

Corporate Social Responsibility Report 2009

ENERGINET/DK





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With this report Energinet.dk submits its first Communication on Progress to the United Nations Global Compact. This progress report describes our corporate social responsibility (CSR) activities during 2009 and our plans for further implementing CSR-related issues in 2010.

*Front page photo:
Open-house event at the new HVDC transformer substation
in Herslev, Denmark.*

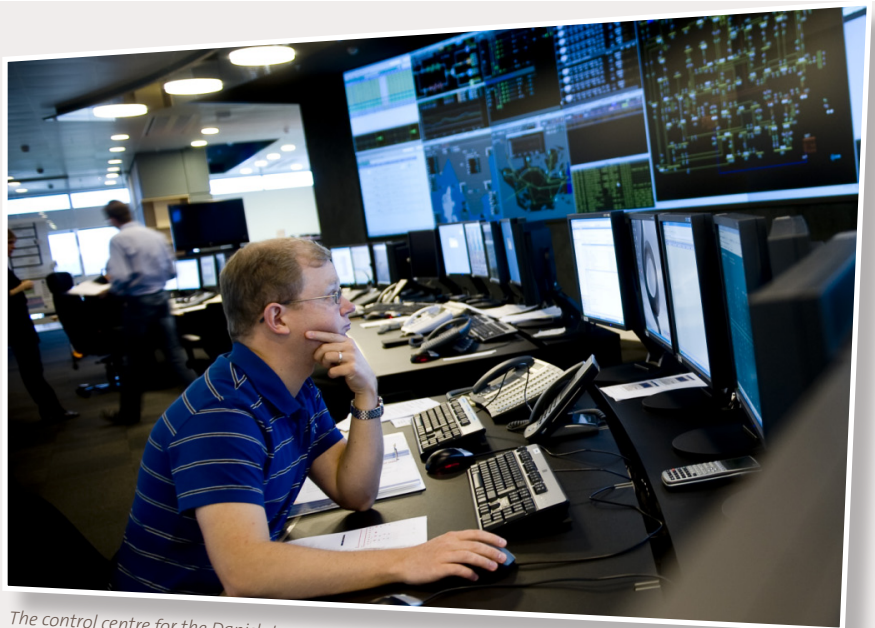
For more information, please see www.energinet.dk

Energinet.dk at a glance

Energinet.dk owns the main electricity and natural gas grids in Denmark.

Energinet.dk is an independent public enterprise. As the owner of the main electricity and natural gas grids in Denmark we maintain security of supply and ensure efficient electricity and gas markets. We also integrate renewable energy into the power system. We support research and development of environmentally friendly electricity generation, and we administer the public subsidies for renewable energy.

Our position in the value chain from the production of gas and electricity to the sale and delivery to the consumer is shown in the figure below. It reflects the unbundling of ownership of the main energy transmission grids from the commercial energy production and trade.



The control centre for the Danish transmission grid. Photo: Palle Peter Skov.

Energinet.dk has annual revenue of around DKK 9 billion (~EUR 1.2 billion) and had 520 employees by end 2009. We believe in continuous organisational and personal development underpinned by our values of development, commitment, business orientation and responsibility.

Production

Exchange

Storage

Transmission

Distribution

Metering

Sale

Customer

ENERGINET.DK

Key figures:

Amount of electricity transmitted in 2009 was 45,554 GWh.
11,264 GWh was imported.
10,930 GWh was exported.

Danish electricity consumption in 2009 was 34,623 GWh incl. transmission and distribution losses.



Key figures:

Amount of gas transported in 2009 was 62,247 GWh, incl. 24,527 GWh for export and 38,546 GWh for domestic use.



Executive statement by the CEO



The process of integrating CSR activities into our strategy and daily business routines is a natural extension of our business profile.

Since its establishment, Energinet.dk has been committed to demonstrating social responsibility in fulfilling its obligations as Transmission System Operator (TSO). In the spring of 2009, Energinet.dk joined the UN Global Compact, thus committing to its ten principles. Throughout 2009, we worked intensively to integrate these principles into our business strategy and operations. It is therefore my great pleasure to present our first Corporate Social Responsibility Report, which describes our efforts during the first year of commitment and outlines our future plans for the further integration of social responsibility.

When we decided to work with corporate social responsibility (CSR), we realised that many of the activities we had already implemented related to social responsibility. The process of integrating CSR activities into our strategy and daily business

routines therefore seemed a natural extension of our business profile.

With the launch of our CSR policy in 2009, we have identified three core areas as our main focus, ie human resources, procurement, and climate and the environment. Since then, we have made an effort to identify relevant activities within each focal area. I believe we are on the right track towards affirming our CSR policy and implementing activities throughout the enterprise. This has formed the basis for establishing a solid CSR strategy, which takes into account the UN Global Compact principles as well as other CSR issues of relevance to our enterprise and the field of energy transmission systems. We are committed to integrating the UN Global Compact principles with regard to our focus areas.

Energinet.dk's finances are based on a breakeven principle. This means that we aim to create value – not profit, allowing us to carefully consider the socio-economic impact of our investments and business operations. We have a responsibility to implement energy efficient measures and to lower the costs of operation. We believe that

the process of implementing a CSR policy will benefit, support and inspire us in achieving this goal. With this statement we strongly support the UN Global Compact and its ten principles.

1 April 2010



Peder Østermark Andreasen
CEO



Enterprise profile



Energinet.dk delivers socioeconomically viable solutions, ensuring that concerns for security of supply, the environment and efficient energy markets are properly addressed.

Mission

As the owner of the main electricity and gas infrastructure in Denmark, Energinet.dk ensures security of supply and smooth operation of the electricity and gas markets.

Vision

Using international and primarily market-based solutions we facilitate the increased use of renewable energy and help to solve the global energy and climate challenges.

Energinet.dk's tasks

With reference to the political agenda Energinet.dk focuses on providing viable solutions enabling the realisation of specific climate and energy policy objectives as well as security of supply objectives.

Energinet.dk's tasks include:

- maintaining overall security of electricity and gas supply in the short and long term
- developing and maintaining the Danish electricity and gas transmission infrastructure

- creating objective and transparent conditions for competition in the energy markets and monitoring that competition works
- carrying out coherent, holistic planning, taking account of future transmission capacity requirements, long-term security of supply and the efficient integration of renewable energy into the power system
- supporting environmentally friendly electricity generation and the development and demonstration of technologies for environmentally friendly energy generation
- calculating the environmental impact of the energy system as a whole.

Infrastructure

Energinet.dk owns the 400 kV electricity transmission grid, the gas transmission grid and a natural gas storage facility. We also own a regional 132 kV transmission grid and co-own Denmark's international connections to Germany and the Nordic countries. Furthermore, Energinet.dk has the 132 kV and 150 kV electricity grids at its disposal and has access to an additional natural gas storage facility.

Form of incorporation

Energinet.dk is an independent public enterprise owned by the Danish state as represented by the Danish Ministry of Climate and En-

ergy. Energinet.dk has its own Supervisory Board. The enterprise was established pursuant to the *Danish Act on Energinet Denmark* from December 2004 (subsequently renamed to Act on Energinet.dk). It currently has 520 employees.

Enterprise strategy

The energy and climate challenges are receiving increasing political attention and are setting the agenda for Energinet.dk's future activities. The Danish energy policy agreement, which was concluded by a large majority of the Danish Parliament on 21 February 2008, sets the course for Danish energy policy and entrusts Energinet.dk with a variety of new tasks. Similarly, the EU climate and energy package 2013-2020 sets a new agenda for Energinet.dk's international activities, including the collaboration with other TSOs.

In the coming years, the most important challenges will be to integrate renewable energy into the transmission and distribution systems and ensure the future natural gas supply. Energinet.dk will work to solve these issues through holistic planning based on socioeconomically viable solutions, ensuring that concerns for security of supply, the environment and efficient energy markets are properly addressed.



400 kV overhead lines. Photo: Energinet.dk

On electricity systems

In the near future, the share of renewable energy in the energy systems will increase significantly. Energinet.dk believes that integrated planning of intelligent electricity, heat, gas and transport systems is vital to ensuring that renewable energy is utilised in a smooth and economically viable manner. The energy system of tomorrow must be efficient and flexible so that renewable energy can be used where it is most cost-effective. It will be necessary to focus on energy efficient solutions to achieve fossil fuel independence. Electricity-based solutions are characterised by high efficiency, and in both the heat and transport sectors, electricity can be converted efficiently and flexibly. Integrating renewable energy into the electricity sector and using electricity in other sectors will thus be central in the years to come.

This long-term goal means that there will be a future need to expand, renovate and reinforce the existing grid. As far as possible this will be done through underground cabling.

On natural gas

Energinet.dk is in the process of setting up new infrastructure to

ensure continued access to natural gas. It will also contribute to providing diversity of supply sources and market integration at European level as well as ensure the utilisation of the large investments Denmark has made in the natural gas grid. The natural gas supply from the Danish part of the North Sea will decline rapidly over the coming years, and focus is increasingly on biogas as a promising supplement. Energinet.dk is therefore exploring the possibilities of transporting and distributing biogas in the natural gas grid. Injecting biogas into the natural gas grid may solve the problem of flexibility in connection with seasonal and geographic differences between biogas production and consumption. Via the two Danish natural gas storage facilities, which offer storage services on market terms, it is possible to use the natural gas grid to carry out seasonal adjustments.

On research and development (R&D)

Energinet.dk is in the process of establishing an R&D strategy pointing towards 2012. The objective of the R&D strategy is to ensure targeted and coordinated R&D efforts with the aim of maintaining security of electricity and gas supply with

large renewable energy flows in the energy systems.

Before 2012, we plan to launch R&D projects on:

- Power system control and regulation
- Offshore grid and related onshore grid for large power flows
- Long HVDC and AC cables
- Integration of biogas into the natural gas grid and handling of new gas qualities
- Integrated planning of energy systems. Research into energy systems with the purpose of investigating the potential for integrating various technologies.

The R&D strategy will support collaboration between the electricity and the natural gas sectors, thereby facilitating the efficient use of resources. In addition, the strategy will link to the work done under the auspices of the external Public Service Obligation Programmes, which are also managed by Energinet.dk.



The Danish Wind Case

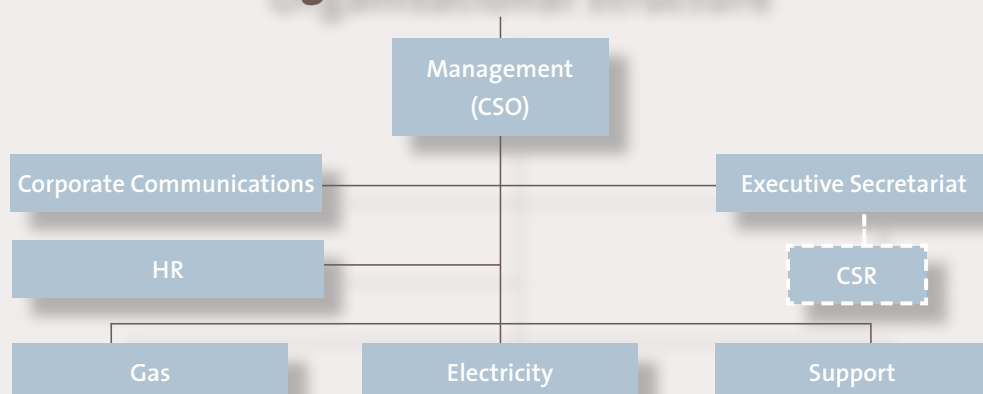
The long-term vision of the Danish Government is for Denmark to be completely independent of fossil fuels. The aim is that by 2020, 30% of Danish energy consumption will be covered by renewable energy, mainly wind power. To achieve this, more offshore wind farms must be established, energy consumption must become more efficient, and focused research into energy technologies must be supported. How Denmark plans to achieve this is what we call 'the Danish Wind Case'. It describes the mechanisms for integrating wind power into the grid and the challenges of balancing the system with an energy source as fluctuating as the wind.

Energinet.dk is at the forefront of achieving this goal. As TSO we are responsible for balancing consumption and generation 24 hours a day. It is therefore imperative for Energinet.dk to be an active partner in designing and developing the energy system of the future. We think it is important to share our experience with other countries that are also planning to integrate large amounts of wind power, and we consider it our duty to present the Danish Wind Case to relevant parties around the globe. This we did most recently in February 2010 at an IPCC workshop (Intergovernmental Panel on Climate Change) in Washington DC, USA.
www.thedanishwindcase.com

Corporate social responsibility (CSR)



Organisational structure



Our CSR activities cut across the organisation and involve employees from all divisions and different locations.

Based on a firm belief that CSR creates value for our enterprise, Energinet.dk adopted a CSR policy in March 2009. Our CSR policy builds on two main principles;

- CSR must be integrated throughout the enterprise
- Investments in CSR activities must be balanced through a business oriented approach.

The responsibility for implementing and coordinating CSR activities

throughout Energinet.dk is firmly and centrally anchored in the organisation, namely with the Executive Secretariat for the CEO. A task force, with broad key representation from across Energinet.dk, is involved in targeting and implementing CSR activities, bringing valuable insights and experience from all fields of the organisation to the process of identifying key projects. With this set-up we aim to ensure that our CSR activities cut across the organisation and involve employees from all divisions and different locations.

Energinet.dk has decided to focus primarily on three core areas in its CSR policy, ie human resources, pro-

curement, and climate and the environment.

These issues represent relevant challenges for us, and collectively they represent the largest part of our CSR-related activities. Planned and ongoing activities in each of the focus areas are described in the following chapters.

In addition to the three focus areas Energinet.dk also gives high priority to other CSR-related activities that are already part of our daily business routines. These include stakeholder involvement and occupational health and safety management, as described below.



*Open-house event for neighbours to our natural gas storage facility.
Photo: Rune Feldt-Rasmussen/Scanpix.*

Engaging with stakeholders

Energinet.dk allocates substantial resources to setting up a dialogue with various stakeholders ranging from local citizens to enterprises, NGOs, universities and governmental institutions. We host several stakeholder groups, of which the Advisory Stakeholder Forum is the largest. The Stakeholder Forum is appointed by the Danish Minister for Climate and Energy and consists of 23 representatives of various organisations, including the electricity, gas and heat sectors, consumers, universities and environmental NGOs. Hosting a stakeholder forum provides us with a valuable opportunity to familiarise ourselves with and evaluate the public opinion on our activities and to take appropriate action based on the feedback we receive.

Listening to local concerns as well as involving and providing information to local people is a priority for Energinet.dk. In connection with new and ongoing construction projects to establish new gas or electricity infrastructure many resources are spent on setting up a dialogue with the local stakeholders involved. Similarly, many people living near our infrastructure may express concern about certain inconveniences such as noise, magnetic fields, visual impacts, etc. It is important for us to address these concerns.

Energinet.dk holds the chairmanship of the Magnetic Fields Committee of the Danish electricity industry. Since the late 1980s, the Committee has kept abreast of and supported research into magnetic fields and health risks. The Committee's activities are financed by Energinet.dk, and at present the Committee has representatives of DONG Energy, Vattenfall, SEAS-NVE (a local grid company), the Danish Safety Technology Authority and the Danish Energy Association. The Magnetic Fields Committee monitors national and international research on health effects relating to magnetic fields and high-voltage fields. The Committee collaborates primarily with the Danish Cancer Society, which carries out research on this subject.

High-voltage power lines can be very dominant in the landscape, and some local citizens express concern about the visual impact caused by overhead lines. We have therefore launched a project to lessen the environmental impacts of 400 kV overhead

lines at six locations in Denmark. The objective of the project is to minimise the visual impacts of the particular overhead line segments. To this end, we have launched a new tower design and are working on new substation designs as well. These designs will be flexible and capable of accommodating different electrical configuration schemes and different landscape types. Partly undergrounding or adjusting the power line tracé may also be part of the solution.

Occupational health and safety

During 2009, we put great effort into setting up a management system to address occupational health and safety issues. This was done in accordance with the guidelines laid down in the international standard OHSAS 18001. The system has not yet been certified, but the process of identifying gaps and consolidating the system has proved highly beneficial.



*150 kV and 400 kV overhead lines to be placed underground in the near future.
Photo: Energinet.dk*

Human resources

Energinet.dk aims to create a balanced work and family life for its employees, with good health and job satisfaction.

Energinet.dk employs more than 500 people, mostly college and university graduates (47%), technicians (20%) and office assistants (15%). We are an enterprise that operates within the field of engineering, which is traditionally occupied by men. This may explain why the majority of our employees are men (71%).

Our main objective of working with human resource development is to attract and retain qualified employees. Energinet.dk focuses on creating a balanced work and family life for its employees, with good health, job satisfaction as well as personal and professional development of both individuals and teams. Employee development is ensured by methodical job appraisal reviews and personal development plans involving participation in courses on personal and/or technical subjects. We invite graduates fresh out of university to apply for admission into a two-year graduate programme, in the course of which they will work in three different departments. Each year a new group of six to ten graduates are accepted into the graduate programme. It offers rotation to different departments of the enterprise, as well as

personal development and technical courses. So far, more than two thirds of the graduates have subsequently been offered permanent or temporary positions within the enterprise.

Initiatives to improve the balance between work and family life and to create job satisfaction include our health scheme and health policy, our retention policy in case of long-term illness, and paid holidays to newly qualified employees. In addition to maternity leave for our female employees we also offer paid 12-week parental leave to our male employees with children between the age of 0-5 years. We acknowledge that balancing work life with family life can at times be difficult, and we therefore offer our employees home-based work stations and flexible or reduced working hours.

Lifestyle-related diseases related to smoking, alcohol consumption and obesity have increased in soci-

ety in recent years resulting in substantial socioeconomic costs. At the individual level employees suffering from lifestyle-related diseases may experience poorer health, reduced productivity and loss of life quality. As Energinet.dk wants to contribute to both preventing and solving this significant social problem, our employees enjoy the advantage of a nutritionally balanced lunch scheme, exercise room, workout/fitness training and voluntary health checks.

All the HR initiatives outlined above are now established daily routines, which have been implemented as a natural and permanent element of our HR strategy. With the launch of a CSR policy we have explored possible new HR initiatives within the framework of CSR. From 2010 onwards, we have therefore decided to launch three new initiatives, namely:

- Job training programme for Danish minority groups such as sec-



*Bringing ashore the cable from an offshore wind farm for connection to the grid.
Photo: Energinet.dk.*



ond-generation immigrants. It has become increasingly difficult for young Danes to find traineeships as illustrated by the 23% decrease in trainee positions offered from 2007 to 2008 in Denmark. While around half of the ethnic Danes find traineeships, only one in six among non-ethnic Danes succeeds in finding a trainee position. Energinet.dk aims at engaging at least eight trainees in 2010, four of whom will be ethnic Danes while the other four will be non-ethnic Danes.

- Voluntary smoking cessation courses. This initiative is part of our healthy work environment scheme, which also involves offers of health checks and exercise facilities, as described above.
- Gender equality. The proportion of female managers and executives in Denmark does not reflect the gender composition in Energinet.dk's workforce. There is increasing political focus on this issue. At Energinet.dk 85% of all managers are men. Energinet.dk

wants to contribute to addressing this society-specific problem, and we therefore aim for the number of female managers and specialists to be directly proportional to that of the general composition of our staff. An internal survey in 2010 will identify the invisible barriers to women's opportunities for senior positions in Energinet.dk. In addition, we have plans to organise special development programmes for female management talents in 2011.



Employees at Energinet.dk's head office. Photo: Energinet.dk.



Procurement



Energinet.dk has a Code of Conduct for the majority of its suppliers, based on the UN Global Compact's ten principles.

Each year, Energinet.dk purchases products and services in excess of DKK 2 billion (EUR 268 million). Purchases range from major investments in the Danish electricity and gas systems to minor acquisitions relating to administration and maintenance. Although Energinet.dk's main activities lie in Denmark, the enterprise also participates in large international projects. This means that we need suppliers acting locally and close to our facilities as well as suppliers operating on the global market for supplies to the energy sector.

During 2009, we drafted a Code of Conduct for the majority of our suppliers, based on the UN Global Compact's ten principles. For each principle Energinet.dk has described what is expected by the supplier in order to comply with the particular principle. Our Code of Conduct will be targeted at two of our supplier segments, namely our registered suppliers and strategic business partners. Small one-time suppliers are not required to comply with our Code of Conduct.

Our Code of Conduct outlines the minimum sets of standards for ethical, social and environmental conduct that we expect our suppliers to comply with. We also expect our suppliers to communicate our Code of Conduct through their supply chain. Our Code of Conduct is appended to this document.

During 2009, we also discussed the framework for implementing our Code of Conduct. We acknowledge that implementing our Code of Conduct is a dynamic process of dialogue and engagement with our suppliers. As a tool for surveying our suppliers' ethical, social and environmental standards we developed a questionnaire to be sent to all strategic business partners. The questionnaire is intended as a communications platform and creates a basis for assessing a satisfactory level of compliance with our Code of Conduct.

Based on the preliminary work performed in 2009, we expect in 2010 to carry out a supplier survey using the abovementioned questionnaire. We also plan to implement our Code of Conduct by requesting our strategic business partners and possible future suppliers to adhere to our Code of Conduct.

It is our hope that by asking our suppliers to implement our Code

of Conduct and by evaluating the questionnaire we will gain a broader understanding of our suppliers and their consent to adopt CSR initiatives. In 2010, we will further discuss how to manage the Code of Conduct and how to audit our suppliers.

Climate and the environment

We consider the environmental impact of all our activities and strive to implement energy saving solutions throughout our enterprise.

Energinet.dk feels obliged to minimise its environmental impact and lower its greenhouse gas emissions. This is a natural extension of our role as TSO and the fact that we are an enterprise that performs everyday operational activities at several locations. We strive to implement energy saving solutions throughout our enterprise and consider the environmental impact of all our activities.

This focus area will target activities within energy saving measures and environmental issues. The primary objective of this focus area is to minimise our environmental impact and to lower our greenhouse gas emissions.

Energinet.dk has reported on environmental issues since 2006 in the form of an annual report on the environmental impacts of the operation of the Danish electricity and gas transmission systems. We also publish annual green accounts for Lille Torup natural gas storage facility.

The main climate and environmental impacts of the operation of the



Maintenance work on a 400 kV tower. Photo: Energinet.dk

Danish electricity and gas grids can be grouped as follows:

- Transmission losses in the grid
- Environmental impacts during the installation and operation of the electricity and gas grids
- Consumption of heat, electricity and water in offices and facility buildings
- Transport energy consumption.

Energy consumption, and thus greenhouse gas emissions, is a cross-cutting issue relating to all the impact areas. We have therefore decided to focus our initial environmental efforts on implementing energy efficiency measures and to evaluate our amount of greenhouse gas emissions. We plan to do this by following a three-track approach, where firstly we will analyse the main sources of energy consumption, secondly assess the energy reduction potential, and thirdly implement energy reducing measures. We initiated this work in 2009 by mapping and quantifying all the possible sources of energy consumption and took immediate action on them when possible.

In the following, each impact area is described, and additional information is given about the current state-of-affairs and any plans for introducing energy saving measures.

Reducing transmission losses in the grid

Energinet.dk is a transmission system operator and therefore does not produce energy. We transport energy on high-voltage power lines. The transmission of current causes energy loss, ie transmission losses. This is the most significant environmental impact of electricity transmission. The losses are caused by resistance in the individual system components. For each kWh of electricity lost in the system, the power stations must produce an additional amount of energy corresponding to the loss. Reducing transmission losses is therefore a high priority to Energinet.dk. It is difficult, however, to define reduction targets because transmission losses depend on the amount of current transmitted in the existing grid. We therefore focus on minimising transmission losses when



designing new power lines and cables. Choice of material for new overhead lines and underground cables as well as power line configuration may also affect the extent of transmission losses. These parameters are also taken into account when business cases for new projects are being prepared. In a business case potential transmission losses can be quantified and economically assessed to help determine a socioeconomic optimum where the choice of material and configuration is concerned. It is therefore a matter of high importance to minimise transmission losses when planning new transmission lines and maintaining existing ones.

Environmental impacts of operating the electricity and gas grids

Potential risks of environmental impacts are of high importance in our daily operation of the electricity and gas grids. We have a legal obligation to perform many standard operations, such as carrying out mandatory environmental impact assessments and implementing other environmental protection measures when erecting new gas and electricity facilities. In addition to fulfilling these standard obligations, we aim to minimise our environmental impact even further through appropriate actions in the particular situation.

Energinet.dk uses SF₆ gas for operating and maintaining the transmission grid. SF₆ gas is a very strong greenhouse gas, which is used as insulation medium in high-voltage components. Energinet.dk gives high priority to constantly improving the security of operational routines in the handling of SF₆ gas.

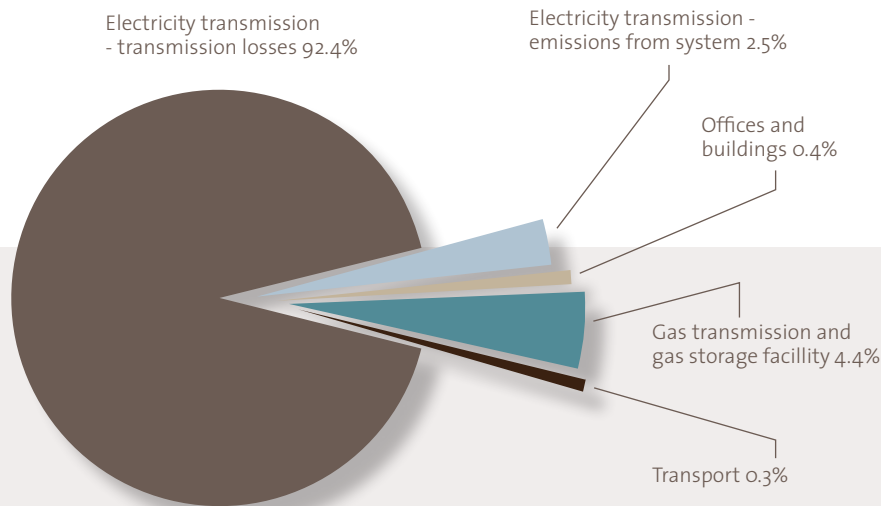
An ongoing project in the gas transmission grid aims to lower the environmental impact of the meter/regulator (M/R) stations. In these stations the gas pressure is

lowered before the gas enters the distribution grid. Lowering the gas pressure requires the gas to be pre-heated in order to avoid condensation on the inside of the pipeline. We are currently replacing the gas boilers in the M/R stations with newer and more heat efficient ones equipped with a low-NO_x burner. With this initiative we expect to reduce by half the consumption of gas for heating, thus reducing emissions.



Lille Torup natural gas storage facility.
Photo: Energinet.dk

Share of greenhouse gas emissions by activity



Reducing energy consumption in buildings

In the daily operation of our facilities it is of the highest importance that we keep our environmental impact to an absolute minimum. An energy saving programme focusing on heat and electricity was launched in 2009 for all office buildings and process facilities. The objective is to reduce overall energy consumption by 12% before 2011. During 2009, we identified the following target areas for energy reduction:

- Use of low-energy light sources and motion sensors
- Heat recovery from ventilation system and air-condition system
- Re-insulation of heat/water pipes, roof, etc.
- Optimising cooling plant for IT and data equipment.

These measures will be implemented at all our locations. In addition, we expect to introduce some specific energy saving measures at certain locations:

- Exchange of boilers
- Heat recovery from air compressors
- Use of excess heat from transformer for heating office facilities
- Optimisation of cooling unit by installing a down-flow unit.

Reducing transport energy consumption

As Energinet.dk does not transport material in significant quantities, our focus is on people transport. In 2009, we decided to replace most of our car pool with cars with a better fuel economy. This change reduces CO₂ emissions by approximately 10 tonnes annually. Several of our employees commute long distances between our locations. During 2009, we also discussed how to reduce the transport requirement, and in 2010 we hope to offer means to facilitate shared transport as well as to improve web conference facilities.

Climate accounting

All the four target areas outlined above reflect a wish to minimise energy consumption, thereby also

lowering greenhouse gas emissions. In 2009, we surveyed all our direct and indirect greenhouse gas emissions during the 2008 calendar year. Greenhouse gasses are CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide) and SF₆ (sulphur hexafluoride). The emissions were quantified and compiled for climate accounting purposes. In total, our daily activities cause the emission of 30,584 tonnes of CO₂ equivalents. In addition, transmission losses cause an indirect emission vis-à-vis the increased electricity generation to make up for any losses. The extent of transmission losses depends on the amount of electricity transmitted in the grid. In 2008, transmission losses caused the emission of approximately 370,000 tonnes of CO₂ equivalents. The distribution of greenhouse gases by target area is shown in the diagram above.

The climate accounting exercise provided insight into the main sources of greenhouse gas emissions and will help us to identify the potentials for reducing our environmental impact. Climate accounting will be a recurrent exercise, and in the course of 2010 we expect to draft a strategy for reducing our greenhouse gas emissions and, if possible, identify specific reduction targets.



CSR objectives for 2010 and beyond



During 2009, Energinet.dk carried out preliminary activities with the aim of defining a CSR strategy. This included introducing the concept of CSR into the corporate mindset and developing a CSR policy. An incremental process of timely and targeted stages has thus been initiated which will over the course of some years facilitate the fulfilment of Energinet.dk's CSR strategy and ultimately its CSR objectives.

In addition to the activities already outlined in this report, we plan to start up activities that will cut across all areas of our organisation. One such initiative will focus on our resource consumption and will, for example, result in a paper strategy.

In 2010, we will also focus on further developing our overall CSR strategy. This includes identifying, mapping, and setting targets and objectives for Energinet.dk to achieve in the years to come.

In summary, the activities considered for 2010 and beyond are described in the table to the right.

Activity	Target/Objective
Job training programme	Four non-ethnic Danes, four ethnic Danes employed as trainees during 2010
Smoking cessation courses	Successful implementation of courses with committed participants
Gender equality	Identification of barriers to women's opportunities for senior positions
Implementation of Code of Conduct	Written acceptance of Code of Conduct by relevant suppliers
Supplier survey by means of questionnaire	Successful feedback from suppliers on questionnaire
Reduction of impact of M/R stations	Replacement of gas boilers with more efficient ones in four M/R stations
Energy saving project	Implementation of quantifiable energy saving measures
Survey of environmental impacts and resource use throughout our locations and activities	Optimisation of processes and resource use with special regard to environmental impacts
Survey of all direct and indirect greenhouse gas emissions during 2009/2010	Climate accounting and preliminary climate strategy
Survey of sources of paper use and waste	Paper strategy

Code of Conduct for Suppliers



Energinet.dk is an independent public enterprise owned by the Danish state. We own and operate the main electricity and natural gas grids in Denmark and are a so-called system operator or TSO (*Transmission System Operator*). Our vision is to be one of the leading European TSOs. It is therefore important for us to act proactively and carry out our activities as a socially responsible enterprise.

Energinet.dk has joined the UN Global Compact, which is an international initiative launched by the UN, the purpose of which is to enhance the social responsibility of en-

terprises. We thus commit to abide by the fundamental principles of this initiative within the areas of human rights, workers' rights, the environment and the fight against corruption. We also expect our suppliers - whether they have joined the Global Compact or not - to abide by these fundamental principles.

In the following, the ethical, social and environmental standards which we expect our suppliers to comply with are clarified. Energinet.dk recognises that complying with the Global Compact principles is a dynamic rather than a static process, but we expect our suppliers to ac-

tively endeavour to comply with our Code of Conduct for Suppliers. Energinet.dk also expects its suppliers to ensure that their sub-contractors and sub-suppliers are made aware of and comply with the minimum standards outlined in this Code of Conduct.

It goes without saying that suppliers must observe all laws, rules and regulations in force in the countries in which they carry out their activities. The suppliers are also expected to do their utmost to always comply with international and industrial best practice



HUMAN RIGHTS

Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights*

Energinet.dk and its suppliers have a responsibility to uphold the human rights both in the workplace and more broadly within their respective spheres of influence. Suppliers operating outside their country of origin may have the possibility to promote and introduce standards in countries where human rights are not embraced and enforced to a sufficient extent.

Principle 2: *Businesses must ensure that they are not complicit in human rights abuses*

Energinet.dk expects its suppliers to avoid complicity in human rights abuses in any way. By complicity is meant direct complicity, which occurs when an enterprise deliberately helps a country to commit human rights abuses; beneficial complicity, which occurs when an enterprise directly benefits from human rights abuses committed by others; and tacit complicity, which occurs when an enterprise does not inform the proper authorities of systematic or continued human rights abuses.

Energinet.dk also expects its suppliers to ensure that workplaces or any other places where production or work takes place are safe and healthy in accordance with the UN

Global Compact's Guidelines on Occupational Safety and Health Management Systems.

WORKERS' RIGHTS

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining*

Energinet.dk expects its suppliers to recognise and respect the right of workers to freely associate, organise and bargain collectively in accordance with the laws in force in the countries in which they are employed and the UN Global Compact's Guidelines.

Principle 4: *Businesses should support the elimination of all forms of forced and compulsory labour*

Energinet.dk expects its suppliers to avoid using any forced, bonded or indentured labour or involuntary prison labour. All work must be voluntary, and workers should be free to leave upon reasonable notice.

The suppliers must as a minimum comply with all laws and regulations relating to wages and working hours, including those pertaining to minimum wages, overtime wages, piece rates and other elements of remuneration, and provide legally mandated benefits in accordance with the UN Global Compact's Guidelines.

Principle 5: *Businesses should support the effective abolition of child labour*

Energinet.dk expects its suppliers to work against all forms of child labour in accordance with the UN Global Compact's Rights of the Child, Minimum Age and Worst Forms of Child Labour.

Additionally, Energinet.dk expects its suppliers to protect all young workers from performing any work that is deemed to be hazardous or that may interfere with their education.

Principle 6: *Businesses should support the elimination of discrimination in respect of employment and occupation*

The suppliers must not practice any form of discrimination in their hiring and employment practice on the grounds of race, colour, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, trade union membership or marital status. Everybody must be treated with respect and have a harassment-free workplace. Energinet.dk also discourages discrimination regarding access to training, promotion and remuneration in accordance with the UN's Global Compact's provisions on Discrimination and Equal Remuneration.





ENVIRONMENT

Principle 7: *Businesses should support a precautionary approach to environmental challenges*

Energinet.dk expects its suppliers to perform their activities responsibly in relation to environmental risks and impacts by applying a precautionary approach to ensure that irreversible environmental damage does not occur. Key environmental challenges that suppliers are expected to address are loss of biodiversity, long-term damage to ecosystems, pollution of the atmosphere and the consequences of climate change, damage to aquatic ecosystems, land degradation, the impacts of used chemicals and waste, waste management and the depletion of non-renewable energy resources.

Principle 8: *Businesses should undertake initiatives to promote greater environmental responsibility*

Energinet.dk expects its suppliers to adopt a structured, systematic approach to environmental issues, including the setting of requirements and targets as well as the performance of follow-up activities, and to comply with existing laws, regulations and permits.

Principle 9: *Businesses should encourage the development and diffusion of environmentally friendly technologies*

Energinet.dk expects its suppliers to choose modern, efficient and environmentally effective technologies and to invest in research and development supporting a sustainable development of society.

Energinet.dk also expects its suppliers to strive to increase the use of technologies that reduce greenhouse gas emissions and other emissions from their products and services.

BRIBERY AND CORRUPTION

Principle 10: *Businesses should work against corruption in all its forms, including extortion and bribery*

Suppliers must maintain high ethical standards in conformity with, above all, this Code of Conduct for Suppliers and good business practice. Existing laws, other legislative provisions and contracts must be complied with. Compliance with legislation alone, however, is not sufficient to maintain high ethical standards.

Suppliers are expected to avoid conflicts of interests that may undermine Energinet.dk's faith in them or third parties' faith in Energinet.dk. An example of such conflicts of interest could be when a supplier is a member of an association whose core values run counter to those of Energinet.dk.

Suppliers are expected to desist from paying or receiving improper benefits or benefits that may be regarded as improper remuneration in order to obtain, maintain or conduct business or to secure other improper advantages in their business dealings with Energinet.dk. Such improper benefits (bribery etc.) may include cash, objects, pleasure trips or other services.

CONTACT

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