ENERGINET

CSR REPORT 2020

CSR Report 2020 contains two reviews:

Energinet is an independent public enterprise owned by the Danish Ministry of Climate, Energy and Utilities. CSR Report 2020 constitutes Energinet's report on sustainability and social responsibility, as well as the gender distribution of management, in line with section 99 A and B of the Danish Financial Statements Act. It thus forms part of the management's review in the Energinet Group's 'Annual Report 2020'. Like the annual report, it covers the period from 1 January 2020 to 31 December 2020. The report also constitutes Energinet's CoP (Communication on Progress) on our commitment to the UN Global Compact.

CEO STATEMENT

At Energinet, we strive to increase our contribution to the UN's Sustainable Development Goals (SDGs) and perform our activities in a socially responsible manner.

In many ways, 2020 represents a milestone in the development of the Danish energy system and the role of energy in the green transition. Electricity in Danish homes and businesses has never emitted less CO_2 per kilowatt hour than in 2020, and biogas made a new record, reaching 21% of Danish gas consumption.

In December 2020, the Danish parliament amended Energinet's purpose clause to clearly state that we must contribute to developing the energy supply in a climate and environment-friendly way, through our ownership and operation of Denmark's common energy infrastructure. This supports our own vision of green energy for a better world. We aim to show that it is possible to create an energy system based 100% on green energy, which also has high security of supply and is affordable. This will make a significant contribution towards meeting Denmark's climate targets, while also inspiring other countries to take the same path, so that we can combat global climate change together.

2020 also marked the UN's 75th anniversary, and the 20th anniversary of the UN Global Compact. Companies were invited to mark the occasion by renewing their commitment to making the world a better place through global cooperation. As CEO of Energinet, I was very happy to do so – as did more than 1000 other company leaders worldwide.

Energinet supports the UN's Sustainable Development Goals and works with four of them (7, 9, 13 and 17), which we believe Energinet can make a significant contribution towards. In 2020, we set specific targets for our four selected SDGs that we link to relevant projects and activities in this CSR Report 2020. The selected SDGs and targets are closely related to Energinet's role in achieving a climate-neutral energy supply in Denmark.

Our strong climate focus means that we must also set strict requirements for ourselves and our climate impact. We have therefore set five ambitious climate goals in 2020, establishing milestones and a clear direction for reducing CO_2 emissions directly related to our business. We have also identified the indirect impact in our value chain, and aim to set another climate goal for these emissions in 2021.

It is important to Energinet that we perform our activities in a socially responsible manner. We have been a member of the UN Global Compact since 2009, and we continuously strive to improve our support for the ten principles and operate our business with high integrity, supported by our policies and values. We have had a particularly strong focus in 2020 on identifying the breadth and depth of our CSR practices, and selecting strategic priorities of key significance to Energinet and our stakeholders.

COVID-19 made 2020 a particularly challenging year, but in relation to CSR our company made progress on all three of our sustainability parameters – the climate and the environment, and social and economic factors.

Thomas Als Egebo
President & CEO

CONTENTS

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

IN LINE WITH SECTIONS 99 A AND B OF THE DANISH FINANCIAL STATEMENTS ACT

CSR Report 2020 contains 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 distribution of management. The report also contains goals, actions and objectives for each of the areas covered.

ENERGINET'S VISION, STRATEGY AND BUSINESS MODEL

Energinet contributes to converting energy systems, with the aim of ensuring that citizens and businesses use renewable energy for everything, with a high level of security of supply and at an affordable price. 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. We thus contribute to global climate action and initiatives by performing our core task and resolving the energy trilemma.

The energy sector is undergoing a major transformation as a result of national and international agreements to convert to climate-neutral societies. The Danish parliament has set an agenda for climate neutrality in 2050, and Energinet's ongoing work with security of supply under the green transition involves the development of market, grid and system mechanisms, both nationally and internationally. Our work is thus governed by objectives based on the Danish Government's ownership strategy, and by provisions in Danish and European legislation regulating Energinet's activities.

The enormous offshore wind resources and the boom in renewable energy on market terms are Denmark's core strengths in the green transition. These core strengths can lead to extensive climate impact reductions in otherwise difficult sectors such as agriculture and transport, concurrently with the transformation to a 100% green energy system.

Energinet's 'winds of change' strategy must be seen in the light of political goals in Denmark and Europe – particularly the goal of ensuring 100% renewable energy in the electricity system in 2030 and achieving a climate-neutral society in 2050. Expanding and operating energy infrastructure that can address the energy trilemma consumes resources and impacts the climate in itself. Energinet's primary direct impacts come from transmission losses in the electricity transmission grid and the use of SF_6 gas and methane emissions (natural gas). We focus on reducing our own negative impacts from all plant we install and operate.

Energinet's general objective is to ensure the efficient operation and expansion of energy infrastructure, and contribute to developing the energy supply in a climate and environment-friendly manner. CSR Report 2020 presents Energinet's handling of and initiatives to address the negative 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, actions and objectives 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. Energinet's responsibilities are primarily executed via a number of subsidiary companies, as illustrated below.

THE ROLE OF THE SUBSIDIARIES

GRID
We operate and develop the grid of electricity and gas and gas storage. We also establish international interconnectors

SYSTEM
We have the long term and daily responsibility of the operation of the energy system.

MARKET
We are a part of developing the energy market and market terms in Denmark, Nordics, and the EU.

ELECTRICITY SYSTEM OPERATOR
Electricity System Operator is responsible for the operation and development of the electricity market design and balancing the electricity system.

ELECTRICITY TRANSMISSION:
Electricity Transmission is responsible for operating and developing the Danish electricity transmission grid and interconnectors.

DATAHUB
DataHub is responsible for ensuring the well-functioning operation and communication of the market and also provides data support for market players.

GAS TSO
Gas TSO is responsible for operation and maintenance of the Danish gas transmission system and development of the gas market.

GAS STORAGE DENMARK
Gas Storage Denmark owns and operates Denmark's 2 underground gas storage facilities and contributes to the Danish gas transmission system and sells gas storage on the Northern Westeuropean gas market.

Furthermore, Energinet consists of three other subsidiaries, 1. Associated Activities A/S that practice sharing knowledge and experiences in for example international settings. 2. Business Services that supports the group and group business units with IT, procurement, financial services, and facility service. 3. Engineering and construction operate and maintain the gas transmission owned by Gas TSO and Gas Storage Denmark

CONTRIBUTIONS TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Energinet has formulated its overall aims for the development of our social responsibility efforts based on the UN's Sustainable Development Goals (SDGs), with the involvement of our employees, management and supervisory board.

Based on its role in the green transition, Energinet has chosen to focus on its contribution to four specific SDGs, with Climate Action goal 13 serving as an umbrella for the others.

We believe Energinet can add value as we balance the challenges of climate change and our core business, strengthening our role as an innovative company that takes active responsibility for the green transition and supports Denmark's leading position in the area. In this way, Energinet is contributing to addressing the global climate challenges.

Energinet has a direct responsibility to ensure that all Danes have access to reliable, sustainable and modern energy at an affordable price. The knowledge, tools and partnerships that Energinet continuously develops in order to achieve this can serve as direct inspiration and a driver for addressing sustainable development goal.

A persistent focus on innovation and utilisation of the possibilities offered by digitisation are central to Energinet achieving the green transformation of the energy system. Globally, general technological development is also key to finding lasting solutions to both economic and environmental challenges

Energinet believes that the green transition will increasingly require new and diverse partnerships in the energy sector and in society. We also want to fulfil our role at a high level in this area. We believe that our approach to cooperation and a strategic focus on partnerships in Denmark and internationally can contribute positively to strengthening the global partnership for sustainable development.

LINKS TO TARGETS FOR THE FOUR SELECTED SUSTAINABLE DEVELOPMENT GOALS

Within Energinet's selected SDGs, we have selected relevant targets to work with. We have compiled an overview of some of our activities in relation to the targets.

GLOBAL TARGETS	DEFINITION	ENERGINET'S ACTIVITIES
	13.3. BUILD KNOWLEDGE AND CAPACITY TO MEET CLIMATE CHANGE We must increase general knowledge and awareness of the possibilities for slowing down global warming and adapting to climate change. This must happen at both an individual and institutional level. We also need to improve our capacity to predict and limit the damage at an early stage.	• Climate accounts • Climate goals • Green indicators • Phasing out SF_6 gas • Reducing methane emissions from the gas system
	7.1 UNIVERSAL ACCESS TO MODERN ENERGY Everyone must have access to an affordable, reliable, modern energy supply by 2030.	• Baltic Pipe • Associated Activities • Viking Link
	7.2 INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY There must be significantly more sustainable energy in the global energy supply by 2030.	• Energy islands • Associated Activities • Green Hydrogen Hub • Green ancillary services
	7.A PROMOTE ACCESS TO RESEARCH, TECHNOLOGY AND INVESTMENTS IN CLEAN ENERGY We must expand cooperation and provide access to clean energy research by 2030, in relation to renewable energy, energy efficiency and cleaner, more advanced use of fossil fuels. We must also promote investment in energy infrastructure and clean energy technology.	• Sharing data from DataHub • Open source collaboration between DataHub and Microsoft • Research and development cooperation with universities • Pilot project with Energi Danmark on wind turbines providing services to the balance market

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GLOBAL TARGETS	DEFINITION	ENERGINET'S ACTIVITIES
	7.B EXPAND AND UPGRADE ENERGY SERVICES FOR DEVELOPING COUNTRIES We must expand infrastructure and upgrade technology in order to provide modern and sustainable energy services to all people in developing countries by 2030. This applies particularly to the least developed countries, small developing island states and developing landlocked countries, and must happen in accordance with these countries' respective aid programmes	• Selected Associated Activities projects in developing countries, such as sharing experience with integrating renewable energy in Ethiopia and Ukraine
	9.2. PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION We must develop reliable, sustainable, robust high-quality infrastructure. This applies to infrastructure across borders and regions, to support economic development and human well-being. We must focus on ensuring everyone has equal access to the infrastructure, at an affordable price.	• TSO cooperation on a network development plan for the offshore electricity grid in the Baltic Sea and achieving the EU's climate targets • Baltic Pipe • Viking Link
	9.5 ENHANCE RESEARCH AND UPGRADE INDUSTRIAL TECHNOLOGIES We must do more research into industry technologies and upgrade them in all countries – especially in developing countries. By 2030, we must encourage innovation, and significantly more people must work with research and development. Both the public and the private sector must invest more in this	• Energy Partnership Programme in Vietnam • Consultancy support in India, South Africa and Indonesia
	9.A FACILITATE SUSTAINABLE INFRASTRUCTURE DEVELOPMENT FOR DEVELOPING COUNTRIES We must facilitate developing countries in the development of sustainable and robust infrastructure. This must be done through better financial, technological and technical support for African countries, the least developed countries, landlocked developing countries and small developing island states.	• Selected Associated Activities projects in developing countries, such as sharing experience with integrating renewable energy in South Africa, Ethiopia and Ukraine
	17.6 KNOWLEDGE SHARING AND COOPERATION FOR ACCESS TO SCIENCE, TECHNOLOGY AND INNOVATION We must improve research cooperation between countries in the north and the south, among countries in the south, and at the regional and international level. This cooperation must provide access to science, technology and innovation, and improve general knowledge sharing on mutually agreed conditions. This must be in part through better coordination within existing partnerships, especially at UN level, and through global technology exchange collaboration.	• Research cooperation with universities • TSO sustainability cooperation • International cooperation towards the green transition in the Global Power System Transformation Consortium (G-PST), North Sea Wind Power Hub (NSWPH) and European Network of Transmission System Operators for Electricity (ENTSO-E).
	17.7 We must promote and encourage partnerships across the public and private sectors and civil society. This will be done by building on our experience with partnerships and their resour-ce strategies.	• Cooperation with society on citizen involvement • Associated Activities • Collaboration and knowledge exchange in the Asset Management Danmark association • Data service providing information on the use of green electricity in Danish companies • Cooperation with the Huset Venture social entrepreneurship company

CSR GOVERNANCE IN ENERGINET

At Energinet, we are committed to sustainability and corporate social responsibility (CSR).

CSR is a prioritised effort involving the entire Group, and all employees are directly or indirectly affected by it. CSR is embodied in a staff function, making it well positioned for interdisciplinary collaboration with the Group's many functions and companies. The Group's subsidiaries are represented in Energinet's social responsibility group – a multidisciplinary forum for CSR cooperation established in 2019. The group meets on a monthly basis, and was directly involved in the process of making CSR a priority in Energinet in autumn 2020.

The directors of Energinet's subsidiaries and the Group management jointly make CSR decisions. This ensures that we pull in a common direction in our work in the various subsidiaries. The CSR governance structure was further reinforced in 2020 with Energinet's establishment of a Governance, Risk and Compliance committee, which aims to ensure focus and systematic reporting on non-financial compliance areas and risks, including CSR.

2021 is the year in which the new assumptions for CSR governance in Energinet will be tested in earnest, and we must gain experience in the first half year which ensures that we have a strong structure for CSR governance starting from the second half of the year.

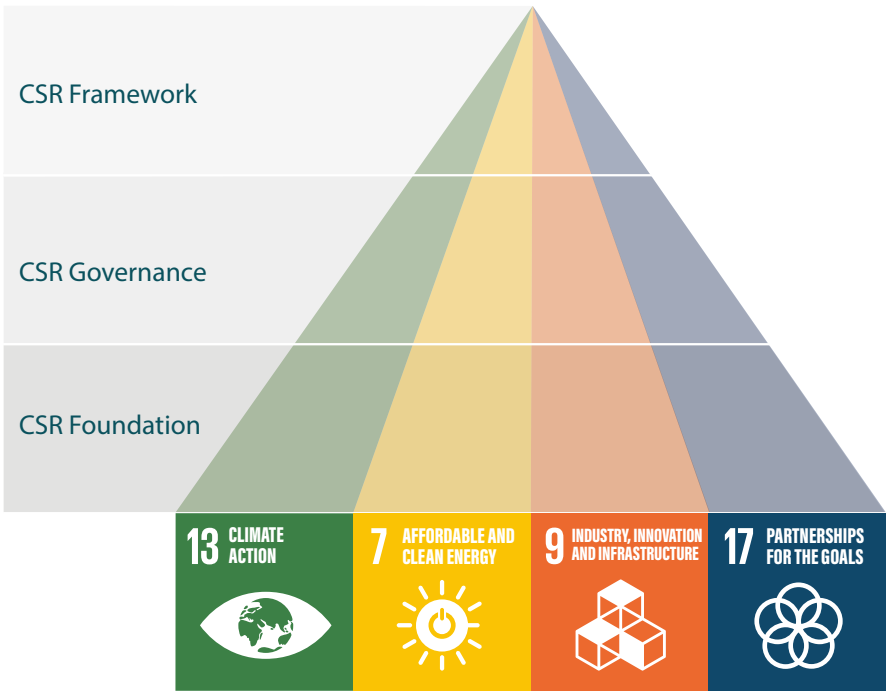
MAKING CSR A PRIORITY AT ENERGINET

Climate and the green transition have always been important in Energinet, and this is evident in the Sustainable Development Goals we particularly focus on. However, sustainability and corporate social responsibility (CSR) are more than just climate actions at Energinet. In autumn 2020, we decided to identify the breadth and future level of our CSR practices, based on the Global Compact standard, applicable Danish legislation and best practices in the various areas.

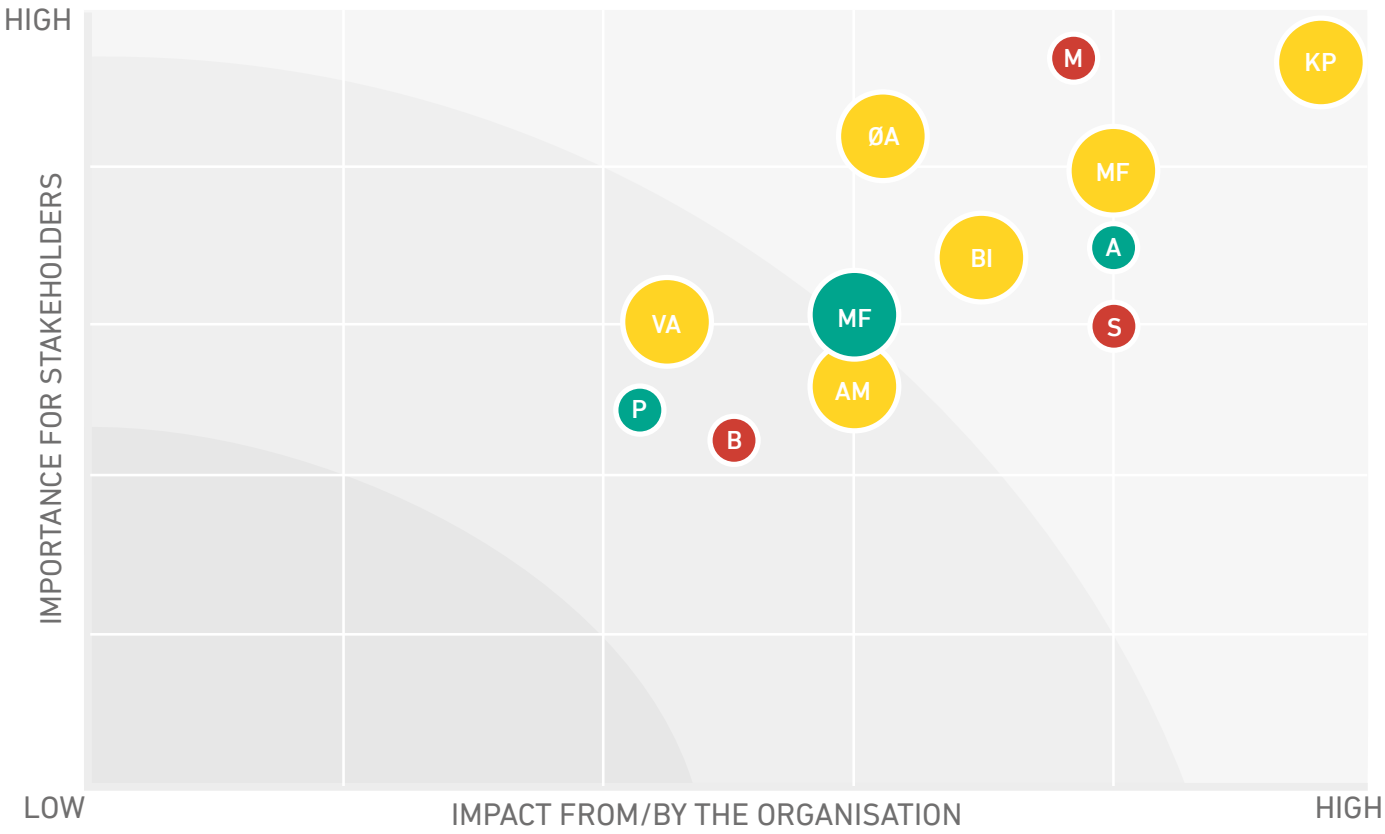
Energinet conducted an interdisciplinary, strategic process in autumn 2020, analysing the maturity of our CSR practices. During this process, and through the involvement of Energinet's group of directors, we established strategic priorities based on the CSR issues that are most important to Energinet's stakeholders and have the greatest impact on or from our business.

The scope of Energinet's CSR practices was identified with reference to the general categorisation of CSR areas in section 99 A of the Danish Financial Statements Act (environment and climate, employee and social conditions, respect for human rights and anti-corruption) and definitions of the various CSR areas in the UN Global Compact standard. We will begin to establish or update strategy, goals and action plans for selected strategic priorities, and in specific governance elements, in 2021.

This will allow Energinet's CSR efforts to be focused and effectively communicated to employees and the outside world. To create a complete overview of the various CSR areas, the topics have been grouped as shown in the matrix on the next page.



STRATEGIC PRIORITIZED CSR AREAS AT ENERGINET



KP CLIMATE CHANGE
- SF6 gasses
- CO_2-emissions
- Energy consumption

MF EMPLOYEE CONDITIONS
- Working hours/flexibility/holiday
- Wages
- Freedom of association and bargaining
- Employee well-being
- Health

M DIVERSITY AND ANTI DISCRIMINATION

BI SUSTAINABLE INFRASTRUCTURE
- Security of supply
- Security arrangements
- Land and property
- Accessibility of data (Open Source)

ØA RESPONSIBLE FINANCE
- Responsible investments
- Sustainable procurement
- Responsible financial management

A ANTI CORRUPTION

MF ENVIRONMENTAL CONDITIONS
- Emergency response
- Water consumption
- Waste management
- Precautionary approach
- Noise, odour, light, and vibrations
- Natural resources
- Chemicals, and other dangerous substamces
- Environmentally Friendly Technologies

B BIODIVERSITY

AM WORKING ENVIRONMENT
- Health and safety systems
- Protective equipment and training
- Employee involvement

VA VALUE CHAIN RESPONSIBILITY
- Child labour and young workers
- Forced and compulsory labour
- Other areas of Code of Conduct

P PRODUCT STEWARDSHIP

S COMMUNITY ENGAGEMENT

Solid practice · Developing practice · Limited practice · Cohesive

Energinet's climate Impact is a top priority, having the highest significance to Energinet's stakeholders and a major business impact. In relation to climate impact, Energinet has already set some climate goals, and several specific action plans are underway. Closely linked to climate are our environmental conditions. We have an environment policy and practices in all specific environmental areas, but there is room for improvement. Biodiversity is related to the climate and environment, and is something we act on, but the potential is great. Biodiversity in itself is therefore also a focus area for Energinet.

Security of supply has always been a high priority at Energinet and is a key element in a sustainable infrastructure and product stewardship, which requires responsible and sustainable investments. This includes responsible financial management, sustainable procurement and Energinet's value chain responsibility. Energinet also gives priority to its Community engagement and citizen involvement in a responsible manner. Our employees are also vital to ensuring that Energinet can fulfil its vision of 'Green energy for a better world'.

Employee conditions are therefore of high importance to Energinet and an area in which Energinet has strong practices. This is related to the priority we give to the working environment, for our own employees, as well as the employees of third parties working at our construction sites, facilities etc. We specifically focus on the latter, and continually improve our practices in relation to the working environment and physical safety. Energinet has policies and guidelines for diversity and anti-discrimination, including sexual harassment, but strong practices need to be further developed in this area, and this was initiated in early 2021. Anti-corruption and transparency are also key elements in our work behaviour, internally and in relation to our suppliers and partners.

CSR policy and related policies and guidelines

In addition to strategically prioritising CSR areas and associated action plans, Energinet follows its own policies, guidelines and standards. For example, Energinet is a member of the UN Global Compact and thus follows the ten principles defined in the Global Compact.

Energinet has a general CSR policy and other related policies or guidelines which collectively meet the statutory requirement for policies on the environment and climate, respect for human rights, anti-corruption and bribery and social and employee conditions, in line with section 99 A of the Danish Financial Statements Act. The CSR policy covers all the above areas, but is supplemented by environment and climate guidelines, a diversity policy for social and employee conditions and an ethical code of conduct which sets guidelines for anti-corruption and bribery. Energinet's extensive analysis in 2020 of the priority of CSR matters revealed that we have given priority to more and broader CSR issues – and this must be reflected in our policies. During 2020 we also regularly updated our guidelines for handling COVID-19 in accordance with the guidelines announced by the Danish Government.

GOALS, ACTIONS AND RESULTS

At Energinet, we believe that all companies have a responsibility to contribute to sustainable global development, and that as a state-owned company, we have a responsibility to take the lead and contribute actively to development where we can.

We therefore work with CSR based on these topics: climate and environment, social sustainability and partnerships, safety and respect for human rights and anti-corruption and responsible investments. We use the same classification when we specify goals, actions and objectives. These are illustrated in the overview tables after each section.

CLIMATE AND ENVIRONMENT

The climate is of key importance and a priority at Energinet. We are therefore working on emissions and climate initiatives in many different ways. Energinet set ambitious climate goals in spring 2020, and these have been supplemented in autumn 2020 by identifying our CO_2 emissions in Scope 3 (GHG protocol). We are also working strategically to reduce SF_6 gas emissions, and have a number of internal initiatives to reduce the climate footprint of our employees.

Five ambitious climate goals
In 2020, Energinet's Board of Directors adopted five ambitious climate goals for our own emissions. It will take a major effort to achieve the goals, but when we have high aspirations for a society independent of fossil fuels, we must also set high aspirations for ourselves. The goals therefore set a direction for Energinet's own climate impact, and serve as a guide for decisions in Energinet.

Energinet's five climate goals (2020):

- Work towards transmission losses and energy consumption for the transmission grid being CO_2-neutral by 2030
- Work towards emissions from natural gas being CO_2-neutral, and SF_6 gas being phased out by 2050
- Energinet's administrative business operations must be CO_2-neutral by 2030
- Energinet's passenger transport must be CO_2-neutral by 2025
- Energinet will set an ambitious climate goal for Scope 3 emissions

Energinet's climate footprint is calculated in accordance with Scope 1, 2 and 3 of the Greenhouse Gas protocol (GHG protocol), and the climate goals have been set based on our climate accounts. Energinet's climate goals have different time horizons, as the solutions to the challenges require different approaches and technology – including technology that has not yet been invented. The climate goals and related initiatives cover our role in society, our operation of infrastructure and the visible behaviour of our employees in their daily work. We consistently work to ensure to ensure that the climate goals are anchored and visible in the organisation at all levels.

Mapping CO_2 emissions in the value chain and Energinet's fifth climate goal

FACT BOX

The GHG protocol is a global auditing standard used to measure and manage greenhouse gas emissions from companies and their value chains. https://ghgprotocol.org/

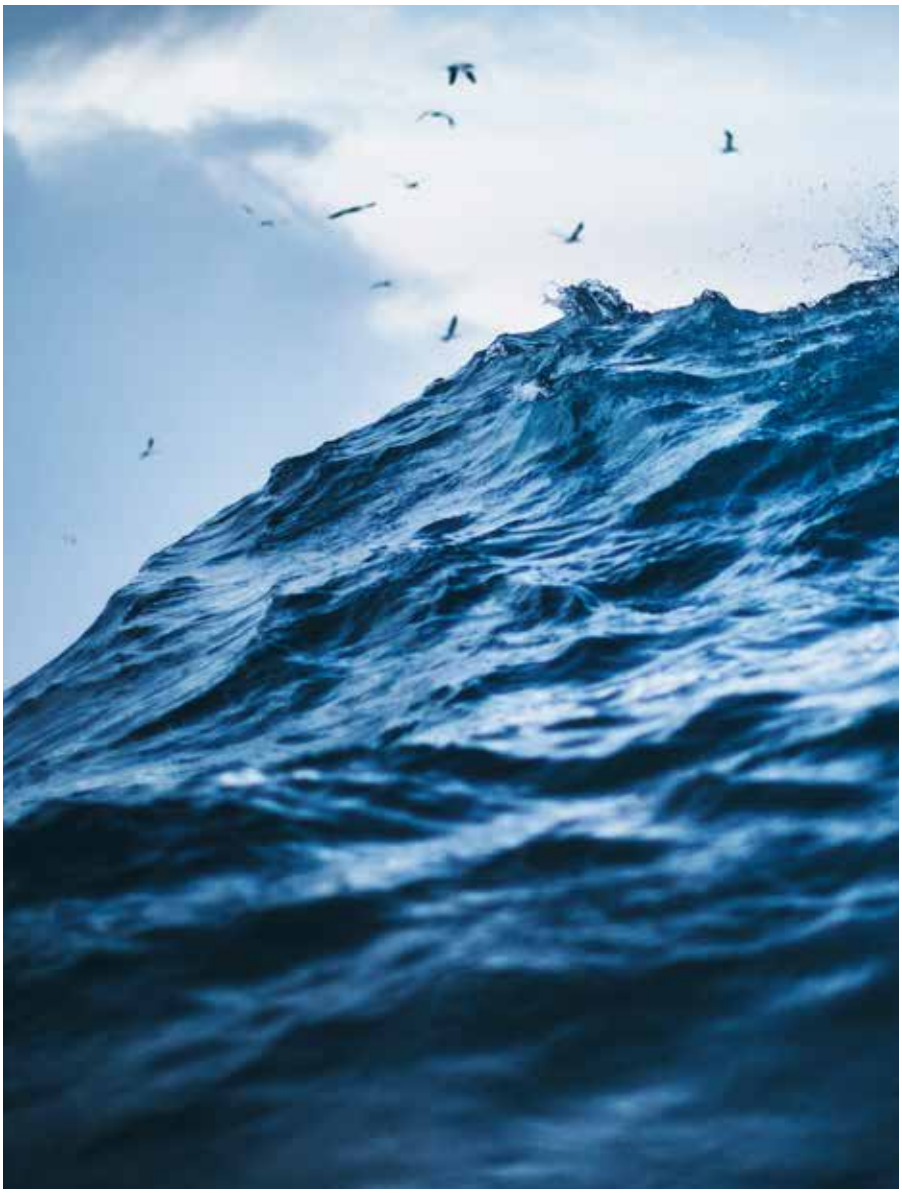
Scope 1 emissions are direct emissions from a company's own consumption

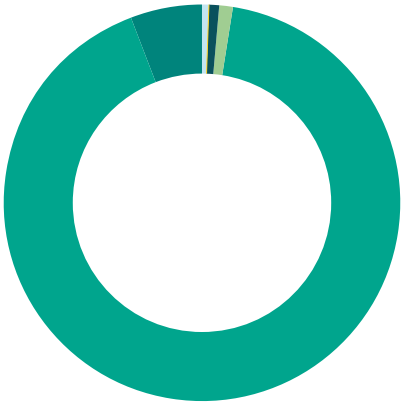
Scope 2 emissions are indirect emissions from a company's own consumption

Scope 3 emissions are indirect emissions from the company's activities, arising from sources the company does not own or control. This includes emissions related to the entire value chain.

See Energinet's climate accounts on page 44

Energinet's fifth climate goal of setting an ambitious goal for Scope 3 emissions, including the indirect consequences of our procurement and CO_2 emissions from production and transport, gained momentum in 2020. In autumn 2020, with the assistance of Revisionsselskabet E&Y, Energinet therefore mapped its CO_2 emissions in Scope 3. Through this cooperation across the Group and with external partners we learned something about our indirect impacts. As shown in the figure below, the vast majority of our indirect emissions are from Long term assets. Long term assets include the establishment and maintenance of our transmission grid, and given Energinet's current and future investment base, this is not surprising.





- Cat. 1 - Purchased goods and services
- Cat. 2 - Long term assets
- Cat. 3 - Fuels and energy related activities
- Cat. 4 - Upstream transport and distribution
- Cat. 5 - Waste generated through activities
- Cat. 6 - Business travels
- Cat. 7 - Employee Commuter

Strategy and action plan for reducing CO_2 in connection with establishing new electricity plant

Energinet is expanding the energy infrastructure in accordance with the political decisions being made, while also maintaining an infrastructure with a service life of up to 50 years. This requires investments, building and civil engineering projects and related procurement amounting to billions of Danish kroner. In parallel with mapping Scope 3 emissions, Energinet therefore established a working group focusing on strategy and action plans for reducing CO_2 in connection with establishing new electricity plant. In autumn 2020, the working group identified reduction options and prioritised these in relation to Energinet's stakeholders and business, leading to some potential specific focus areas. Energinet must qualify these potential focus areas jointly with external consultants in 2021, to prepare specific action plans and anchor the reduction initiatives in the Group. The aim is to ensure that sustainability and CO_2 reductions are integrated into the planning when establishing new plant at Energinet. The working group is a work form that needs to be copied to other working groups for the other categories.

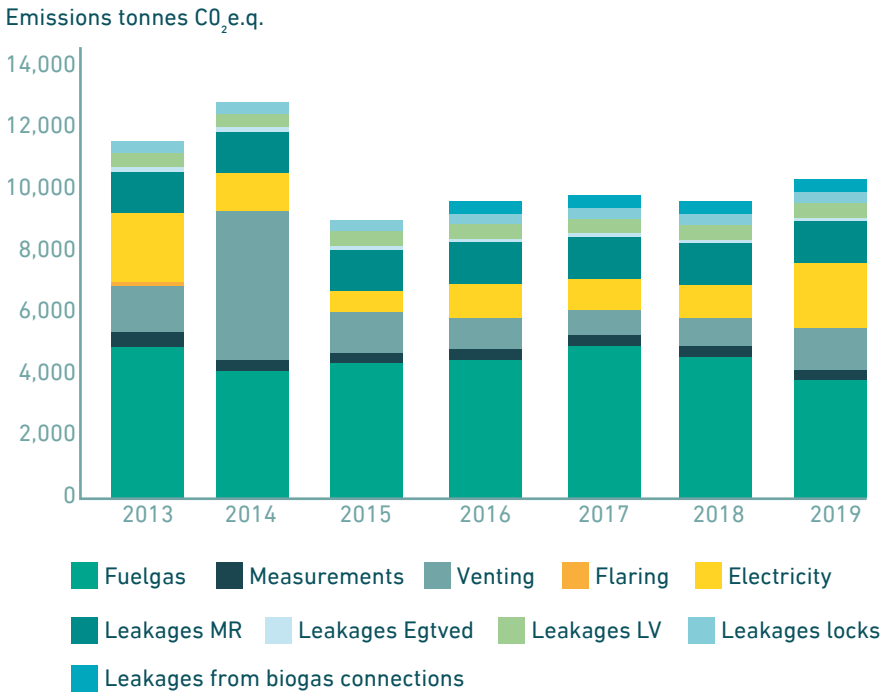
METHANE EMISSIONS DIRECTLY FROM THE GAS SYSTEM MUST BE REDUCED

The European Commission worked on a proposal for a methane strategy in 2020, which aims to ensure a reduction in methane emissions.

Methane is the second-largest contributor to global warming in Europe. Methane is also a source of local air pollution. Emissions from the gas TSOs in Europe account for a very small share of existing emissions, but a reduction is still an important contribution to reducing greenhouse gases. As a precondition for growth in biogas and green hydrogen, the European Commission and Danish authorities have therefore stipulated that the gas sector must have emissions from the gas grid under control – with the primary focus being on methane emissions. Several analyses have been done – externally and internally in Gas TSO – looking at what options the gas system has for reducing its total emissions of CO_2 and natural gas (methane) and its electricity consumption. Compared to the other gas TSOs in Europe (GTBI benchmark), Gas TSO currently lies in the best quartile. This is primarily because Gas TSO's compressors are electric and not gas-powered. Gas TSO has launched a strategic initiative to investigate the best solutions for $CO_2$and methane reductions, by reassessing the reinvestment programme – including suggestions for new ways of pricing green solutions in Business Cases.

Major sources of methane emissions are leaks from the system and blow-off in connection with maintenance. Solutions include a better LDAR (leak detection and repair) programme and mobile compressors

GAS TSO'S TOTAL EMISSIONS IN TONNES CO_2



CASE1

CASE: SF_6 PLANT TO BE PHASED OUT BY 2050

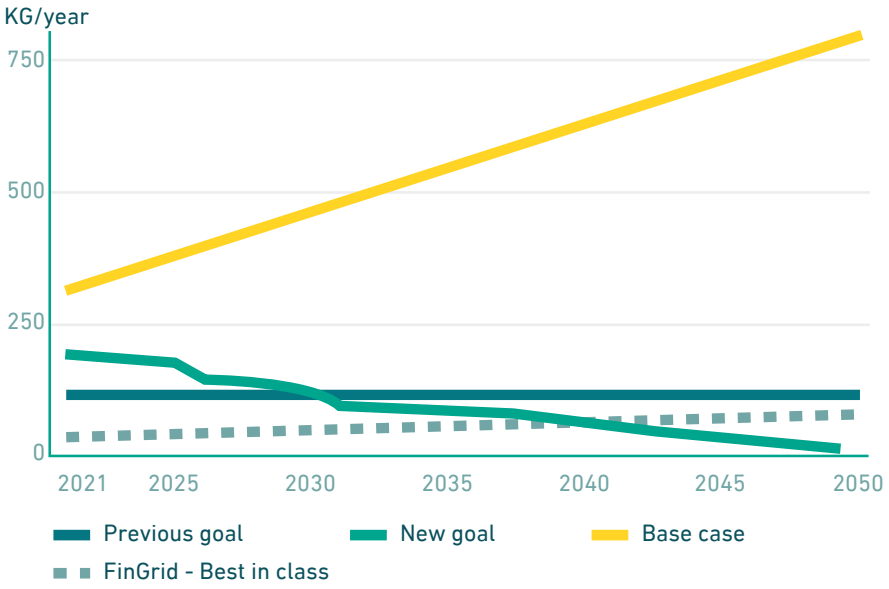
Energinet took an important step in one of our highest priority strategic CSR areas in 2020 – a reduction in our climate impact by phasing out the use of SF_6 gas.

SF_6 gas is a strong greenhouse gas with an emission factor of 22,800. The gas is used as an insulator in many of Energinet's circuit breakers and GIS systems, and there are minor natural leaks from these sources each year. In the event of breakdowns, there are sometimes large emissions from components. The emissions have been calculated under key figures at the end of this CSR Report 2020. Energinet registered 763.84 kg of SF_6 emissions in 2020.

It is generally illegal to use SF_6 gas, but high-voltage installations are exempt, as there are no alternatives to SF_6 gas at a number of voltage levels. Energinet observes the legislation, but also wants to contribute to reducing the use of this powerful greenhouse gas, going further than what the law requires.

Energinet investigated the possibility in 2020 of completely halting the use of SF_6 gas, by replacing some SF_6 components as we reinvest in our many electrical systems. It is already possible to invest in SF_6-free components for 132 KV units – these are available on the market. However, there are currently no SF_6-free solutions for the higher voltage levels, so Energinet will have to continue investing in some systems that used SF_6gas for a few more years. But suppliers are already busy developing alternatives, and expect there to be SF_6-free components on the market for 245 kV in 2025 and for 400 kV in 2028. Aiming for zero SF_6 emissions by 2050 thus involves a relatively high financial cost, but given Energinet's strategy, it is a sensible choice in order to advance a greener and better world.

GOALS FOR SF6 GAS EMISSIONS



Previous and new targets: Illustration showing SF_6 gas emissions up until 2050 (previous and new targets).

Base case: Expected emissions if expansion continues using SF_6 gas-based units with no further measures.

Best in class: FinGrid's emission ratio applied to Energinet's plant volume has been plotted as the benchmark for best in class today.

OTHER CLIMATE AND ENVIRONMENT ACTIONS

Energinet has also worked on other climate and environment initiatives in 2020. In some areas, our practice is not mature enough for quantitative assessments and measurements. It therefore makes more sense to assess the goals qualitatively. However, we still have a number of initiatives in 2020 that we would like to report.

Internal climate and environmental sustainability
Energinet's own consumption also impacts the environment and the climate. We therefore also look inward in the green transition. We are continually taking steps to anchor sustainability and social responsibility throughout the Group. In 2020 we had a special focus on Energinet's passenger transport, sustainable travel and sustainability in the workplace.

Green car fleet
One major step on the road to achieving our climate goal of CO_2-neutral passenger transport involves having a greener car fleet. Our operations and pool vehicles are therefore continually being replaced with electric vehicles, and all pool vehicles are expected to have been replaced upon expiry of the current leasing agreements in Q1 2022. We have also made it more attractive for our employees with company cars to choose a green car. We have launched an incentive programme that levels the costs of green cars and fossil-fuel powered cars, so that more people choose an electric or hydrogen car. With these initiatives, we hope to see a steadily increasing green car fleet in our car parks in the future.

Sustainable travel
In 2020, Energinet sought to make it easier for our employees to travel more sustainably. Travel is necessary in order for us to perform some of our tasks at Energinet efficiently. If there is anything we have learned from COVID-19 and 2020, it is to limit our travel activities and to use online meetings efficiently. In addition to climate compensation for flights, we launched the 'sustainable travel' project, and developed a simple visual guide for employees containing tips and tricks to support sustainable travel. As part of this process, we launched a sustainability assessment of hotels in Denmark, so that our employees can easily choose the hotels that Energinet believes to be the most sustainable. In 2021, when it hopefully becomes easier and safer to travel again, we will focus even more on reducing our normal travel activities and more sustainable travel.

Sustainability in the workplace
Energinet's Facility Department, which is responsible for the practical aspects of Energinet's buildings, had a major focus in 2020 on sustainability in a broad sense, including:

- Upcycling Energinet's strategy banners by having a social entrepreneurship company make them into bags
- Commencing replacement of ventilation system motors, which can save approx. 80,000 kWh per year, corresponding to the consumption of 20 households
- When opening new locations and offices, recycled furniture was purchased where possible
- Acquired an electric canteen vehicle with solar cells on the roof
- In future, we will replace information screens in meeting rooms with models that virtually use no electricity
- Only using paper which is certified, recyclable and CO_2-neutral
- Incorporating sustainability into all purchases in connection with office teams

- Integrating sustainability into the tender process for office supplies
- All multi-purpose printers are approx. 80% recycled
- Getting Grundfos to perform an 'energy check', to identify possibilities for energy optimisation
- Working with the canteen supplier to reduce food waste and achieve sustainable canteen operation

The Facility Department is responsible for handling waste from our buildings in accordance with the applicable rules. We sort fractions such as paper, cardboard and batteries, which are collected. Waste from substations and plants is handled by our contractors. This is an area we will focus on in 2021. It is possible to sort and track more, and external waste handling needs to be to improved.

Biodiversity
Due to its ownership of the transmission grids, Energinet owns large areas of land in Denmark. We feel responsible for safeguarding and promoting biodiversity in these areas. Energinet does not currently have a systematic approach to this issue. However, it will be given priority in 2021, with a specific strategy for biodiversity and a goal of positively impacting biodiversity.

OVERVIEW OF CLIMATE AND ENVIRONMENTAL SUSTAINABILITY

CLIMATE IMPACT

Aim: Reduce our own CO_2 impacts

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Reduce our own CO_2 impacts	Set a goal for Energinet's climate footprint	Goal met 5 ambitious climate goals set for reductions. CO_2 emissions in Energinet's value chain mapped (Scope 3 in the GHG protocol)	Work on establishing targets for CO2 emissions in Energinet's value chain, Scope 3 Establish a strategy, goals and action plans for reducing CO_2emissions
	Travel: No goal, but Energinet has compensated for emissions from air travel since 2019 by supporting projects to establish renewable energy and purchasing verified carbon credits	Energinet compensated for emissions from travel in 2020, but to a much lesser extent than expected due to COVID-19 Also launched a sustainability assessment of hotels	Continue compensation for emissions on all flights Implement a sustainability assessment form for hotels
Reduce SF_6 gas emissions	SF_6 gas: operational target for SF_6 gas emissions of 120 kg/year and an ongoing focus on reducing emissions	Goal not met Operational target for SF_6 gas emissions not met	The current operational target has been replaced by two focus areas – operation and breakdowns – with associated operational sub-targets.
	Greater dialogue with the market on new technology (TSOs, suppliers, CIGRÉ etc.)	Goal met Market mature solutions identified for lower voltage levels, and time frame determined for higher voltage levels	Continue dialogue with the market on solutions for higher voltage levels
	Perform pilot projects, replacing AIS circuit breakers with models without SF_6 gas	Goal met AIS circuit breakers replaced with models without SF_6 gas on two pilot projects. However, one project was postponed until January 2021 due to COVID-19	No goal

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FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Reduce combustion and flaring of methane	10% reduction in methane combustion and flaring compared to the 2015-2017 average	Goal not met	Place an order for one or more mobile compressors. The mobile compressors aim to reduce the amount of blow-off gas in future operations.
Reduce transmission losses in the electricity grid	Continually optimise operation of the grid	Goal met	Continually optimise operation of the grid
	Implement the implicit transmission loss market method on the Skagerrak interconnection	Goal partially met Commencing in spring 2021	
	Continue focus on introducing implicit transmission loss handling on all Danish international connections	Goal partially met Work is being done on method approvals	Implicit transmission loss handling requires an agreement for each connection. Apart from the Great Belt and Cobra connections, no work will be done with other international connections in 2021

BIODIVERSITY

Aim: Benefit the flora and fauna on Energinet's sites and contribute to greater species diversity.

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Benefit the flora and fauna on Energinet's sites and contribute to greater species diversity.	No goals in 2020	N/A	Establish a strategy, goals and action plans for greater biodiversity at Energinet

ENVIRONMENT FACTORS

Aim: [not defined]

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
The strategically prioritised environment factors shown in Energinet's significance matrix	No goals	N/A	Establish a strategy, goals and action plans

SOCIAL SUSTAINABILITY AND PARTNERSHIPS

For Energinet, social sustainability is about the conditions we offer our employees in relation to their health and well-being, and diversity and inclusion. We want to give our employees the best possible conditions when they go to work at Energinet. This section also presents some of Energinet's partnerships, in which our employees are involved on a daily basis.

Health and well-being
COVID-19 has been in focus in 2020, and we have expanded our other well-being and health initiatives with virtual training and workshops. Energinet has a general focus on work-life balance, and health ambassadors that ensure a focus on physical health in the workplace.

Energinet therefore has targets for absence due to illness and employee turnover, and conducts an employee satisfaction survey every two years. We are proud of our low absence due to illness rate, employee turnover and generally high satisfaction level in the employee survey. We achieved our target for employee turnover and saw good progress on absence due to illness in 2020.

Employees and a flexible workplace
At Energinet, we take care of our employees, and 2020 and COVID-19 have presented various challenges and adjustments in the way we work. Despite these, Energinet has continued to develop and motivate employees, and maintain a good, safe workplace with a healthy working environment. In 2020, a transformation programme and multidisciplinary team were also set up to look at the general frameworks and the tasks and challenges that are of greatest value across the Group.

DATA TABLE

DATA TABLE	2019	2020	GOAL 2020:
Absence due to illness	2.4%	2.1%	2.0%
Employee turnover	12.9%	10.6%	12.5%
Employee satisfaction survey	75	Not measured in 2020	Not measured in 2020

CASE2

CASE: A NEW WORK SITUATION FOR EVERYONE

COVID-19 has naturally created challenges and changes for Energinet. For employees, the transition to more working from home has been particularly in focus. Energinet has therefore launched a number of initiatives to meet employees' different situations and challenges, and to maintain a good work-life balance.

It has been important to Energinet to be accommodative and understanding of the various situations employees have faced. Some have had children sent home. Others live alone and can experience loneliness without contact with their colleagues. Energinet has also learned under COVID-19 that some tasks can be easily handled from home. We have been forced to work and think differently in order to achieve our tasks. This has positively supported Energinet's transformation, and pushed the mindset of managers and employees alike in a direction of trying new things and doing things differently in order to succeed. This is actually one of the goals for our transformation.

A 'flexible workplace' was introduced in 2020. This essentially means that each employee has a high degree of freedom to organise their own working life, taking into account their tasks and the workplace community. Specific initiatives to ensure success include reorganising meeting rooms, virtual workshops, online training, competency development in tools such as Microsoft Teams, a focus on ergonomics and the offer of equipment for the home workstation. The flexible workplace is based on trust in employees, and the vision is to create better well-being and results, while allowing employees to minimise their commuting and CO_2 emissions.

Thomas Egebo, President and CEO, says: *"For me, the flexible workplace is primarily about values and trust. It's about having confidence in your employees and our leaders at Energinet, and being able to find good solutions together. I believe that the well-being of each individual increases, that our total value creation increases, and that we have a more attractive workplace."*

Well-being in the home workplace
Energinet has three professional organisations, that all work with the company in relation to employee conditions. A membership survey by the AC Club professional organisation in Energinet reveals the trends among employees in relation to working from home. This has allowed Energinet to monitor how the employees' situation in relation to working from home has unfolded. The survey shows that employees generally enjoy being at home, but increasingly responded that they feel alone when working from home for extended periods.

In relation to the flexible workplace, 97% of employees share the vision of a flexible workplace, and 95% feel it is positive that it is easier to work from home.

In this way, the flexible workplace and Energinet's other initiatives, such as workshops, can improve cooperation at a distance and help create better conditions for employees, improving well-being.

"I SHARE THOMAS EGEBO'S VISION OF THE FLEXIBLE WORK PLACE"

- To a large degree: 69 %
- To some degree: 27 %
- I mindre grad: 3 %
- To a small degree: 0 %
- Don't know: 1 %

"IN GENERAL, IT IS POSITIVE TO BE ABLE TO WORK FROM HOME"

- To a large degree: 69 %
- To some degree: 26 %
- To a small degree: 5 %
- Not at all: 0 %
- Don't know: 1 %

DIVERSITY AND INCLUSION AT ENERGINET

Another issue that contributes to employee well-being is diversity and inclusion. Energinet's diversity policy expresses how we view and want to develop diversity in Energinet. We intend to fulfil the attitudes, values and aims expressed in the policy, and must always be accountable for these as a company.

We believe we can achieve better solutions with a diverse employee group that has a range of different perspectives, and reach our goal that has never previously been done – to show the world that a 100% green energy system is possible.

At Energinet, we strive to ensure there is a broad mix in terms of age groups, backgrounds and gender across the Group. This will lead to a broader spectrum of knowledge and competencies, that are necessary in order to find the best solutions. We create conditions that support managers and employees, whatever phase of life they are in. There must also be equal access to career opportunities for everyone at Energinet. We strive to be an inclusive workplace, catering to different types of employees who make different contributions to our work.

Energinet's diversity policy also focuses on equality and equal gender distribution. However, we face a particular challenge in relation to the latter. There is a predominance of male students in the engineering study programmes, with the result that the majority of candidates applying for positions at Energinet are male. We want to help change this, so that there are more female students among graduates. We are working with the educational institutions on an ongoing basis to this end.

We are also working with anti-discrimination and gender equality. Energinet expressed a clear policy in 2020: we have zero tolerance for any sexual harassment or abusive behaviour. This has been expressed in a Group guideline, which also clearly states where to turn for help if anyone experiences abusive behaviour. We have also updated our code of conduct. The code defines the framework for ethical behaviour for all Energinet's employees.

Many challenges arose in 2020, making it difficult to achieve specific goals and implement action plans in relation to diversity, gender equality and inclusion. We therefore initiated a process in late 2020, which will continue into 2021, with a focus on specific initiatives and action plans for diversity and inclusion.

Gender distribution in employee development programmes
At Energinet, we closely monitor our gender distribution data for our talent programmes. This distribution has almost reached a 50/50 ratio. By comparison, our general employee composition is 68% men and 32% women.

Employee development is given high priority at Energinet. Growth Track B is a half-year employee development programme for employees with the willingness and desire to put extra

GENDER DISTRIBUTION – GROWTH TRACK B

YEAR	WOMEN	MEN
2019 (Growth Track B1-B2)	31% (11)	69% (24)
2020 (Growth Track B3-B4)	47% (14)	53% (16)

effort into their development. The programme has been run in its current form for the past two years, and the proportion of women has been on par with the rest of Energinet, or higher.

Growth Track C is Energinet's most intensive and strategic 1.5-year talent development programme, for employees who are deemed by management to have a very high growth potential. The goal for Growth Track C to date has been that the proportion of women should at least match the general gender distribution in Energinet. This was changed in 2020. The new goal is for the gender distribution of men and women to be as close as possible to a 50/50 ratio.

Given the relatively small populations/year intakes for Growth Track C, it can be difficult to know if the numbers represent a trend or merely chance variations. However, the gender distribution for Growth Track C during the past three years met our goal very well, lying as close as possible to a 50/50 ratio.

GENDER DISTRIBUTION – GROWTH TRACK C

YEAR	WOMEN	MEN
2014 (Growth Track C1)	17% (3)	83% (15)
2015 (Growth Track C2)	17% (1)	83% (5)
2016 (Growth Track C3)	40% (4)	60% (6)
2017 (Growth Track C4)	11% (1)	89% (8)
2018 (Growth Track C5)	44% (4)	56% (5)
2019 (Growth Track C6)	55% (6)	45% (5)
2020 (Growth Track C7)	44% (4)	56% (5)

Report on the gender distribution in management, in line with section 99 B of the Danish Financial Statements Act.

Gender distribution in Energinet's supervisory boards
Energinet's main supervisory board is appointed by the Danish government. Energinet therefore does not have targets for gender distribution at this level. However, Energinet has the goal of having at least one woman represented on the supervisory board of each of its subsidiaries. This goal was achieved in 2020. All eight supervisory boards (each consisting of 3-4 members) have at least one woman represented. The supervisory boards therefore have an equal distribution of women and men, in line with section 99 B.

GENDER DISTRIBUTION IN SUBSIDIARIES BOARDS

COMPANY:	WOMEN	MEN
Energinet Eltrans-mission A/S	1	2
Energinet Gas TSO A/S	1	2
Energinet Forret-ningsser-vince A/S	1	2
Energinet Elsystem-ansvar A/S	1	2
Gas Storage Denmark	2	1
Energinet Associated Activities A/S	1	2
Energinet Teknik & Anlæg A/S	1	3
Energinet DataHub A/S	1	2

Gender distribution in Energinet's management
Energinet works continuously towards getting our gender distribution in management to reflect our general employee gender distribution (which is our current goal). We are seeing positive progress towards our gender distribution goal for executive and managerial positions. This will be part of our work with diversity and inclusion in 2021. Specific action plans will be formulated in Q1 2021.

GENDER DISTRIBUTION – EXECUTIVE AND MANAGER POSITIONS

2019	2020	GOAL
22% women	25% women	Must reflect our general gender distribution (32% women and 68% men)
78% men	75% Men	

COOPERATION AND PARTNERSHIPS

At Energinet, we believe that cooperation across society and the energy sector is increasingly contributing to the green transition. We have therefore set high goals for cooperation and partnerships, and are involved in a variety of internal and external cooperation projects and partnerships. These make a positive contribution to strengthening the global partnership for sustainable development.

Societal commitment: citizen involvement and cooperation with society
In 2020, Energinet's focus on citizen involvement centred on early inclusion in the long-term planning for the Danish electricity and gas infrastructure, and refinements to direct dialogue with citizens impacted by Energinet's installation activities. We work with citizen involvement in order to engage in society and address any concerns about our work.

In 2020, Energinet launched the first prototype of a new form of long-term planning for electricity and gas infrastructure. This involves stakeholders at a much earlier phase, so that new infrastructure expansion can be anticipated many years ahead, and discussion of alternatives can guide later decisions. To this end, two long-term needs analyses and development plans for the electricity and gas grids were released, and an open webinar was held that was well attended. Energinet is also in open dialogue with municipalities regarding long-term planning.

In its ongoing construction work, Energinet continuously refines its dialogue with landowners and citizens in the affected areas – including the specific location of electricity cables on a given route, etc. Energinet also does research to help clarify and expand the possibilities for cable laying, with the aim of avoiding new overhead lines as far as possible. This dialogue has been impacted by restrictions due to COVID-19, and a planned initiative involving a mobile visitor centre in a converted trailer was unfortunately put on hold. Virtual public meetings have been held during the period, allowing citizens to speak online with Energinet's employees about their specific situation in relation to a given construction project.

The focus of the 'Cooperation with society' strategic initiative has thus changed since it was mentioned in CSR Report 2019. Energinet is investigating whether the longer-term work on the inclusion of financial consequences for citizens and refinement of compensation schemes can be initiated at a later stage. These issues require close cooperation with other authorities and bodies.

Associated Activities: Cooperation towards the green transition
Energinet draws on its experience and knowledge of the green transition in Denmark to accelerate the green transition globally, thereby taking responsibility for contributing to global climate action and reducing CO_2 emissions. These efforts are embodied in projects around the world, mostly in cooperation with the Danish Energy Agency's global consultancy and its partner countries, such as China, Vietnam, South Africa, India, and others, which together account for more than 60% of global CO_2 emissions. Energinet participated in 29 projects in 2020, all of which helped to accelerate the green transition. One example of these efforts is our collaboration with the Vietnamese regulator, ERAV, and their national electricity control centre (NTDC). Over the past three years, Energinet has been helping to improve solar and wind forecasts and thus improve the balance in the electricity system, increase transparency and update requirements in connection approvals, and improve market-based purchases of ancillary services. This all contributes to reducing costs and

increasing security of supply as more renewable energy is integrated. Our efforts are helping Vietnam reach its target of 17% renewable energy in 2020. Each percentage point of renewable energy replaces production from fossil-fired power stations, corresponding to approx. 20 million tonnes of CO_2 annually.

Energinet is involved in many different cooperation projects and partnerships, as explained above. These are rewarding and very important to our success in the green transition. We also take part in extensive research activities, activities related to the availability of energy supply data, and Green Hydrogen Hub, which aims to propose how we can take PtX from concept to reality.

Huset Venture
Energinet is also involved in collaboration with a local social entrepreneurship company, Huset Venture. The company helps create jobs for people with reduced working capacity. In 2020, Energinet teamed up with the Kolding branch to upcycle strategy banners into bags. Banners that would otherwise have been disposed of as waste will now provide work for employees at Huset Venture and benefit Energinet in the form of locally produced tote bags.

SUMMARY OF GOALS AND ACTIONS

SOCIETAL COMMITMENT (PREVIOUSLY CITIZEN INVOLVEMENT)

Aim: Timely and proper involvement of affected citizens

AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Societal commitment (previously citizen involvement)	Early citizen involvement in projects Launch the 'Cooperation with society' strategic initiative	Goal partially met Regular dialogue with landowners and a prototype established for early involvement	Establish a strategy, goal and action plan for societal engagement, in line with strategic priorities

EMPLOYEE CONDITIONS (PREVIOUSLY EMPLOYEE DEVELOPMENT AND SATISFACTION)

Aim: Energinet is working to develop motivated employees who drive change. To achieve this, we must have a good workplace with a safe and healthy working environment, a high level of job satisfaction and opportunities for professional and personal development.

AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Well-being	Employee satisfaction score of 75 points (2019 figure, the employee satisfaction survey is conducted every two years)	Employee satisfaction survey not conducted in 2020	Employee satisfaction score of 76 points
Internal development: Measured for the specialist, project manager and manager track in the job structure. Appointments also count towards the key figure.	55% * * Measured as the number of new people at senior and executive level who have been developed internally during the period, relative to the total number of new people at senior and executive level during the period.	Goal not met 42%	70% * * The target figure has been changed to include only the executive level for 2021, and not both senior and executive level, as in 2020. The target has been adjusted in line with this change
Health	Absence due to illness of 2%	Goal not met 2.1%	Absence due to illness of 2.5%* * This is 10% better than the benchmark for absence due to illness among salaried employees in the private labour market.

DIVERSITY AND ANTI-DISCRIMINATION

Aim: Energinet strives to support equality and diversity in the labour market through the company's general employee and management composition.

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Diversity and anti-discrimination	The ratio of female/ male managers and chief specialists must reflect the general employee ratio in Energinet (32/68).	Goal not met 25% women 75% men	32% women 68% men (In 2021, an action plan for diversity will be prepared and the goals reassessed)
	Take on around twelve trainees 12	Goal not met 5	10 trainees
			Revise the diversity policy and establish a strategy, goal and action plan for diversity

SAFETY AND RESPECT FOR HUMAN RIGHTS

Sustainability and responsibility are a part of Energinet's DNA, and together with our values, courage and trust, constitute the company's most important cultural markers. This also means that we approach tasks, cooperation and the way we interact with each other with decency.

At Energinet, we work with human rights at various levels in relation to safety, the working environment and conditions, and in our Code of Conduct for suppliers. Energinet is also a member of the UN Global Compact, and follows the UN Global Compact's approach to human rights.

Occupational health and safety:
At Energinet, we view safety at work as a basic human right, and the working environment has a direct impact on our employees, their families and the local community. We are therefore determined to ensure Energinet remains a safe place to work for our employees and external contractors. We therefore have fixed systems and guidelines for safety measures, protective equipment, etc.

We have set ambitious goals, and continually implement improvement measures in relation to safety and surrounding systems. Read more about this in the case below:

CASE 3

CASE: WE TAKE CARE OF EACH OTHER

At Energinet, we take responsibility for the safety of both internal and external employees – going to work at Energinet has to be safe. We have always emphasised a good, holistic approach to health and safety, and have high standards in this area.

We all help each other to comply with the legislation and encourage people to be good colleagues and speak up if unsafe behaviour is observed. The aim of our efforts is to prevent accidents and injuries, and constantly achieve higher levels of safety. To support this, Energinet has run a group-wide initiative called 'Knæk LTIF' (beat LTIF). This has helped promote a safety culture and reduce LTIF throughout the Group.

In addition to guidelines and policies, we have set processes for preventing, reporting and learning from occupational injuries through registration and management reporting. Energinet uses safety reflections to increase awareness of safety and the situations where problems occur, and to subsequently disseminate useful experience and learning. These are available in two editions – 'office' and 'construction sites and facilities'.

"The safety reflections promote a safety culture," says Henrik Riis, CEO of Electricity Transmission. *"We are reminded of how important it is to talk about safety, and to use our common sense to reduce safety risks in our daily work at the office, construction site, plant, or at home."*

During plant and substation construction and maintenance, there is a risk of accidents. For Energinet, it is therefore important to take the correct action when an incident occurs – and to learn from it. When accidents occur (with or without lost time) or incidents with a potential for being serious, mitigating actions are taken and incident analyses are performed. To help prevent accidents, all employees must also annually complete the 'Occupational health and safety at Energinet' e-learning course, and there are specific safety courses for certain job profiles or for access to particular plants. More courses related to occupational health and safety were also added to Energinet's internal course portal at the beginning of 2021.

Energinet closely monitors changes in the working environment and the number occupational injuries. The monthly reporting on health and safety is calculated in line with the LTIF (Lost Time Injury Frequency) principle, which means absences of one day or longer per million working hours. Energinet set a very ambitious goal for 2020 – LTIF had to not exceed 2.0 per million working hours, for both internal and external employees. We were unfortunately unable to meet this goal, but Energinet saw a very positive improvement in LTIF from 5.0 to 2.9. For the entire 12 months from October 2019 to October 2020, Energinet has also not had a single lost time accident among its own employees. We are very pleased about this.

There has been a strong focus on safety initiatives in 2020 – particularly in connection with our construction activities, which often involve external suppliers and contractors. We have proactively sought to prevent and reduce the number and severity of occupational injuries. We have already had positive experiences with campaigns to raise awareness of safety and responsibility, within Energinet and among suppliers.

Energinet also launched an internal campaign in 2020 with a focus on changing behaviour in relation to health and safety. This included producing a

leaflet on identifying the risk of induced voltages on construction projects. Cases presented on the intranet also focus on how small changes in mindset and behaviour patterns can ultimately lead to fewer serious accidents.

COVID-19 has had a major impact on health and safety in Energinet. This has required employees to be adaptable and resulted in extra work in many areas. The entire Energinet Group has had to follow group guidelines. All employees – in offices and on construction sites – have made great efforts to maintain safe distances, reduce the number of people on site and regularly assess the risk of work situations, to avoid spreading infection. This has been done so well, that Energinet's materials have been borrowed and replicated in several places.

Other measures to prevent and reduce occupational injuries include contributing to the industry association's brochure on health and safety during the planning phase, a scaffolding and hand sanitiser campaign, and participation in several courses on occupational health and safety. With all these health and safety initiatives and improvements, Energinet hopes to achieve a common goal of an LTIF of 3.0 in 2021, and 2.0 in 2022.

"Both Energinet as the developer and our suppliers are responsible when we engage a third party. This applies both to safety instructions and coordination, so that the contractor is given space and can perform the task responsibly. The first part of the campaign will focus on the supplier's responsibility for the safety of their sub-suppliers, while also defining Energinet's responsibility as the developer"

Charlotte Ægidius
Health and Safety Coordinator.

WORKING CONDITIONS

Other measures in relation to occupational health and safety and respect for human rights include our working conditions, a project to avoid social dumping and an updated Code of Conduct

Energinet complies with the Danish legislation on working conditions. We also regularly negotiate local agreements in relation to working hours, flexibility, wages etc. We have various measures for managing working conditions, such as recording hours, annual payroll negotiations, collective agreements, guidelines for absence due to illness and maternity leave, etc., and our Code of Conduct for suppliers.

COVID-19 has also had an impact on Energinet's employee working conditions. We have continually issued directions based on the Danish Government's guidelines for distance requirements, working from home, meetings, and cancelling courses and events – in our offices and at construction sites. At construction sites, where working from home is not an option, Energinet focused on reducing the risk of infection and introduced measures that went beyond the government guidelines. These include extra restrictions and approvals for access to construction sites, no work-related car pooling, and a requirement to wear face masks inside (and outside if the distance requirement cannot be met). We have also regularly tested our employees working on Baltic Pipe and other projects.

Pilot project for Baltic Pipe: monitor suppliers to avoid social dumping
On the Baltic Pipe project, Energinet initiated a pilot project in 2020 whereby we monitored our suppliers to avoid social dumping and ensure good pay and working conditions. We are working with Odense Municipality on this, as they have extensive experience in this area. The pilot project is still underway, and has been well received by the contractors who received our request. The conclusion for the construction sites that have reported on pay and working conditions is that the they have identified the most important requirements under the collective agreements, and have shown that the requirements are being met by the contractor and their sub-suppliers. The first two projects have given us a lot of experience, and we have decided to prepare a template in 2021, which can be used for the contractors' report. The contractors must also ensure that future subcontractors complete and submit the reporting, so that it is not just a spot check. In addition to the reporting, Energinet will perform inspections at the construction sites in 2021, based on a specific evaluation.

Code of Conduct for suppliers
Energinet started working on a new and improved Code of Conduct for suppliers in 2020. This aims to improve our efforts to ensure respect for human rights and to focus on climate and environmental considerations and health and safety at our suppliers. Energinet makes purchases all over the world, particularly for our construction projects. Our procurement decisions can affect human rights and environmental, social and economic conditions around the world, and we intend to take partial responsibility for this. Our supplier Code of Conduct must coexist with our internal Code of Conduct. Once this has been drafted in early 2021, a process for follow-up and compliance activities must be put in place, to ensure that our Code of Conduct is observed in practice.

SUMMARY OF GOALS AND ACTIONS

STRONGER SAFETY CULTURE

Aim: Energinet is a safe place to work for employees and contractors

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Stronger safety culture	Lower LTIF Target: 2.0 Sub-target: 3.0	Goal partially met	LTIF: 3.0 in 2021 2.0 in 2022
	No fatalities	Goal met	No fatalities

CODE OF CONDUCT

Aim: Update the Code of Conduct and compliance

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Responsible supplier behaviour	Update the Code of Conduct	Goal partially met A draft has been written and is expected to be approved in Q2 2021	Implement the Code of Conduct and a process for compliance and follow-up

ANTI-CORRUPTION AND RESPONSIBLE INVESTMENTS

Energinet has a clear policy for compliance with the legislation on anti-corruption, bribery and other fraudulent behaviour, and we perform regular audits in this area. The principles are also followed in our investments and procurement. We strive to ensure that sustainability is a fixed criterion when we make purchases.

Anti-corruption
Corruption can take many forms, and Energinet has various measures to support anti-corruption efforts in the Group. We have a clear policy in relation to corruption and bribery, which is enshrined in our Code of Conduct. Energinet also follows the principles of the UN Global Compact, which also cover anti-corruption.

In 2020, Energinet focused on regular training and audits of our internal monitoring programme, through an intro course for all new employees and a compliance check for all units in the Group. We also have a number of internal checks which are system-supported, and clear governance processes. We have been working to disseminate awareness of Energinet's whistleblower programme to both employees and suppliers.

Sustainable procurement
Energinet spends billions of Danish kroner on purchases each year, and we always buy in accordance with the tender regulations. Sustainability is also a parameter that we are striving to incorporate into our procurement, and we have come one step further with this in 2020.

Energinet developed tools in Q2 2020 which can be used to specifically incorporate sustainability into all types of purchases of goods, services and construction work. The tools handle all phases of procurement, from market dialogue and preparation of tender documents to evaluating the supplier's experience and suitability and the supplier's solutions for the job being tendered. All phases focus on sustainability

Sustainability was incorporated into several acquisitions in 2020, such as a framework agreement for substation circuit breakers, a turnkey project, steel for towers, furniture for office workstations, etc. The framework agreement for substation circuit breakers assigns a positive weighting to circuit breakers with a low volume of SF_6. As another example, steel purchased for towers will be evaluated on the CO_2 emissions from transporting the steel, with low emissions being weighted positively.

The tool will be evaluated in early 2021 so that experience from 2020 can be incorporated. Energinet can adapt the tool to increase sustainability maturity in our tenders. The Danish Government presented its strategy for green public procurement in October 2020. Energinet plans to create its own green procurement strategy along the same lines in 2021.

SUMMARY OF GOALS AND ACTIONS

ETHICS, BRIBERY AND CORRUPTION

Aim: Energinet does not accept any form of bribery or corruption. Energinet does not accept discriminatory behaviour towards market players or stakeholders.

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Legislation	0 whistleblower cases with merit 0 reports to the police with merit	Goal not met	0 whistleblower cases with merit 0 reports to the police with merit

SUSTAINABLE PURCHASING (PREVIOUSLY RESPONSIBLE SUPPLIER BEHAVIOUR)

Aim: To ensure that sustainability and social responsibility are given full weight in our investments

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Procurement policy	Update the procurement policy, with a focus on green procurement, social conditions and the supply chain.	Goal met The procurement policy has been included in the group guidelines for procurement, in accordance with Energinet's governance in this area	Develop Energinet's strategy for sustainable procurement and implement the Code of Conduct and due diligence for CSR in relation to suppliers

RESPONSIBLE INVESTMENTS

Aim: Handle the risk that our suppliers fail to comply with our Code of Conduct.

FOCUS AREA	GOAL 2020	GOAL FULFILMENT 2020	GOAL 2021
Business cases	No goal in 2020	N/A	Revise the business case template and related guidelines to have a stronger and more specific focus on relevant CSR issues

KEY FIGURES

KEY RATIOS AND RESULTS

CLIMATE ACCOUNTS FOR ENERGINET, CO_2 EQUIVALENTS (TONNES)

	2020	2019	2018
Direct emissions (scope 1)	24,878	13,627	15,622
1.1 Gas consumption in connection with transporting and storing natural gas	4,925	7,392	9,308
1.2 Blow-off and flaring of natural gas	2,225	2,004	2,250
1.3 SF_6 gas emissions from the electricity transmission grid	17,416	3,534	3,842
1.4 Fuel for our own and leased vehicles	312	697	222
Indirect emissions from energy consumption (scope 2)	163,567	164,425	199,061
2.1 Energy consumption (electricity and district heating) in offices	428	538	893
2.2 Electricity consumption in connection with transporting and storing natural gas	4,252	6,808	6,625
2.3 Electricity consumption in connection with electricity transmission (excluding transmission losses)	1,241	1,785	2,642
2.4 Transmission losses in the electricity transmission grid	157,646	155,293	188,901
Indirect emissions from other consumption (scope 3)	1,473	1,338	3,042
3.1 Travel by air	573	1,658	1,897
3.2 Climate compensation for travel by air	-573	-1,658	0
3.3 Travel by train, taxi and private vehicles	1,306	711	645
3.4 Helicopter transport and inspection of the electricity and gas grids	167	627	500
3.5 Hotel accommodation	23	-	-
Total emissions	189,917	179,389	217,725

SOCIAL CONDITIONS

	2020		2019		2018	
	Goal	Actual	Goal	Actual	Goal	Actual
Working environment						
Deaths	0	0	0	0	0	0
Total LTIF (incl. suppliers)	2.0	2.9	3.0	5.0	4.0	4.4
Internal LTIF	2.0	0.4	2.0	1.2	2.0	0.9
Employee development						
Internal career development	55%	42%	55%	45%	55%	51%
Health and well-being						
Employee satisfaction (MTU)	Not measured in 2020	Not mesured in 2020	76	75	Not mesured in 2018	Not mesured in 2018
Absence due to illness	2.0%	2.1%	2.0%	2.4%	2.0%	2.3%
Employee turnover	12.5%	10.6%	-	12.9%	-	-
Employee gender distribution						
Group – ratio of women/ men		32/68		32/68		33/67
Executive and manager positions – ratio of women/ men	32/68	25/75	32/68	28/72	-	25/75
New trainees	12	5	11 trainee points	3.9 trainee points	-	5 trainees
Supervisory board composition						
Number of taxable subsidiaries with at least one woman on the supervisory board	8/8	8/8	9/9	8/9	-	4/9

COMMENTS ON KEY FIGURES FOR 2020

CLIMATE ACCOUNTS FOR ENERGINET

DIRECT EMISSIONS: SCOPE 1

Gas consumption in connection with transporting and storing natural gas

The registered data is virtually unchanged from 2019 to 2020. This is primarily because Evida is no longer part of the calculation, as the company was sold in 2020. The gas grid is generally being operated a little differently, and the Tyra field has been shut down. The data is therefore not directly comparable with previous years.

Blow-off and flaring of natural gas

Overall, the figure is unchanged. However, there was a lower volume of blow-off gas at Stenlille and in the transmission grid, while the volume at Lille Torup almost doubled (this is still being investigated). The flared volume has fallen significantly

SF_6 gas emissions from the electricity transmission grid

An extensive data clean-up has been performed 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 doubled. This is not a real doubling of the emitted volume. There has been underreporting in previous years. There were a number of breakdowns in 2020. The most significant of these was on a transformer and gas-filled bushing at Asnæs Power Station, where 527 kg was released

Fuel for our own and leased vehicles

The figure for 2019 included Evida's many technician's vehicles. These were removed from the accounts for 2020. The figure is thus on par with previous years.

INDIRECT EMISSIONS FROM ENERGY CONSUMPTION: SCOPE 2

Energy consumption (electricity and district heating) in offices

There has been a slight drop in electricity and district heating consumption in offices. Combined with a lower climate impact per kWh, this results in a slightly lower climate footprint from energy consumption. The decline is presumed to be linked to the increase in working from home due to COVID-19.

Electricity consumption in connection with transporting and storing natural gas

Electricity consumption at the two gas storage facilities dropped by just under 10% overall, and the impact statement for electricity has also been reduced, leading to a decline in CO_2 emissions. The drop in consumption is primarily due to changes in operating conditions throughout the gas grid.

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

Electricity consumption declined marginally, and the impact statement has been markedly reduced, leading to lower emissions

Transmission losses

Transmission losses rose by almost 13% from 2019 to 2020, but the impact statement was markedly reduced, resulting in a small increase in CO_2 emissions attributable to transmission losses overall.

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INDIRECT EMISSIONS FROM OTHER CONSUMPTION: SCOPE 3

Travel by air

There has been very little travel activity, and what there has been was primarily in Jan-Feb 2020

Climate compensation

Not relevant

Travel by train, taxi and private vehicles

The number of journeys by train and taxi has fallen markedly, being replaced by travel in private vehicles. We can expect people to drive/be driven a lot more individually due to COVID-19, and this item is therefore increasing markedly.

Helicopter transport and inspection of the electricity and gas grids

There has been less activity, and this item is therefore lower

Hotel accommodation

This is a new item. It should be assumed to be very low compared to a 'normal' year. As with air travel, most activity was in Jan-Feb

SOCIAL CONDITIONS

WORKING ENVIRONMENT

LTIF dropped from 2019 to 2020. There has been a marked drop in the number of reported lost time accidents from 2019 to 2020. In 2019, 17 lost time occupational injuries were reported. In 2020, the corresponding figure was 11. Energinet has improved the quality of the data in this area, but a continuous effort is being made to improve the reporting process – for both the number of accidents and the number of hours.

Employee development

It has been noted that the figure in 2020 dropped to 42%, compared to 45% in 2019. Work on establishing processes and programmes for employee and talent development will continue in the coming years, so that these strategically support the transformation of Energinet.

Health and well-being

The employee satisfaction survey (MTU) is only conducted every two years. There is therefore no measurement for this in 2020. The absence due to illness figure of 2.1% is lower than the figures for both the private and the public sector labour markets in Denmark (from Statistics Denmark).

Employee gender distribution

The calculation method for trainees has been changed from trainee points, to the absolute number of trainees in 2020.

The calculation method for men and women in management has been expanded to include extra layers of management, leading to a drop in the proportion of women

ACCOUNTING POLICIES FOR KEY FIGURES

ITEM/INDICATOR	PRACTICE
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 DEVELOPMENT	Internal career development is measured as the number of new people at senior and 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 senior and executive level during the period. Measured for the specialist, project manager and manager track in the job structure. Appointments also count towards the key figure. Calculation: $\frac{\text{Number of new people at senior and executive level (internal)}}{\text{Number of new people at senior and executive level}} * 100$
EMPLOYEE TURNOVER	Employee turnover is defined as the average number of joining and departing employees during the period, relative to the total number of employees at the end of the period. This figure uses net appointments and departures and the net head count (only permanent employment), to avoid fixed-term employment affecting the figure. The key figure has been adjusted for the length of the period, so it always shows the equivalent of an annual period. Calculation: $\frac{\text{Number of appointments + departures/2}}{\text{Net head count}} * 100$ *months in period * 12*
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. 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	The number of women at the following levels in the job structure – chief specialist/project manager, department manager, area manager, field director and director – 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: $\frac{\text{Number of women in executive and manager positions}}{\text{Number of executive and manager positions}} * 100$

ITEM/INDICATOR	PRACTICE
WHISTLEBLOWER	Energinet has an external whistleblower scheme with internal audit. Cases are handled by the Audit and Risk Committee on behalf of the supervisory board.
EMPLOYEE SATISFACTION	An employee satisfaction survey (MTU) is completed every two years, with the next survey due in 2021. The figures for 2019 have therefore been included here. Ennova, which conducts Energinet's survey, defines a result above 75 as high (scale 0-100)
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 CO_2 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 CO_2e attributable to blow-off volume is calculated using the gas composition and CO_2 equivalency factors for the various components of the natural gas. The flared volume of natural gas is converted to CO_2 using data for the combustion of natural gas.
SF_6 GAS EMISSIONS FROM THE ELECTRICITY TRANSMISSION GRID	Electricity Transmission collects data for SF_6gas 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 CO_2e using the equivalence factor for SF_6 gas
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 the associated consumption in SAP. Average values for travel by car are used to convert to CO_2
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 are 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 Electricity Transmission is based on extracts from DataHub and an impact statement provided by Energinet
TRANSMISSION LOSSES IN THE ELECTRICITY TRANSMISSION GRID	Transmission losses are calculated via the system balance and an impact statement provided by Energinet
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 CO_2 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 CO_2 based on the standard emission factor for a passenger vehicle Travel in private cars has been calculated in Danish kroner, but is based on the Danish Government's tariffs, and can be converted into kilometres. It can then be converted to CO_2 using standard emission factors
HELICOPTER TRANSPORT AND INSPECTION OF THE ELECTRICITY AND GAS GRIDS	CO_2 figures are reported by the two suppliers we use for helicopter transport
HOTEL ACCOMMODATION	The data has been supplied by our business travel agent (Egencia), based on all the hotel accommodation purchased through them

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