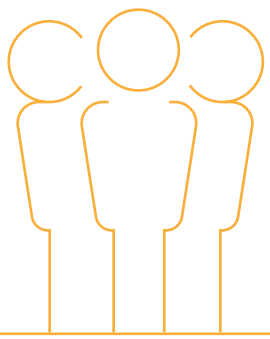
Management on time and growth in Energinet
Management is key to the realisation of our 'Energy on time' strategy, but also to employee well-being and sustainability. Our constant efforts to develop our management are key to ensuring the sort type of leadership that the Energinet organisation needs.

Management is also a key element in our efforts to attract valuable employees, and there is a direct correlation between good management and employee job satisfaction and retention.

Internal career development is an important element in Energinet's work with management. 'Væksthuset' is our internal framework for talent development and programmes, and new initiatives and better solutions for employee development are constantly being added. Note that the rapid growth in Energinet has meant we have been unable to achieve our goals for internal career development, as our internal pipeline of talented employees and future leaders has struggled to keep up.

Gender diversity
Energinet strives to bring all talent into play, regardless of gender, and Energinet's own employees and managers are working to ensure a balanced gender mix. This work is founded on Energinet's diversity policy. As a signatory to the Confederation of Danish Industry's Gender Diversity Pledge, we are actively working towards a gender distribution based on the target figures of 35%/65% in 2025 and 40%/60% in 2030. This applies to both the general gender distribution among employees and also on the Board of Directors and at other management levels.

The Board of Directors of Energinet SOV has an equal distribution between women and men, pursuant to section 99b of the Danish Financial Statements Act. We also achieved a distribution of 36.1%/63.9% (women/men) in the general employee population in 2023. We have thus already achieved our target for 2025. We are proud of this



[4] (3.4% in 2022, up from 2.8% in 2021 and 2.6% in 2020).

development and are continuing to work towards our 2030 target.

While the proportion of women in Energinet generally rose in 2023, we saw a decline in the proportion of women in management positions across Energinet, from 37.3% in 2022 to 34.2% in 2023. We will pay close attention to this trend in 2024.

The way in which we calculate the gender distribution at other management levels will change from 2023 in line with changes to section 99b of the Danish Financial Statements Act. The gender distribution at other management levels is currently calculated for Energinet SOV and each subsidiary. For Energinet SOV, we have met our 2030 target and achieved a 42% proportion of women at other management levels.

Read more about the gender distribution in Energinet's subsidiaries in their respective annual reports.

We continue our efforts to ensure a more equal gender distribution in Energinet, both in our recruitment and through raising awareness. The most important actions in 2023 were the adjustment of job advertisements, targeted efforts to raise awareness of gender bias and articulation of the importance of gender distribution across Energinet. See page 41 for more information about the gender distribution in Energinet.

Report on diversity efforts and policy in line with section 107d of the Danish Financial Statements Act.
The extensive and rapid change in the energy sector is placing high demands on our culture and way of working, and hence on the combined competencies, perspectives, experiences and forms of work that we have to be able to master. We see it as vital that we are able to create a more diverse culture in which different perspectives can thrive and be brought into play. At the same time, we recognise the social responsibility we have as a large, state-owned company. We believe that we can create greater value for our organisation, our employees and society in general through increased focus on diversity.

Energinet's work with diversity is centred on its four strategic priorities: skills and expertise, gender diversity, nationalities and inclusive culture and management. Diversity was previously only driven at Group level, but is now more locally driven, as subsidiaries and units work with diversity in ways that are aligned with their local context, needs and goals. Based on these initiatives, we have successfully anchored diversity more deeply in the organisation, which means that the issue is more front-of-mind for our management and employees. It is a challenging agenda, and this anchoring is important in order to create even better results in the future.

The four strategic priorities and objectives
Energinet's diversity policy and strategy are centred on these four strategic priorities

4 STRATEGIC PRIORITIES

SKILLS AND EXPERTISE	GENDER DIVERSITY	NATIONALITIES
We cultivate interdisciplinarity and recruit expertise that is untraditional in Energinet's context	We bring all talents and perspectives into play – regardless of gender	We employ and include international employees

INCLUSIVE CULTURE AND LEADERSHIP

We have an inclusive culture and management style, which is characterised by sincere curiosity, involvement and recognition of differences

GOALS	STATUS	INITIATIVE
PROGRAMME STRAND 6 PHYSICAL AND PSYCHOLOGICAL WORKING ENVIRONMENT **AIM** BUILD AND MAINTAIN A STRONG COMMON WORKING ENVIRONMENT AND SAFETY CULTURE ACROSS ENERGINET FOR OUR EMPLOYEES AND CONTRACTORS		
LTIF goal: 3.0	Goal not met 3.5 LTIF in 2023	Focus on qualifying data and hours from our suppliers and partners for LTIF. Gather responsibility for health and safety initiatives in Energinet in the Group HSE unit. Operationalise the Health and Safety strategy Implement the new Synergi Life Connect incident and registration system.
No fatalities	Goal met No fatalities in 2023	
AIM ENSURE EMPLOYEES ARE MOTIVATED AND CREATING CHANGE AND WE HAVE A GOOD WORKPLACE WITH A SAFE AND HEALTHY WORKING ENVIRONMENT AND A HIGH LEVEL OF JOB SATISFACTION, AND OPPORTUNITIES FOR PERSONAL AND PROFESSIONAL DEVELOPMENT		
Commitment score of 79 in Trivselstjek survey	Goal met in 2023: 82	Work with 'Work-life balance'. Semi-annual well-being survey and follow-up. Work with mental and physical health. Support flexible workplace tools.
Absence due to illness of 2.5% or less	Goal not met in 2023: 3.2%	
Internal career development of at least 65%	Goal not met in 2023: 62.5%	
PROGRAMME STRAND 7 DIVERSITY **AIM** ENERGINET STRIVES TO SUPPORT EQUALITY AND DIVERSITY IN THE LABOUR MARKET THROUGH THE COMPANY'S GENERAL EMPLOYEE AND MANAGEMENT COMPOSITION.		
An overall gender distribution of 35%/65% by 2025.	Goal met 36.1% women and 63.9% men	Ongoing work to raise awareness and local initiatives Management development course on inclusive leadership Reverse mentoring for top management Ongoing development of the recruitment process
An overall gender distribution of 40%/60% by 2030	-	
Gender distribution at the first and second management levels of 35%/65% by 2025 (Energinet SOV)	Goal met 42% women and 58% men.	
Gender distribution at the first and second management levels of 40%/60% by 2030 (Energinet SOV)	Goal met 42% women and 58% men	
At least 10 trainees	Goal met in 2023: 12 trainees	

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

WORKERS IN THE VALUE CHAIN

As a company, Energinet is responsible for its entire value chain, and we strive to prevent and minimise risks and impacts in relation to labour and human rights. It is important for Energinet to be clear about our expectations of ourselves, our suppliers and our partners. These expectations are expressed, for example, in our Code of Conduct for suppliers, labour clauses and the human rights due diligence process.

Respect for human rights
The green transition has led to a rising demand for electrical components in recent years. Due to the tight supply on the component markets, Energinet is increasingly working with suppliers that are geographically far removed from Denmark. This means that we must devote extra attention to the demands we make and how we follow up on the working conditions for workers in our value chain.

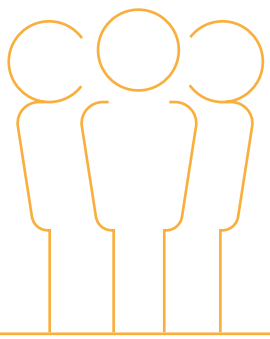
Energinet has been committed to the UN Global Compact principles since 2009. Respect for human rights has therefore long been an important part of our duty as a responsible company.

Energinet supports and respects the internationally recognised human rights set out in the UN Universal Declaration of Human Rights and the core conventions of the International Labour Organisation (ILO). Our initiatives follow the UN Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Energinet's respect for human rights is reflected in our human rights due diligence process, which we are continually improving, and which was also in focus in 2023. We have heightened our efforts, for example by applying Energinet's Human Rights Assessment to the Bornholm Energy Island. This has guided us regarding which areas we should pay close attention to in market dialogue and tender documents – in relation to our suppliers, the construction site and the local project area.

The results of our work on handling human rights can be used in preventive and mitigating actions during establishment of the project. We have also gained a great deal of experience which can be carried forward to other projects at Energinet, further improving our efforts in handling human rights.

Energinet's work with a human rights due diligence process helps to ensure that we comply with the minimum safeguards described in the EU taxonomy, and prepares us for the EU's future reporting and due diligence requirements. The years ahead will thus bring great changes in our work with and our reporting and documentation of human rights matters. Page 32 describes Energinet's due diligence model for handling human rights and our most prominent risks.



HUMAN RIGHTS DUE DILIGENCE PROCESS

PROMINENT HUMAN RIGHTS RISKS AT ENERGINET

RIGHT TO LIFE

RIGHT TO FAIR AND JUST WORKING CONDITIONS

RIGHT TO HEALTH

RIGHT TO LIBERTY AND SECURITY

RIGHT TO OWN PROPERTY ALONE AS WELL AS IN ASSOCIATION WITH OTHERS

1. COMMITMENT AND ANCHORING

Sustainability policy

Risk policy

Code of conduct

Group guidelines for procurement

2. RISK ASSESSMENT

Human rights and social impact assessment

Risk-based approach to the Code of Conduct and labour clauses

Risk registers for the entire Group and for projects

Governance, risk and compliance reporting to committee

Stakeholder identification, screening and preliminary studies

3. DEAL WITH NEGATIVE IMPACTS

Process for rights and acquisitions

Stakeholder analysis with concrete action to mitigate risks

Initiatives and coordinators in relation to safety and the working environment

Use of the Code of Conduct and labour clauses

Dialogue with citizens, municipalities, suppliers, contractors and other relevant stakeholders

Action plans for handling impacts based on risk and project

4. REGULAR FOLLOW-UP

Regular follow-up with stakeholders

Initiatives and coordinators in relation to safety and the working environment

Follow-up, supervision and monitoring of Code and Conduct and labour clauses

5. COMMUNICATION

Communication plans for stakeholders and projects

Dialogue meetings with citizens, municipalities, suppliers, contractors and other relevant stakeholders

Reporting in the Sustainability Report

6. COMPLAINT MECHANISMS AND REPARATION

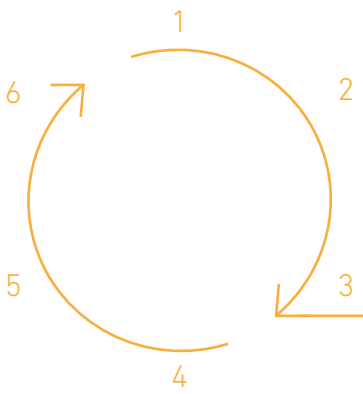
Third-party enquiries

Public consultations

Whistleblower scheme

Mechanisms in labour clauses and Code of Conduct

Project manager can be contacted on the project website



Code of Conduct for suppliers
The Code of Conduct for suppliers describes Energinet's expectations of our suppliers and provides the basis for good dialogue on ethical, social and environmental considerations. Our Code of Conduct for suppliers is based on the human and labour rights set forth in international standards. The Code of Conduct for suppliers is publicly available on Energinet's website and applies to all our suppliers, subcontractors and business relationships.

A due diligence process was also defined and implemented in this area for 2023. This means that Energinet will be better equipped in future to follow up on our Code of Conduct and ensure that the requirements we set are being met. Follow-up is risk-based, and is therefore carried out on selected contracts where the risk of a breach is deemed to be high. The Code of Conduct was added to Energinet's whistleblower scheme in 2023, improving the options for lodging complaints and follow-up.

Work with the Code of Conduct will continue in 2024, where selected areas in the due diligence process will be revised based on experience, leading to adjustments and optimisation.

Labour clauses
Labour clauses are an important tool in our work with labour rights. The labour clause spells out what Energinet considers to be acceptable pay and working conditions, and gives us a tool to monitor and follow up on whether our requirements are being met. Energinet's labour clause was updated in 2023, as were our Group guidelines, which specify when the clause should be used. This helps ensure a robust due diligence process and that Energinet's practices meet the minimum criteria defined in the EU taxonomy.

GOALS	STATUS	INITIATIVE
PROGRAMME STRAND 8 SUSTAINABLE PROCUREMENT **AIM** ENSURE THAT ENERGINET'S SUPPLIERS OBSERVE OUR CODE OF CONDUCT FOR SUPPLIERS		
Comply with minimum safeguards in the EU taxonomy	Work is ongoing to ensure compliance with due diligence and in the area as a whole.	More transparent communication in relation to the Code of Conduct for suppliers. Implement due diligence in the area More follow-up on the Code of Conduct for suppliers. Establish a knowledge centre for the Code of Conduct for suppliers.


12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

RESPONSIBLE BUSINESS CONDUCT

Energinet always strives to act in a transparent and fair way in society. This is reflected in the way we spend money on purchases and investments. Energinet has a major impact on the world around us through our value chain. It is therefore crucial that we strike the right balance between price, quality and sustainability in our procurement, and demand that our suppliers and partners meet certain conditions as regards the climate impact of their activities and social conditions.

Sustainable procurement
Energinet makes purchases running into billions of Danish kroner each year. As the owner and developer of the electricity and gas infrastructure in Denmark, we purchase everything from high-voltage cables to road plates, coffee and cleaning agents for company operations. Our purchases are a major item in our climate accounts, and are included in our indirect emissions (scope 3). In 2023, Energinet's scope 3 emissions came to 271,181 tonnes CO2e. We impact the climate through our purchases and acquisitions, but we also have significant impacts and risks in relation to the workers who are part of our value chain. We are responsible for the conditions and rights of workers performing construction tasks or producing components for Energinet.

Energinet adopted 'Principles for sustainable procurement' at the end of 2021, as a framework for how we work with sustainability in procurement. Since then, our focus has particularly been on improving how the principles are applied. Our goal for 2023 was for at least three sustainable principles to be included in 25% of all contracts valued at over DKK 500,000. We achieved this goal convincingly with an impressive 41.5%. The data quality has been continuously improved, and the goal was met with a level of 35% in the second half of the year. Against this background, the KPI for 2024 has been raised to 35%.

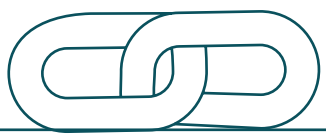
We are particularly aware of the potential impact of our large projects, as they involve a number of social and environmental risks. In connection with the Bornholm Energy Island project, a particular focus was therefore on sustainability. A number of requirements and evaluation methods were developed, and this work can be used as inspiration and a starting point for other calls for tenders in the future. In 2024, our focus will be on ensuring more dialogue and partnering with suppliers, which will feed into the work to reduce CO2 emissions in scope 3.

Energinet is also increasingly finding that our suppliers have expectations of us and our work with sustainability. Energinet strives to make this information available, for example through our sustainability reporting, and we support the general principle that it is reasonable to have expectations of each other's sustainability aims and efforts.

PRINCIPLES FOR SUSTAINABLE PROCUREMENT

Energinet practises sustainable procurement, and we must therefore...

- have an ongoing dialogue with the market on sustainable solutions
- incorporate circular considerations in tender documents (e.g. TCO or LCA)
- set sustainability requirements (e.g. certification or eco-labels).
- incorporate sustainability into the competition (e.g. reuse, recycling, transport, carbon footprint etc.)
- incorporate tools for follow-up, documentation and data for the sustainable solution in our contracts



Ethics, bribery and corruption
Energinet has zero tolerance of any form of corruption, bribery or other fraudulent behaviour, and we are committed to observing the law and our own guidelines at all times. As a member of the UN Global Compact, Energinet follows the principles this entails. Our processes, such as the two-person principle and internal and system-supported controls, are also in line with the OECD guidelines for responsible business conduct.

In accordance with the OECD guidelines and Energinet's due diligence process, our work with ethics, bribery and anti-corruption is anchored in a number of policies and guidelines, such as Energinet's Code of Conduct for suppliers and internal Code of Conduct. We continually seek to assess and mitigate risks in this area through public calls for tenders, separation of functions in the financial system etc. We strive to communicate our expectations and standards in this area to our partners, and ensure a relevant complaints mechanism is available through our whistleblower scheme.

Energinet's whistleblower scheme allows both employees and external parties to freely report irregularities or rule breaches. Energinet is continuously working to ensure the scheme is functioning effectively. The whistleblower scheme was boosted in 2023 through the appointment of an administrative whistleblower committee.

Our procurement entails risks in relation to ethics, bribery and corruption. Our procurement processes must ensure that society and our suppliers can be confident that all procurement is carried out legally, responsibly, fairly and transparently. As a publicly-owned company, Energinet has a special responsibility to manage energy consumers' money in an efficient, fair and reasonable manner. Anyone engaged in procurement at Energinet must use our common procedures, templates and paradigms. Regular compliance checks are conducted to follow up on this.

Energinet uses, among other measures, a risk tool whereby purchases are categorised by product group and geographic location. If a high risk of negative impacts related to corruption, human rights or labour rights is identified, this suspicion can be investigated through market dialogue, where the supplier is given the opportunity to show how the identified risks are handled. If the risk is still deemed to be high after this, Energinet can ask for documentation and, if necessary, action plans for how the supplier is mitigating risks. As part of our work with anti-corruption risks, Energinet also uses self-assessment forms to follow up on compliance with our Code of Conduct for suppliers. Read more about Energinet's Code of Conduct for suppliers on page 33.

It is mandatory for all Energinet employees to complete an e-learning programme for internal monitoring. The course aims to ensure that everyone is adequately informed about how we manage sensitive information responsibly and fairly in relation to our business partners.

Management of our tax affairs is reflected in Energinet's tax strategy. We act in the interests of society by making large investments in the development, operation and maintenance of the public electricity and gas grids at transmission level in Denmark.

GOALS	STATUS	INITIATIVE
PROGRAMME STRAND 8 SUSTAINABLE PROCUREMENT **AIM** ENSURE AND PROMOTE SUSTAINABILITY IN PROCUREMENT AT ENERGINET		
3 or more sustainable procurement principles to be applied in 25% of all contracts valued at over DKK 500,000 in 2023.	Goal met The goal was achieved with a proportion of 41.5%.	The principles have been widely communicated, both internally and externally. The principles have been presented to Energinet's purchasers and subsidiaries. Work is being done on IT support for follow-up and reporting.
3 or more sustainable procurement principles to be applied in 35% of all contracts valued at over DKK 500,000 in 2024.	The work will continue in 2024.	
PROGRAMME STRAND 9 RESPONSIBLE BUSINESS CONDUCT **AIM** ENERGINET DOES NOT ACCEPT ANY FORM OF BRIBERY OR CORRUPTION. ENERGINET DOES NOT ACCEPT DISCRIMINATORY BEHAVIOUR TOWARDS MARKET PLAYERS OR STAKEHOLDERS.		
0 whistleblower cases with merit	Goal met 0 cases with merit in 2023 A total of two whistleblower cases were reported (one case has been closed and was deemed to be without merit, and the other case is pending)	The Code of Conduct for suppliers has become part of the whistleblower scheme.
0 police cases with merit	Goal met No cases reported to the police	Responsible business conduct

KEY FIGURES 2023

CLIMATE ACCOUNTS

CLIMATE ACCOUNTS FOR ENERGINET, CO2 EQUIVALENTS (TONNES)					
	2023	2022	2021	2020	2019
DIRECT EMISSIONS (SCOPE 1)	38,590	24,229	23,136	31,001	19,156
1.1 Gas consumption in connection with transporting and storing natural gas	17,678	5,745	4,908	4,925	7,392
1.2 Leaks from the gas grid	4,207	5,433	6,245	5,589	5,420
1.3 Blow-off and flaring of natural gas	11,802	6,589	1,748	2,225	2,004
1.4 SF6 gas emissions from the electricity transmission grid	4,536	6,023	9,653	17,950	3,643
1.5 Fuel for our own and leased vehicles	367	439	582	312	697
INDIRECT EMISSIONS FROM ENERGY CONSUMPTION (SCOPE 2)	152,161	151,882	172,005	163,567	164,424
2.1 Energy consumption (electricity and district heating) in offices	414	592	500	428	538
2.2 Electricity consumption in connection with transporting and storing natural gas	8,270	5,935	4,689	4,252	6,808
2.3 Electricity consumption in connection with electricity transmission (excluding transmission losses)	1,179	1,324	1,768	1,241	1,785
2.4 Transmission losses in the electricity transmission grid	142,298	144,031	165,048	157,646	155,293
INDIRECT EMISSIONS FROM OTHER CONSUMPTION (SCOPE 3)	906	768	698	1,496	1,338
3.1 Travel by air	1,792	1,084	496	573	1,658
3.2 Climate compensation for travel by air	-1,792	-1,084	-496	-573	-1,658
3.3 Travel by train, taxi and private vehicles	656	529	498	1,306	711
3.4 Helicopter transport and inspection of the electricity and gas grids	224	222	188	167	627
3.5 Hotel accommodation	26	17	12	23	-

CLIMATE ACCOUNTS FOR ENERGINET, CO_2 EQUIVALENTS (TONNES)

	2023	2022	2021	2020	2019
Indirect emissions from other consumption (scope 3) – cost-based	270,275	300,267	322,759	251,278	584,462
CATEGORY 1: PURCHASED PRODUCTS AND SERVICES					
Contractor services	6,763	6,240	6,864	6,133	8,603
Consultants	14,790	13,739	12,421	8,721	10,618
Indirect acquisitions	6,603	6,497	6,173	6,033	4,096
Networks, software and telephony	6,889	5,097	4,146	5,142	4,794
Other	4,556	2,870	2,854	3,390	6,041
CATEGORY 2: CONSTRUCTION ACTIVITIES					
AC cables	31,918	69,687	87,370	26,951	445,533
DC cables and converters	46,923	22,108	1,326	16,618	16,142
Contractor services	60,226	111,413	116,717	63,057	21,893
Consultants	18,959	17,306	11,885	11,134	8,248
Gas facilities	9,872	13,410	33,034	69,656	10,609
Other electrical equipment	58,653	16,028	34,686	20,946	18,720
Other	4,123	15,872	5,283	13,497	29,165
Total emissions	**461,932**	**477,146**	**518,598**	**447,342**	**769,380**

SOCIAL KEY FIGURES

	2023	2022	2021	2020	2019
Health and safety					
Deaths	0	1	0	0	0
Lost time injuries	21	44	35	13	19
Total LTIF (incl. suppliers)	3.5	6.7	5.5	3.4	5.5
Internal LTIF	2.1	2.3	0.6	0.7	1.9
Employees, health and well-being					
No. of employees (FTE)	2174	1758	1521	1321	1342
Commitment (Trivselstjek survey)	82	80	-	-	-
Absence due to illness	3.2%	3.0%	2.2%	2.1%	2.4%
Internal career development	67.5%	67.0%	68.2%	-	-
Employee gender distribution					
General employee gender distribution in the Group – proportion of women/men (%)	36.1%/63.9%	34.7%/65.3%	32.8%/67.2%	32%/68%	32%/68%
Trainees	12	11	6	5	5
Management gender distribution (other management levels)					
Energinet SOV – proportion of women/men (%)	42%/58%	-	-	-	-
Energinet Eltransmission A/S – proportion of women/men (%)	31%/69%	-	-	-	-
Energinet Systemansvar A/S – proportion of women/men (%)	33%/67%	-	-	-	-
Energinet DataHub A/S – proportion of women/men (%)	33%/67%	-	-	-	-
Energinet Gastransmission A/S – proportion of women/men (%)	9%/91%	-	-	-	-
Gas Storage Denmark A/S – proportion of women/men (%)	0%/100%	-	-	-	-
Board gender distribution* (top management level)					
Energinet SOV board – proportion of women/men (%)	50%/50% (42.9%/57.1%)	50%/ 50%	50%/ 50%	-	-
Energinet Eltransmission A/S – proportion of women/men (%)	33.3%/ 66.7%	33.3%/ 66.7%	33.3%/ 66.7%	-	-
Energinet Systemansvar A/S – proportion of women/men (%)	33.3%/ 66.7%	33.3%/ 66.7%	33.3%/ 66.7%	-	-
Energinet DataHub A/S – proportion of women/men (%)	33.3%/ 66.7%	33.3%/ 66.7%	33.3%/ 66.7%	-	-
Energinet Gastransmission A/S – proportion of women/men (%)	33.3%/ 66.7%	33.3%/ 66.7%	33.3%/ 66.7%	-	-
Gas Storage Denmark Holding A/S – proportion of women/men (%)	33.3%/ 66.7%	33.3%/ 66.7%	33.3%/ 66.7%	-	-
Gas Storage Denmark A/S – proportion of women/men (%)	33.3%/ 66.7%	33.3%/ 66.7%	-	-	-
Energinet Associated Activities A/S – proportion of women/men (%)	25%/ 75%	25%/ 75%	33.3%/ 66.7%	-	-

THE EU TAXONOMY REGULATION'S CALCULATION OF ELIGIBLE REVENUE, OPEX, CAPEX

Template: Proportion of TURNOVER from products or services associated with Taxonomy-aligned economic activities

Financial year 2023	2023			Substantial contribution criteria			
Economic Activities (1)	Codes (2) (a)	Turnover (3)	"Porportion of Turnover, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Sustainable use of water and marine resources (7)	Transition to a circular economy (8)
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)		DKK	%	%	%	%	%
Transmission & distribution of electricity	D35.12 and D35.13	8,201	65%	100%	0%	0%	0%
Transmission & distribution networks for renewable and low-car	D35.22, F42.21 and H49.50	0	0%	100%	0%	0%	0%
Turnover of environmentally sustainable activities		**8,201**	**65%**	100%	0%	0%	0%
Of which enabling			100%	100%	100%	100%	100%
Of which transitional			0%	0%			
"A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)"				! For activities listed under A2, these columns			
Transmission & distribution of electricity	D35.12 and D35.13	0	0%				
Transmission & distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50	120	1%				
Revenue of taxonomy-eligible but not environmentally sustainable activities		120	1%				
Total A.1+A.2 (Total taxonomy-eligible)		8,322	66%				
B. Taxonomy non-eligible activities							
Revenue of Taxonomy-non-eligible activities		4,210	34%				
Total (A+B)		**12,532**	**100%**				

		DNSH criteria ('Do Not Significant Harm') (h)									
Pollution prevention and control (9)	Protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Sustainable use of water and marine resources (13)	Transition to a circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	"Category (enabling activity) E" (19)	"Category (transition activity) T" (20)
%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	A
0%	0%	N/A	Yes	N/A	Yes	Yes	Yes	Yes	N/A	E	N/A
0%	0%	N/A	No	Yes	N/A	No	Yes	Yes	N/A	N/A	N/A
0%	0%								N/A		
100%	100%								N/A	E	
									N/A		T

s may be filled in on a voluntary basis by non-financial undertakings

THE EU TAXONOMY REGULATION'S CALCULATION OF ELIGIBLE REVENUE, OPEX, CAPEX

Template: Proportion of CAPEX from products or services associated with Taxonomy-aligned economic activities

Financial year 2023	2023			Substantial contribution criteria			
Economic Activities	Codes (2) (a)	"CAPEX (m DKK)" (3)	"Porportion of CAPEX %" (4)	Climate change mitigation (5)	Climate change adaptation (6)	Sustainable use of water and marine resources (7)	Transition to a circular economy (8)
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)		DKK	%	%	%	%	%
Transmission & distribution of electricity	D35.12 and D35.13	3,920	68%	100%	0%	0%	0%
Transmission & distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50	0	0%	100%	0%	0%	0%
CAPEX of environmentally sustainable activities		**3,920**	**68%**	100%	0%	0%	0%
Of which enabling			100%	100%	100%	100%	100%
Of which transitional			0%	0%			
"A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)"				! For activities listed under A2, these columns			
Transmission & distribution of electricity	D35.12 and D35.13	0	0%				
Transmission & distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50	308	5%				
CAPEX of taxonomy-eligible but not environmentally sustainable activities		308	5%				
Total A.1+A.2 (Total taxonomy-eligible)		4,229	74%				
B. Taxonomy non-eligible activities							
CAPEX of Taxonomy-non-eligible activities		1,516	26%				
Total (A+B)		**5,745**	**100%**				

		DNSH criteria ('Do Not Significant Harm') (h)									
Pollution prevention and control (9)	Protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Sustainable use of water and marine resources (13)	Transition to a circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	"Category (enabling activity) E" (19)	"Category (transition activity) T" (20)
%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	A
0%	0%	N/A	Yes	N/A	Yes	Yes	Yes	Yes	N/A	E	N/A
0%	0%	N/A	No	Yes	N/A	No	Yes	Yes	N/A	N/A	N/A
0%	0%								N/A		
100%	100%								N/A	E	
									N/A		T
s may be filled in on a voluntary basis by non-financial undertakings											

THE EU TAXONOMY REGULATION'S CALCULATION OF ELIGIBLE REVENUE, OPEX, CAPEX

Template: Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities

Financial year 2023	2023			Substantial contribution criteria			
Economic Activities	Codes (2) (a)	"OPEX (m DKK)" (3)	"Porportion of OPEX %" (4)	Climate change mitigation (5)	Climate change adaptation (6)	Sustainable use of water and marine resources (7)	Transition to a circular economy (8)
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (Taxonomy-aligned)		DKK	%	%	%	%	%
Transmission & distribution of electricity	D35.12 and D35.13	398	52%	100%	0%	0%	0%
Transmission & distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50	0	0%	100%	0%	0%	0%
OPEX of environmentally sustainable activities		**398**	**52%**	100%	0%	0%	0%
Of which enabling			100%	100%	100%	100%	100%
Of which transitional			0%	0%			
"A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)"				! For activities listed under A2, these columns			
Transmission & distribution of electricity	D35.12 and D35.13	0	0%				
Transmission & distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50	39	5%				
OPEX of taxonomy-eligible but not environmentally sustainable activities		39	5%				
Total A.1+A.2 (Total taxonomy-eligible)		438	57%				
B. Taxonomy non-eligible activities							
OPEX of Taxonomy-non-eligible activities		326	43%				
Total (A+B)		**763**	**100%**				

		DNSH criteria ('Do Not Significant Harm') (h)									
Pollution prevention and control (9)	Protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Sustainable use of water and marine resources (13)	Transition to a circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEX, year N-1 (18)	"Category (enabling activity) E"	"Category (transition activity) T"
%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	A
0%	0%	N/A	Yes	N/A	Yes	Yes	Yes	Yes	N/A	E	N/A
0%	0%	N/A	No	Yes	N/A	No	Yes	Yes	N/A	N/A	N/A
0%	0%								N/A		
100%	100%								N/A	E	
									N/A		T
s may be filled in on a voluntary basis by non-financial undertakings											

COMMENTS ON KEY FIGURES FOR 2023

CLIMATE ACCOUNTS FOR ENERGINET

DIRECT EMISSIONS: SCOPE 1

Gas consumption in connection with transporting and storing natural gas

The amount of gas consumed in connection with the transport and storage of natural gas has increased due to significant extra consumption at Nybro for the boiler system in connection with the reduction in pressure from Europipe II to the transmission grid.

Leaks from the gas grid

This is a new item introduced into the accounts in 2021. Extensive analysis has been done to investigate the amount of gas released from the gas grid during normal operation in the form of leaks. The analysis is based on a number of measurements, which were then used to estimate emissions from the places where no measurements have been taken. Over several years, measurements will be taken at more locations, to get a real picture of leaks from the gas grid. This item has also been calculated for 2019 and 2020. There was a decrease in the leakage rate from biogas return plants in 2023, resulting in a decrease in the leakage rate overall.

Blow-off and flaring of natural gas

Significantly more natural gas was blown off and flared in 2023 than in 2022. However, the increase can be attributed to the commissioning of the new plant in Nybro and derived effects on the compressor stations in Everdrup and Egtved, where it has been necessary to blow off or flare large volumes of natural gas.

SF6 gas emissions from the electricity transmission grid

An extensive clean-up of SF6 gas data was performed in 2020 to ensure that the data is as accurate as possible. As a result of this, the registered volume of gas emissions from normal operation has approximately doubled. This is not a real doubling of the emitted volume, but is due to underreporting in previous years. There were no breakdowns in 2023, the volumes are emissions during normal operation (leaks). The time series has been recalculated using the equivalence factor for SF6 gas of 23,500 from the UN IPCC Assessment Report 5. See also 'Accounting policies' for an explanatory note on page 51.

Fuel for our own and leased vehicles

We have seen a slight drop in the amount of fuel used for our own and leased vehicles. There are several explanations for the decrease, one of which is that there has been less driving to projects. Energinet has also acquired a number of electric vehicles which are used as pool cars, and a number of fleet cars have also been replaced by electric vehicles. The energy consumption from these will in future be included in scope 2 emissions under 'Energy consumption (electricity and district heating) in offices'. However, charging Energinet's electric vehicles at fast charging stations is included in this item.

INDIRECT EMISSIONS FROM ENERGY CONSUMPTION: SCOPE 2

Energy consumption (electricity and district heating) in offices

Heat consumption decreased slightly in 2023 compared to 2022, and the emission factor for the district heating produced also dropped, both in Erritsø (-32%) and Ballerup (-15%). This resulted in lower carbon emissions from our district heating consumption. Electricity consumption is virtually unchanged, despite many new employees joining Energinet in 2023. The electricity consumed has also become slightly greener, resulting in an overall drop in carbon emissions from electricity consumption in offices of almost 30%.

Electricity consumption in connection with transporting and storing natural gas

Less electricity was used at the two gas storage facilities and at the compressor in Egtved, but it was the first full year of operation for the compressors in Everdrup. Overall, electricity consumption for transport and storage rose by almost 200%, primarily due to the Everdrup compressors. However, carbon emissions from the electricity consumed decreased significantly, resulting in an overall increase for this item of just under 40%.

Electricity consumption in connection with electricity transmission (excluding transmission losses)

Electricity consumption increased by almost 9% and the impact statement for electricity dropped by approx. 10%, resulting in a small decline in carbon emissions.

Transmission losses

Transmission losses rose in 2023 compared to 2022. This is partly due to a higher share of renewable energy, which in turn results in a higher utilisation of HVDC interconnectors and higher absolute transmission losses. However, the volume of transported electricity also rises, as the neighbouring countries also need to exchange more electricity. The relative transmission loss is therefore fairly constant. However, this figure is calculated in relation to the absolute transmission loss which rose, but the impact statement for the lost electricity decreased, such that carbon emissions from transmission losses are virtually unchanged.

INDIRECT EMISSIONS FROM OTHER CONSUMPTION: SCOPE 3

Travel by air

After a few years with relatively low travel activity due to lockdowns, the level is now as high as it was before COVID-19. However, a lot of employees have joined the ranks, and there is more activity, so a rise is to be expected.

Climate compensation

Not relevant

Travel by train, taxi and private vehicles

In line with air travel, travel by train, taxi and in private vehicles has risen to a higher level than in 2021 and 2022. However, the figures are not quite on par with 2019 and the years prior to that. It should be noted that the number of employees increased during the same period, so the figure is expected to rise.

Helicopter transport and inspection of the electricity and gas grids

It has not been possible to obtain information from the supplier. The figure for 2023 has been estimated based on the financial cost of helicopter flights, and compared to data for 2021 and 2022. The figure is therefore an estimate.

Hotel accommodation

The total number of travellers and overnight stays increased significantly over the past year, but the emission factor used by our travel agency also decreased during the period. The total figure therefore only increased slightly.

Indirect emissions from other consumption (scope 3) – cost-based

All items in this category are based on the economic costs of each category. The calculated carbon emissions are attributed to the year in which the economic costs were incurred. For example, cable purchases cannot necessarily be seen in the same year as the project that will install them is being executed. This can be seen in the large amounts for AC cables in 2019, for projects which were not in the construction phase until the following years. There is thus a temporal displacement in the data. The 'Other electrical equipment' item is high in 2023 as materials were purchased for future overhead line projects. There was no separate category for these as not much material has been purchased in this category in recent years.

SOCIAL CONDITIONS

HEALTH AND SAFETY

LTIF dropped from 6.7 in 2022 to 3.5 in 2023. This is due to a greater focus on qualifying data and hours from our suppliers and partners. Structured processes have been set up and reporting has been made more central and less person-dependent. Energinet registered 21 lost time injuries in 2023, which is less than half the figure for 2022 (44). This is despite the fact that the activity level on our construction sites remained high.

Employees, health and well-being

Absence due to illness in 2023 was almost identical to the level in 2022, when there was a high level of absence due to illness. From a historical perspective, this is a relatively high level of absence due to illness in Energinet, but the benchmark for absence due to illness in society in general has risen significantly (3.4% in 2022, from 2.8% in 2021 and 2.6% in 2020). The target of 2.5% may need to be increased in light of the telling benchmark in this area.

Note that because of Energinet's rapid growth, we have not achieved our goal for internal career development. The growth has meant that our internal pipeline of talented employees and future leaders has struggled to keep up, as we have also had to ensure that employees in strategically important positions have the right quality and readiness.

THE EU TAXONOMY

CONFORMITY

Energinet's reporting under the EU taxonomy regulation follows Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, which stipulates in Article 8(1) that large enterprises, pursuant to Directive 2013/34/EU on non-financial reporting, must publish information on how and to what extent their activities are linked to environmentally sustainable economic activities. The taxonomy regulation sets the framework for the EU classification system by defining the conditions economic activities must fulfil to qualify as environmentally sustainable, e.g. that the economic activity contributes significantly to achieving one or more of the six environmental objectives set out in Article 9, in accordance with Articles 10-15.

Delegated legislative act – technical screening criteria

The taxonomy regulation states that the Commission is adopting delegated acts in pursuance of Article 23, to supplement Articles 10-15. Technical screening criteria regarding which economic activities qualify as activities that contribute substantially to one of the six environmental objectives and for determining whether those economic activities significantly harm any of the other relevant environmental objectives are set out in the following delegated acts (the 'Delegated Regulations'): 2021/2178 of 6 July 2021, 2023/2486 of 27 July 2023 and 2023/2485 of 27 July 2023

Reporting

The delegated act of 6 July 2021 (the 'Delegated Regulation') specifies the content and presentation of the information to be published by non-financial enterprises.

Most significant changes in costs, CAPEX and OPEX: The Baltic Pipe gas connection commencing operation is the primary reason for the increase in gas revenue of DKK 902 million. This affects the share of eligible revenue under the taxonomy, which dropped from 75% in 2022 to 65% in 2023. OPEX rose from 35% in 2022 to 52% in 2023. The reason is a drop in non-eligible costs of DKK 554 million. These costs primarily relate to operating expenses from group functions, which are not covered by the OPEX definition. The amount has therefore been removed from non-eligible costs.

ACCOUNTING POLICIES CONCERNING KEY FIGURES FOR CLIMATE ACCOUNTS, SOCIAL CONDITIONS AND THE TAXONOMY REGULATION

ITEM/INDICATOR	PRACTICE
GAS CONSUMPTION IN CONNECTION WITH TRANSPORTING AND STORING NATURAL GAS	Emissions have been calculated based on the volumes of natural gas used for processes in the two gas storage facilities, and the volume of gas consumed in the meter and regulator stations in Energinet's transmission grid. This has been converted using CO2 factors for the combustion of natural gas, which can be found in the annual statement of gas quality and composition.
BLOW-OFF AND FLARING OF NATURAL GAS	Monthly statements of blow-off volumes at Lille Torup and Stenlille and flaring at Stenlille are prepared. Figures for blow-off and flaring volumes in the rest of the transmission grid are obtained from the annual gas balance statement. The CO2e attributable to blow-off volume is calculated using the gas composition and CO2 equivalency factors for the various components of the natural gas. The flared volume of natural gas is converted to CO2 using data for the combustion of natural gas.
SF6 GAS EMISSIONS FROM ELTRANSMISSION	Eltransmission collects data for SF6 gas from all their plants. The figures are split into the emissions due to normal leaks during operation, and the emissions caused by breakdowns. These are converted to CO2e using the equivalence factor for SF6 gas. The time series has been recalculated for all years with an updated equivalency factor of 23,500. This was taken from the UN IPCC Assessment Report 5 (AR 5). The Danish Energy Agency recommends using AR 5 data in order to be able to compare data retroactively. The Energy Agency also uses AR 5 values for analysis assumptions and projections. There is an updated value from AR 6, but it is not currently being used.
FUEL FOR OUR OWN AND LEASED VEHICLES	Odometer (km) readings are reported for all vehicles from Vester Hassing, Tjele, Lille Torup and Egtved. Stenlille calculates fuel usage based on invoices, and Facility Service submits a statement showing all fuel purchased using company petrol cards. There is an overlap between this SAP extract and the kilometre data from the various locations. However, there are a few vehicles which have no linked card, primarily because they are used very infrequently. The fuel consumption from the SAP extract is used for the statement. The odometer readings are used to check the validity of the extract and to calculate consumption for vehicles which do not have an associated consumption in SAP. Average values for travel by car are used to convert to CO2.
ENERGY CONSUMPTION (ELECTRICITY AND DISTRICT HEATING) IN OFFICES	Electricity consumption is based on extracts from DataHub for all CVR numbers. The impact statements have been prepared by Energinet and calculated per company. District heating consumption has been obtained from the two district heating utilities in Erritsø and Ballerup (Tvis and Vestfor). The impact statements for district heating have been obtained from the websites of the two companies, where available. Otherwise, the latest available data is used.

ITEM/INDICATOR	PRACTICE
ELECTRICITY CONSUMPTION IN CONNECTION WITH TRANSPORTING AND STORING NATURAL GAS	Electricity consumption at the two gas storage facilities and in Gas TSO is based on extracts from DataHub, converted using the impact statements prepared by Energinet.
ELECTRICITY CONSUMPTION IN CONNECTION WITH ELECTRICITY TRANSMISSION (EXCLUDING TRANSMISSION LOSSES)	Electricity consumption in Eltransmission is based on extracts from DataHub and an impact statement provided by Energinet.
TRANSMISSION LOSSES IN THE ELECTRICITY TRANSMISSION GRID	Transmission losses have been calculated via Energy Settlement from Energidataservice and an impact statement provided by Energinet (also on Energidataservice).
TRAVEL BY AIR	The data has been supplied by our business travel agent (Egencia), based on all the travel purchased through them.
TRAVEL BY TRAIN, TAXI AND PRIVATE VEHICLES	Travel by train and taxi is based on SAP extracts, which calculate the money spent on rail and taxi transportation. Converted to CO2 using emission factors from DSB for train travel. The emissions from taxi travel are based on the most common trip, how much it normally costs and the distance in kilometres. Converted from kilometres to CO2 based on the standard emission factor for a passenger vehicle. Travel in private cars has been calculated in DKK, but is based on the Danish Government's tariffs, and can be converted into kilometres. It can then be converted to CO2 using standard emission factors.
HELICOPTER TRANSPORT AND INSPECTION OF THE ELECTRICITY AND GAS GRIDS	CO2 figures are reported by the two suppliers we use for helicopter transport when possible. Otherwise, this item is estimated
HOTEL ACCOMMODATION	The data has been supplied by our business travel agent (Egencia), based on all the hotel accommodation purchased through them.
LTIF	LTIF (Lost Time Injury Frequency): Indicates how many occupational injuries leading to lost time have occurred in relation to the number of working hours, across Energinet and our suppliers. This is calculated at Energinet each month, as a 12-month running average per million working hours. The table specifies the average LTIF for the 12 months of the year.
EMPLOYEE DEVELOPMENT: INTERNAL CAREER DEVELOPMENT	Internal career development is measured as the number of new people at executive level who have been developed internally (i.e. recruited from a lower level in the job structure), compared to how many new managers there are at executive level during the period. Measured for the specialist, project manager and manager strand in the job structure. Appointments also count towards the key figure. Calculation: $\frac{\text{Number of new people at executive level (internal)}}{\text{Number of new people at executive level}} * 100$

ITEM/INDICATOR	PRACTICE
ABSENCE DUE TO ILLNESS	Absence due to illness is defined as all reported absence due to illness (short-term, long-term and part-time) for the period, in relation to the employee's expected working hours during the period. Illness is absence registered in SAP for the following types of absence: 0100; 01001; 0102; 0103; 0104; 0105; 0106. Other absences due to a child's illness, leave or the like are not included in the figure. Calculation: $\frac{\text{Illness}}{\text{Expected working hours}} * 100$
EMPLOYEE GENDER DISTRIBUTION: MEN/WOMEN IN MANAGEMENT (OTHER MANAGEMENT)	'Other management levels' covers the first and second levels of management. The first level of management covers the Group Executive Board and Group Management. The second level of management covers managers with the following titles: manager, senior manager, director, senior director. The gender composition is the number of women at other management levels at the end of the period, compared to the total number of employees at the same levels in the job structure at the end of the period. Calculation: $\frac{\text{Number of women in manager positions}}{\text{Number of manager positions}} * 100$
EMPLOYEE SATISFACTION	The Trivselstjek satisfaction survey is carried out several times a year. The result of the latest survey for the year is included in the report. Ennova, which conducts Energinet's Trivselstjek survey, defines a result above 75 as high (scale 0-100)

Total revenue, CAPEX and OPEX are based on Group figures for Energinet. The practice is unchanged compared to 2022.

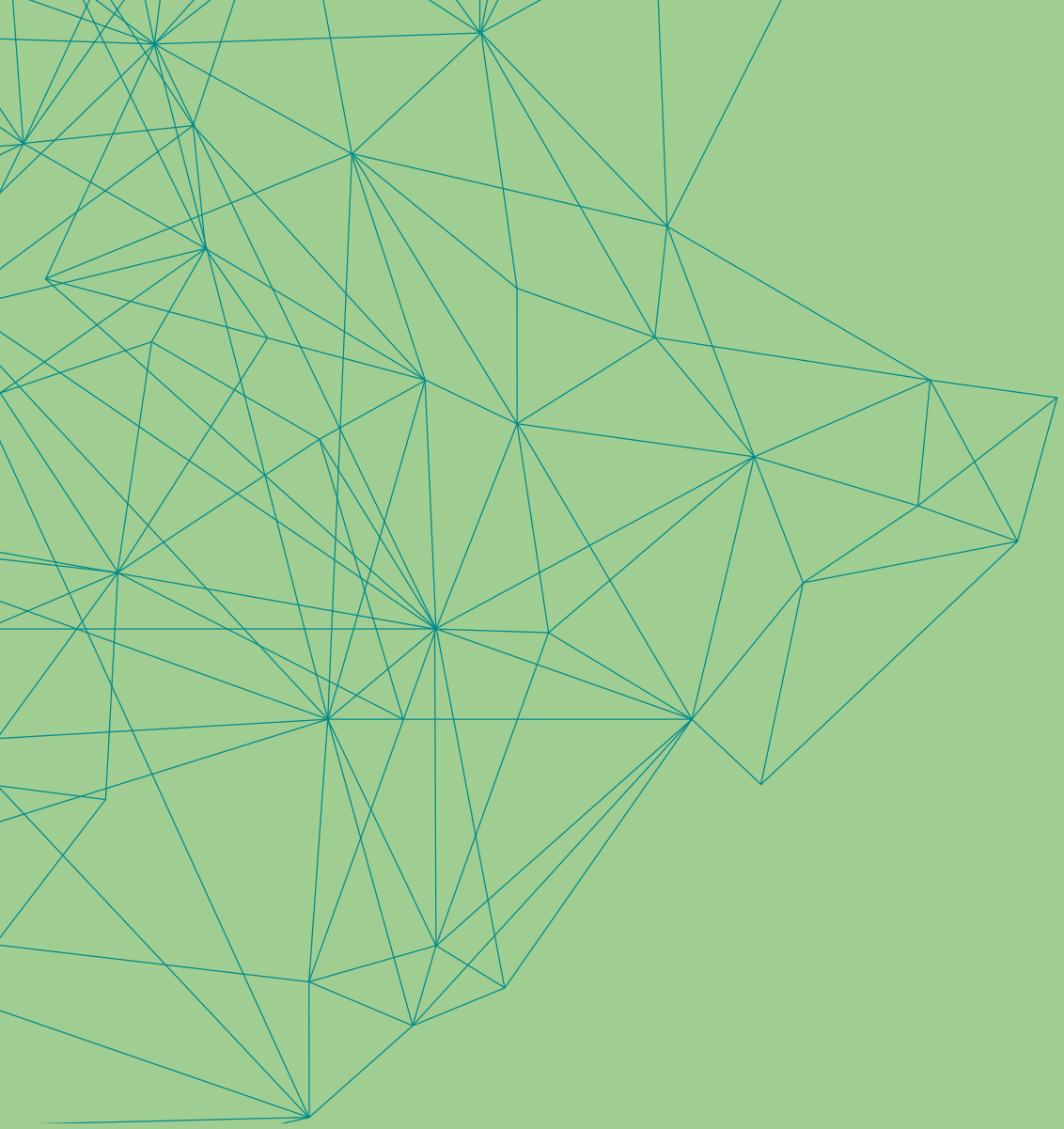
ITEM/INDICATOR	PRACTICE
TAXONOMY ELIGIBILTY	Taxonomy eligibility indicates the share of the Energinet Group's revenue, CAPEX and OPEX linked to economic activities covered by the taxonomy regulation. Taxonomy eligibility thus only indicates whether an activity is described in the taxonomy regulation's delegated legislative acts, and not whether such economic activities meet the requirements for qualifying as environmentally sustainable ('taxonomy alignment'). Annexes I and II to the Commission's Delegated Regulations of 4 June 2021 and 27 July 2023 (the 'Delegated Regulations') describe the economic activities covered by the taxonomy regulation within the six environmental objectives: a. climate change mitigation and b. climate change adaptation c. sustainable use and protection of water and marine resources d. transition to a circular economy e. pollution prevention and control, f. protection and restoration of biodiversity and ecosystems Based on the descriptions of the activities in the annexes to the 'Delegated Regulations', Energinet has identified that the Group has the following eligible economic activities: 4.9 Transmission and distribution of electricity (covered by both environmental objectives a. and b.): Encompasses Energinet's activities related to the operation, maintenance and expansion of the Danish electricity transmission grid, including international connections. 4.14 Transmission and distribution grids for renewable and low-carbon gases (covered by both environmental objectives a. and b.): Encompasses Energinet's activities related to the operation, maintenance and expansion of the Danish gas transmission grid linked to renewable and low-carbon gases. 9.1 Engineering and similar technical consultancy aimed at adapting to climate change (covered by environmental objective b): Encompasses Energinet's activities in areas such as seabed surveys in connection with planning offshore wind farms or energy islands. Taxonomy eligibility is expressed by a KPI stating the proportion of the Group's total revenue, CAPEX and OPEX which can be considered taxonomy eligible. The calculation of taxonomy eligibility KPIs for revenue, CAPEX and OPEX is described below.

ITEM/INDICATOR	PRACTICE
TAXONOMY ALIGNMENT	Taxonomy alignment indicates the share of the Energinet Group's revenue, CAPEX and OPEX linked to economic activities that fulfil the taxonomy regulation. For an economic activity to be classified as taxonomy-aligned, it must first be eligible under the taxonomy regulation. The activity must then meet the following criteria: (a) it contributes substantially to one or more of the environmental objectives, (b) it does no significant harm to the other environmental objectives, and (c) it complies with the EU taxonomy's minimum safeguards (see the appendix, Figure 1). In order to (a) contribute substantially to one or more of the environmental objectives, activities must meet the following criteria: • Defined technical screening criteria and thresholds in the delegated acts • Enabling and transition activities • Must improve existing conditions and the state of the environment, for example by stabilising the concentration of greenhouse gases in the atmosphere In order to (b) do no significant harm to the other environmental objectives, the activity must observe the following principles: • Defined technical screening criteria and thresholds in the delegated acts In order to (c) comply with the EU taxonomy's minimum safeguards, the activity must meet the following criteria: • The OECD guidelines for multinational enterprises • The UN guiding principles on business and human rights • Fundamental principles and labour rights of the International Labour Organisation. Based on the stated description and criteria, Energinet has acknowledged that activity 4.9 complies with the taxonomy regulation in the appendices to the Delegated regulations for revenue, CAPEX and OPEX. Activity 4.14 does not currently comply with the taxonomy regulation as it does not meet the requirements under (b) of doing no significant harm to the other environmental objectives. The total taxonomy alignment for revenue, CAPEX and OPEX can be seen on pages 43-47.

ITEM/INDICATOR	PRACTICE
GENERAL INFORMATION	The gas transmitted through Energinet's gas infrastructure is a mixture of natural gas and biogas. Since natural gas is not currently covered by the taxonomy regulation, only the economic activities related to the transmission of biogas are deemed to be covered by the taxonomy. Since the gases are mixed in the transmission grid, and the whole transmission system can generally be used to transport RE gases and supports trade in certificates, a ratio based on the economic percentage of biogas added to the grid has been used to calculate the share of revenue, CAPEX and OPEX which is taxonomy eligible. The ratio is defined as the RES Entry share of the total entry capacity reservations. In 2023, this ratio was 6.1%.
KPI FOR REVENUE: NUMERATOR	Taxonomy eligible revenue has been calculated as the share of Energinet's revenue that can be attributed to one of the above economic activities. The taxonomy eligible revenue comprises all regulatory income, including tariff income, international income, balancing etc. Regulatory adjustments recognised for accounting purposes as revenue are included in eligibility if the revenue to which they relate is deemed to be taxonomy eligible. Taxonomy-aligned revenue corresponds to the revenue related to economic activities deemed to be eligible that also fulfil the technical screening criteria defined in the delegated acts.
KPI FOR REVENUE: DENOMINATOR	Group revenue (including eliminations) as stated in Note 1 of the consolidated annual report.

ITEM/INDICATOR	PRACTICE
KPI FOR OPEX: NUMERATOR	OPEX is defined as direct non-capitalised costs related to research and development, measures for the renovation of buildings, short-term lease contracts, maintenance and repair, and any other direct expenses related to the daily maintenance of property, plant and equipment, in line with section 1.1.3.1 of Annex 1 to the Commission's Delegated Regulation of 6 July 2021. It has been deemed that "the daily maintenance of property, plant and equipment" mentioned in the delegated regulation can be extended to include operating expenses related to property, plant and equipment. Taxonomy eligible OPEX has been calculated as the share of Energinet's OPEX (in accordance with the definition in the taxonomy regulation) attributable to any of the above activities. Taxonomy-aligned OPEX corresponds to the OPEX related to economic activities deemed to be eligible that also fulfil the technical screening criteria defined in the delegated acts.
KPI FOR OPEX: DENOMINATOR	The Group's external and staff costs, as stated in Note 1 of the consolidated annual report, have been used as a base. It was then assessed whether the cost types included in these two items can be deemed to be covered by the definition of OPEX (see above). In Energinet's case, it has primarily been expenses related to the operation and maintenance of Energinet's infrastructure facilities and to ancillary services and grid losses that have been deemed to be OPEX. For the purpose of the financial reporting, Energinet allocates the Group's costs on an activity basis. This is supported by a corporate structure and financial model that reflects the Group's activities and also ensures that no cross-subsidisation takes place between the business areas. OPEX calculation is based on the financial reporting, which avoids the risk of double counting.

ITEM/INDICATOR	PRACTICE
KPI FOR CAPEX: NUMERATOR	Eligible CAPEX has been calculated as the share of Energinet's investments that can be attributed to one of the above economic activities. For Energinet, eligible CAPEX primarily consists of investments in infrastructure facilities. Investments in IT development for administrative systems are deemed to not be taxonomy eligible and have therefore not been included. Taxonomy-aligned CAPEX corresponds to the CAPEX related to economic activities deemed to be eligible that also fulfil the technical screening criteria defined in the delegated acts.
KPI FOR CAPEX: DENOMINATOR	The Group's additions to intangible assets and property, plant and equipment, as stated in the note on page 71 in Energinet's Annual Report. Adjustments relating to the decommissioning provisions are not included as these are not deemed to be a fixed investment. To avoid double counting, Energinet has performed an individual assessment of the year's investments and allocated them to a single category. The year's investments are also placed in different companies, each with its own primary activity, which also supports the requirement of avoiding cross-subsidisation between the business areas.



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