



ENERGINET

Energinet
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ENERGINET'S SUSTAINABILITY POLICY

1. Purpose

Energinet's core task is to resolve the energy trilemma – to transform the electricity and gas systems to run on green energy, while maintaining an extremely high level of security of supply and ensuring that this is all affordable for both consumers and society. Our vision of "Green Energy for a Better World" must be realised within the framework dictated by the energy trilemma. This policy sets out Energinet's views, values and ambitions for our work with sustainability and environmental, social and governance (ESG) issues, which will allow us to contribute to genuinely sustainable development in Denmark and globally.

2. Foundation

2.1 Background and frameworks

Energinet plays a vital role in ensuring that Denmark succeeds in the green transition of our energy system towards 2030. As a green pioneer country, Denmark must set and realise ambitious climate goals and efforts to help fulfil the twin political ambitions of reducing greenhouse gas emissions by 70% and achieving complete climate neutrality by 2050. Energinet must contribute to this, while always taking into account security of supply, the climate and the environment. Energinet must also ensure that the expansion of the energy system of the future is based on an increasing focus on sustainability in our procurement processes, while complying with the principles set out in the EU taxonomy for sustainable activities and the Danish climate ambitions as well as tools such as life cycle assessments.

As described in our vision, Energinet is working towards a green transition and stronger climate change initiatives. This is also reflected in our sustainability efforts. As an independent, public enterprise, Energinet must be a socially responsible company – also when it comes to sustainability. Energinet's sustainability policy reflects the company's holistic approach to sustainability as described and explained in further detail in Energinet's Sustainability Programme. Setting out Energinet's strategic priorities, the programme is a framework and management tool providing a common starting point for putting words into action and being more sustainable in our work towards the green transition.

2.2 Standards and legislation

Energinet's sustainability efforts are presented to the outside world in Energinet's annual report. We comply with and our reporting takes account of all applicable regulations and legislation, including the criteria of the EU taxonomy for sustainable activities and the Danish Financial Statements Act.

Since 2009, Energinet has been committed to complying with the Global Compact's ten overall ethical principles for corporate social responsibility. We believe all companies must contribute to a sustainable global development, and that as a state-owned enterprise with key expertise of relevance to the green transition, we must show the way and contribute actively to this development wherever we can.

Bearing this in mind, Energinet has decided to contribute to the global climate goals and the Paris Agreement and also to support the UN's Sustainable Development Goals with our main focus being on SDG 13: Climate action, SDG 7: Affordable and clean energy, SDG 9: Industry, innovation and infrastructure, and SDG 17: Partnerships for the goals.

Energinet's work towards the goals is supported in particular by initiatives related to: SDG 5: Gender equality, SDG 8: Decent work and economic growth, SDG 12: Responsible consumption and production, SDG 14: Life below water, SDG 15: Life on land.



Energinet supports and respects the internationally recognised human rights as set out in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, as well as the core conventions of the International Labour Organisation (ILO) and the Declaration on Fundamental Principles and Rights at Work, and follows the United Nations Guiding Principles on Business and Human Rights (UNGP). Our responsibilities regarding human and labour rights, climate, the environment and anti-corruption are based on the OECD Guidelines for Multinational Enterprises and Energinet's own guidelines.

3. Strategic development areas

Energinet's ambition is for sustainability to be at the core of everything we do. We are responsible for managing our own resources and consumption in a way that aligns with our vision of contributing to a better world. Energinet's strategic sustainability development areas are based on a dual materiality analysis, as described below. The analysis has been prepared on the basis of the Corporate Sustainability Reporting Directive (CSRD), in cooperation with external and internal experts, and reflects Energinet's social impact and financial materiality and impact on

Energinet's value creation. Our work with Energinet's strategic development areas follows a due diligence process based on OECD guidelines.

We comply with and monitor our commitments in this policy by:

- Having in place adequate policies, guidelines and processes for our efforts
- Taking a structured approach to identifying, prioritising and managing sustainability risks and opportunities
- Setting goals, monitoring and systematically following up on our efforts and results to ensure continuous improvement
- Communicating on an ongoing basis, making available appropriate remediation and grievance mechanisms and engaging in cooperation and dialogue with internal as well as external stakeholders
- Taking sustainability into consideration in our planning, procurement of goods and services, and in our projects by demanding that our suppliers and partners meet certain requirements

3.1 Climate and environment (E)

Energinet contributes to the green transition by connecting and transporting large volumes of renewable energy. Our work to build, expand and maintain Denmark's transmission grid also has a potentially significant negative impact on the climate, environment and biodiversity.

Climate impact:

- We contribute to a climate-neutral society by integrating more renewable energy and working actively to mitigate climate change
- We work actively to reduce the company's climate impact by setting ambitious climate goals and reducing our direct and indirect climate impacts
- We work actively for energy-efficient solutions, reduce our impacts and CO2 emissions from our own business, while also reducing our climate footprint on our projects and activities

Environment:

- We work actively to reduce our environmental footprint through environmental assessments, goals and environmental protection initiatives
- We work actively to prevent and minimise soil, water and air pollution from Energinet's activities
- We respect the resources consumed as part of our activities, and we contribute to sustainable resource consumption, minimise waste generation and focus on the circular economy through prevention, reduction, recycling and reuse and more sustainable solutions in our activities
- We work actively to reduce our water consumption and minimise our impact on maritime resources

Biodiversity:

- We protect and contribute positively to Denmark's biodiversity and ecosystems through biodiversity-enhancing efforts in our activities on land and at sea
- We work actively to avoid, prevent and minimise negative impacts on biodiversity as a result of our activities
- We contribute to restoring nature and biodiversity through our biodiversity initiatives

3.2 Social (S)

As a state-owned utility company with a significant number of employees and activities that affect many people, Energinet's social responsibility extends both to our own employees and to our entire value chain. Our employees are involved in strategy and decision-making processes through works council meetings between management and elected employee representatives.

Employees:

- We contribute to ensuring that our employees are motivated and healthy by ensuring a high level of well-being in the workplace and by continuously following up on well-being through employee surveys and interviews
- We do not accept any form of discrimination, harassment, bullying, mockery, abuse or violations of employees in Energinet or in our value chain, which is ensured through adequate grievance and reporting mechanisms
- We work for greater diversity and inclusion and ensure equal opportunities for all employees through our diversity strategy

Working environment, health and safety:

- We protect our employees, suppliers, our external environment and the rest of society to ensure that everyone gets through the working day safely and securely at Energinet
- We contribute to a good psychosocial and physical working environment, where safety is highly integrated into the work routines and behaviour of all employees
- We work actively to create strong partnerships and a shared culture with our suppliers, thus taking responsibility for health and safety

Human and labour rights:

- We support and respect international human and labour rights and comply with international conventions, standards and guidelines
- We work actively to identify, prevent, mitigate and remedy any negative impacts on human and labour rights that Energinet's activities may cause or contribute to throughout our value chain

Affected communities:

- We contribute to minimising negative impacts and make a positive difference for people, affected citizens and local areas, and meet those affected by Energinet's activities in a spirit of mutual respect, dialogue and cooperation
- We work actively to promote coexistence and protect the interests and rights of affected communities throughout Energinet's value chain

3.3 Governance (G)

Energinet is an independent public enterprise governed by a Board of Directors appointed by the Danish Minister for Climate, Energy and Utilities. Energinet is governed by a framework of rules based on regulatory requirements, European and international cooperation, Danish recommendations on corporate governance and Energinet's own guidelines. We strive to adhere to the highest standards of transparency and integrity.

Ethics and anti-corruption:

- We actively promote fair and ethical practices in all our activities and continuously adapt to applicable laws and regulations
- Energinet is an open, credible and transparent company with clear processes to ensure equal treatment, fair competition and responsible tax practices in compliance with all applicable legislation throughout the value chain
- We work actively to combat corruption and bribery, and take a zero-tolerance approach to such practices in our own organisation and among our partners or suppliers

Value chain responsibility:

- We work actively to create and maintain a responsible and sustainable value chain complying with environmental, ethical, economic and social standards
- We work actively with risk assessments and take the necessary steps in relation to our suppliers and partners throughout the value chain

Governance for this policy:

This sustainability policy is adopted, updated and approved annually by Energinet's Board of Directors on the recommendation of the Executive Board and applies to all employees in Energinet. The overall framework and strategic direction of our sustainability efforts are decided at group level, and decisions are made in cooperation with Energinet's group management.

We expect all Energinet employees to contribute to ensuring compliance with the above standards and legislation, and we expect our external partners to adhere to the same international standards as Energinet.

Moreover, Energinet is focused at all times on raising awareness and offering training for relevant parties in selected areas of sustainability. A mechanism is in place to allow internal as well as external parties to anonymously report any violations of this policy or any other Energinet guidelines. Possible breaches can be reported via a whistleblower line on our website or via other hotlines described in projects.

Adopted by the Board of Directors of Energinet on 29 August 2023.