



Sund ≈ Bælt
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Corporate Social Responsibility 2010

UN Global Compact Communication on Progress

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Introduction

This report is Sund & Bælt's first Communication on Progress in relation to our membership of the UN Global Compact (UNGC). The report is structured in accordance with the UNGC requirements, as well as the new Danish statutory reporting requirements on Corporate Social Responsibility (CSR) from December 2008.

The UNGC requires that corporations report on their progress in relation to the implementation of the UNGC's 10 principles and must include the following elements in the Communication on Progress:

A statement by the CEO (or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles;

- A description of practical actions the company has taken to implement the Global Compact principles and to support broader development goals.
- During the first five years of participation, a Communication on Progress must address at least two of the Global Compact's principal issue areas (human rights, labour, environment, anti-corruption), while all four must be addressed after five years;
- A measurement of outcomes (i.e., identifying targets, defining performance indicators, or measuring outcomes).

According to the new Danish legal requirements, the management's review of the Annual Report must indicate where information can be obtained regarding:

- The company's CSR policies, including any standards, guidelines or principles for CSR;
- The translation of the social responsibility policies into action, including any systems or procedures used;
- The evaluation of what has been achieved through CSR initiatives during the financial year, and (optionally) any expectations it has regarding future initiatives.

This Communication on Progress is structured in accordance with the Triple Bottom Line: People, Planet and Profit, and reflects selected CSR activities of Sund & Bælt and how they are linked to the 10 UN Global Compact principles.

Our Corporate Social Responsibility

In Sund & Bælt we believe that it commits to be one of Denmark's leading infrastructure providers. Therefore, responsibility is important to our work. In Sund & Bælt corporate social responsibility (CSR) is about contributing to social, environmental and economic sustainability, whereby we take a responsibility in relation to society around us.

The interpretation of our core values in a broader CSR perspective:

› Customer focused

We set high standards for ourselves, customers, partners and suppliers.

› Commitment / Competence

We are responsibly and professionally engaged in the world that we are a part of – sustainability is reflected in all processes in order to optimise their quality.

› Business minded

We create financial growth through caring for people, environment and economy.

› Attentive to needs of society

We engage with local communities and the public in general. We seek to minimise negative social, environmental, climate related and economic impacts and maximise our positive contribution.

In April 2009 Sund & Bælt committed to the UN Global Compact principles (UNGC), representing the world's biggest initiative on CSR as our first engagement in working systematically with corporate social responsibility. We are thus committed to apply and promote Global Compact's 10 Principles on corporate social responsibility, including international human rights, hereunder labour rights, environment and anti-corruption. This is also referred to as the Triple Bottom Line because we think beyond profit, by considering the impact on people and our planet.

In working with Corporate Social Responsibility we wish to maintain an open dialogue with essential stakeholders and to report annually on our progress and challenges.

Sund & Bælt's UN Global Compact Communication on Progress outlines some of the most important information on our CSR work in 2009, including the launch of the Sprogø Offshore Wind Farm in December 2009, which is contributing to sustainable environmental development. The Communication on Progress is also available on our website at www.sundogbaelt.dk/uk



Leo Larsen

Managing Director, CEO
Sund & Bælt Holding A/S



Our core values

> CUSTOMER FOCUSED

To make travelling easier and ensure that customers have a positive experience in every respect

- Be responsive, attentive and pro-active
- Provide reader-friendly, straightforward communication
- Consistent, but flexible enough to adapt to any new situation
- Admit to mistakes
- Exceeding customer expectations

> COMMITMENT / COMPETENCE

- Delegation
 - Involvement
 - Recognition
 - Feedback
 - Understand importance of task/role
- Manage and promote skills development and training

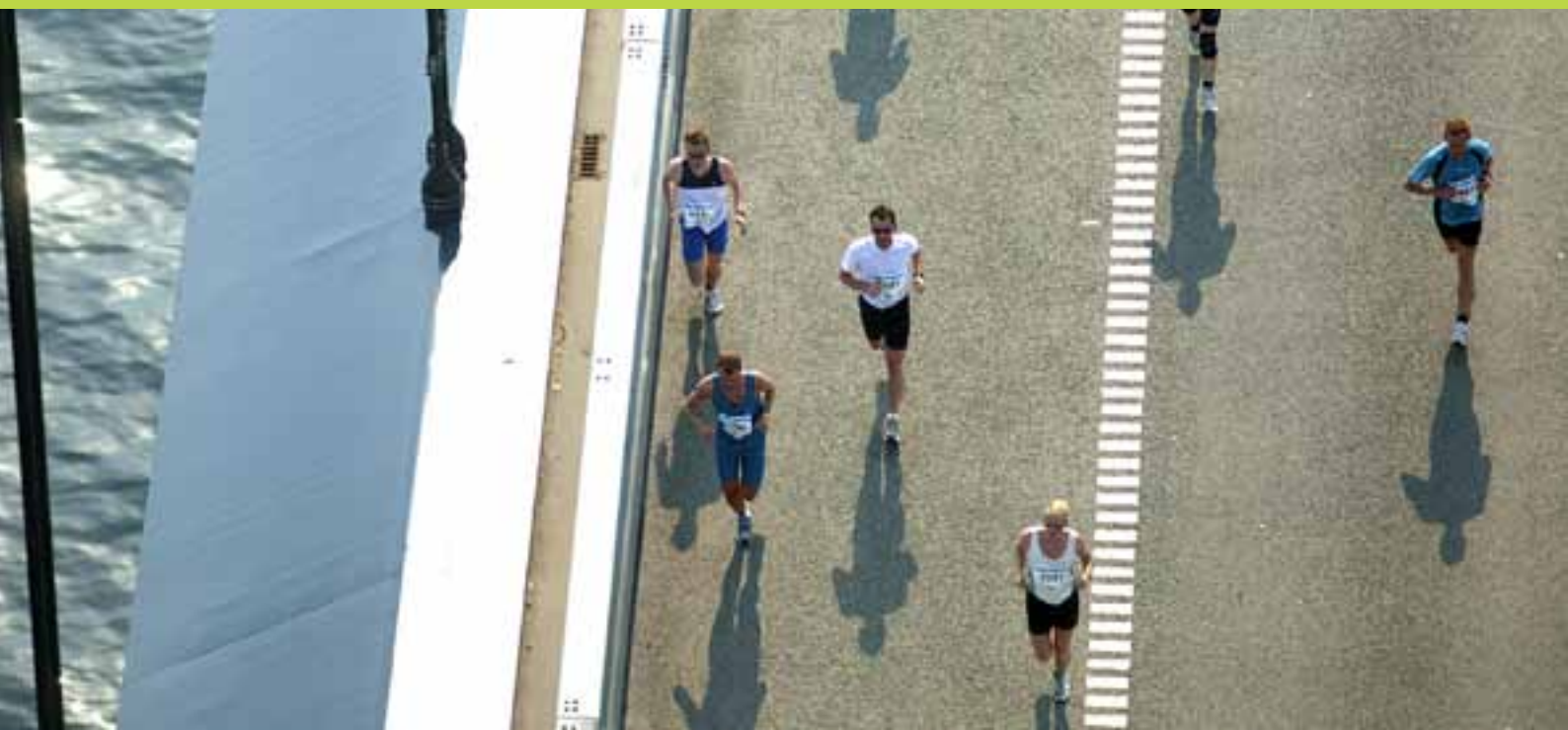
- Encourage openness to promote creativity
- Create team-spirit/co-operation

> BUSINESS MINDED

- Take an overall view. Long-term optimisation across the organisation
- Demonstrate commercial acumen
 - Include risks
 - Product strategy
 - Cost awareness
- Balance responsibility, authority and resources
- Eliminate superfluous rules and processes
- Focus on requirements
- Demonstrate humility to the market

> ATTENTIVE TO NEEDS OF SOCIETY

- Demonstrate responsibility
- Holistic thinking
- Orientation to surroundings
- Be innovative and solution focused





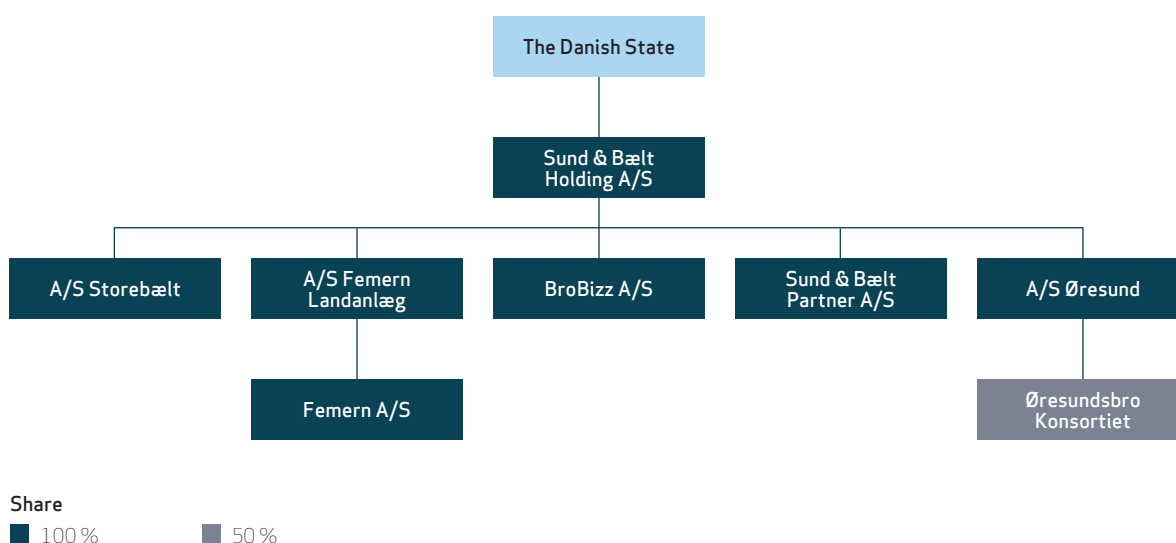
Sund & Bælt at a Glance

Sund & Bælt is one of the leading infrastructure providers in Denmark; a country of islands. Our headquarters are in Copenhagen, Denmark and the company is owned by the Danish State. The Sund & Bælt Group consists of Sund & Bælt Holding A/S, A/S Storebælt, A/S Femern Landanlæg, Femern A/S, BroBizz A/S, Sund & Bælt Partners A/S, A/S Øresund and 50 per cent of Øresundsbro Konsortiet. Thus, we are responsible for the general administration of these companies and the various tasks in relation to providing and operating a considerable part of the Danish infrastructure.

Our main tasks include:

- Operating and maintaining the road link across Storebælt
- Collecting payment from motorists using the Storebælt Bridge
- Operating as an issuer of payment means (BroBizz) for user-paid infrastructure
- Monitoring and maintaining Storebælt's rail section
- Operating and maintaining the port facilities at Odden, Ebeltoft, Spodsbjerg and Tårs
- Operating and maintaining the Øresund motorway
- Operating and maintaining Sprogø Offshore Wind Farm
- Collecting fees from Banedanmark for user rights for the Øresund line on Amager and for the rail link across Storebælt
- Overseeing the part ownership of Øresundsbro Konsortiet
- Managing and ensuring repayment of A/S Storebælt's and A/S Øresund's debt portfolio
- Providing client consultancy in relation to major and primarily international infrastructure projects on a commercial basis
- Responsibility for planning, preliminary surveys and preparations in relation to a coast-coast link in connection with the fixed link across Fehmarnbelt
- Responsibility for co-ordinating the planning work for the fixed link across Fehmarnbelt comprising the coast-coast link and the Danish landworks.

For more information please go to www.sundogbaelt.dk/uk





The Global Compact ten principles for social responsibility

The Global Compact principles for social responsibility are divided into four areas - human rights, labour standards, the environment and anti-corruption.

> HUMAN RIGHTS

- PRINCIPLE 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- PRINCIPLE 2 make sure that they are not complicit in human rights abuses

> LABOUR STANDARDS

- PRINCIPLE 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
- PRINCIPLE 4 the elimination of all forms of forced labour and compulsory labour;
- PRINCIPLE 5 the effective abolition of child labour; and
- PRINCIPLE 6 the elimination of discrimination in respect of employment and occupation

> ENVIRONMENT

- PRINCIPLE 7 Businesses should support a precautionary approach to environmental challenges;
- PRINCIPLE 8 undertake initiatives to promote greater environmental responsibility; and
- PRINCIPLE 9 encourage the development and diffusion of environmentally friendly technologies

> ANTI-CORRUPTION

- PRINCIPLE 10 Businesses should work against corruption in all its forms, including extortion and bribery



People

OUR SOCIAL RESPONSIBILITY PRINCIPLES 1-6

Policy

Sund & Bælt supports and respects internationally proclaimed human rights including labour rights (see Global Compact principles 1-6)

Sund & Bælt commits to:

- Respect international human rights in all of the corporation's activities. This is safeguarded by continually developing and improving our capacity and skills to lift the task proactively
- Continually identify areas where our operations and unique competencies can contribute positively to sustainable social development in society
- Set up goals and action plans for the coming years' efforts
- Maintain an open dialogue with essential stakeholders and annually report on social responsibility

Working Environment Policy

The right to safe and healthy working conditions under UNGC principle 1 is an example of our policies and activities in relation to social responsibility. Thus, Sund & Bælt wishes above all to provide a safe and sound working environment for all employees, including our partners working on our facilities and in our offices.

Sund & Bælt believes that everyone should be accountable for their own and others' working environment and we aim at creating a workplace where everyone thrives and feels safe. Consequently, through a proactive attitude, everyone is committed to preventing physical and psychological problems in the working environment, as well as 'near misses' and work-related accidents.

Short-term financial results may not override measures aimed at reducing the risk of work-related accidents.

Sund & Bælt wishes to maintain a working environment policy and management system that supports ongoing improvements to the working environment, which is accessible to everyone via the company's intranet. Annual objectives and action plans are drawn up for working environment initiatives.

Sund & Bælt maintains constant focus on developing and maintaining a staff policy that promotes co-operation and communication, motivation and individual development through dialogue, equality, a good life/work balance, an inclusive labour market as well as health, safety and a sense of well-being for everyone.

Together with its employees, Sund & Bælt seeks to maintain a competent and efficient safety organisation that, in part, provides guidance on and, in part, monitors the working environment and thus contributes to meeting our policies, current legislation and guidelines.

Sund & Bælt regards working environment issues in relation to traffic and work on its infrastructure facilities and at the toll station as particularly critical. The objective, therefore, is to ensure that traffic and work on the infrastructure facilities and at the toll station is made increasingly safe. This will be achieved through technical, organisational and procedural initiatives.

Implementation

Sund & Bælt implements its Social Responsibility through the relevant functions such as Human Resources and Health, Safety and Environment and Marketing; the latter takes care of donations to various community and charity purposes. Sund & Bælt thus focuses on respecting, as well as supporting all UNGC principles. In 2009, international CSR experts conducted a CSR performance assessment of Sund & Bælt in relation to the 10 UNGC principles including all human rights implicit in principle 1.

The assessment indicated that Sund & Bælt generally complies with all UNGC principles and has several proactive contributions, which support sustainable social development.

> WORKING ENVIRONMENT

Some of our employee activities include

- Safety meetings with safety representatives of our employees 4 times a year
- Fringe benefits for our employees, such as:
 - A free and anonymous health check to all employees
 - Consultations with a physiotherapist, chiropractor, psychologist, massage therapist or dietitian if needed
 - Individual support in relation to stress
- Healthy food options through a labeling system in staff restaurants
- Sport activities for employees.
- Non-smoking policy and the opportunity to join smoking cessation courses paid for by Sund & Bælt

> CERTIFICATIONS

- DS/OHSAS 18001
Sund & Bælt has the DS/OHSAS 18001: Occupational health and safety management systems, which ensures that the company has systematic procedures for removing or reducing negative impacts on the working environment.
- The Danish Working Environment Authority's 'Crown' Smiley
Sund & Bælt also has the highest level of health and safety certification standard in Denmark – the 'Crown' Smiley. This means that the company has made an extraordinary effort to ensure a high level of health and safety.

Proactive contribution to internal CSR – safe and healthy working conditions

Our contributions to social sustainability and the 'People' bottom line include a proactive focus on the right to safe and healthy working conditions, the right to just and favourable conditions at work and the right to the highest attainable standard of physical and mental health. In this way, we contribute to principle 1 in the UNGC.

Sund & Bælt believes that healthy and thriving employees make Sund & Bælt a better business. This is why we, besides complying with Danish legislation and international conventions on human rights including labour rights, continuously strive towards high standards regarding physical and psychological working conditions for our employees.

Our HR function, our certifications and our safety organisation are some of the initiatives that monitor and provide guidance on the working environment and health and safety standards in Sund & Bælt and thereby safeguard that we always live up to our policy, legislation and guidelines.

In relation to the health and safety of our employees and other workers at our sites, we provide mandatory safety courses for everybody, including our contractors. Apart from specific guidelines and requirements to the health and safety standards on our sites (see section on Responsible Supply Chain Management), we audit and educate our contractors to make sure the relevant systems and procedures are implemented in relation to maintaining the highest possible level of safety.

Proactive contribution to external CSR

Sund & Bælt is not only committed to its employees; but as a major state owned company we also wish to contribute to society in general. Our core mandate, which is to provide infrastructure and make travelling easier in Denmark, by nature supports freedom of movement, a core human right as referred to in UNGC principle 1. It also contributes to generate growth in the region, which in turn contributes to the fulfilment of a host of human rights.

In addition, we actively work on eliminating work and traffic accidents. Through video monitoring, we supervise the traffic on our bridges and carefully register accidents and their causes, as well as weather and wind conditions in collaboration with Danish authorities in order to continuously improve our infrastructure and our operational procedures.

Furthermore, we provide 'free rides' for families with child cancer crossing the Storebælt Bridge in relation to their annual FMKB race; and we sponsor and make donations to a range of associations supporting sport activities, fighting diseases, etc

Some of these associations are:

- The Child Cancer Fund
- The Diabetes Association
- The Muscular Dystrophy Fund
- ActLife (children with disabilities)

These contributions support sustainable social development, by promoting the right to the highest attainable standard of physical and mental health, children's' rights and equal opportunities for people with disabilities.

Results

The result of our role in society and high level of flexibility pays off. A survey of Sund & Bælt's psychological working environment revealed that our employees are

generally very satisfied, feeling respected and proud to work for Sund & Bælt. The low staff turnover reflects the loyalty of our employees. Furthermore workplace assessment is prioritized and sickness absenteeism is low with 2.06 per cent. Moreover we have focus on occupational injuries which is 14.6 injuries per one million working hours. Also we experience a general appreciation by external stakeholders of the tasks we perform in the regions that we connect.

Planned Activities

In 2010 Sund & Bælt plans on increasing our systematic approach to improving our social performance. Sund & Bælt plans to conduct internal workshops on CSR and invite our employees to engage even further in CSR. Moreover, we plan to strengthen guidelines on CSR to our subsidiaries and partners, e.g. on Responsible Supply Chain Management (see also final Section of this Communication on Progress).

We also plan to implement a range of activities further supporting and promoting the right to safe and healthy working conditions. Compared to 2008 we experienced in 2009 a small increase in unfortunate incidents related to our working environment, including a minor increase in the rate of employee absence due to illness. Sund & Bælt is committed to act upon this challenge in 2010 pursuing our goal of zero work accidents and a safe, healthy and motivating working environment.

> SICKNESS ABSENTEEISM

Workplace assessment is prioritized and sickness absenteeism is low with 2.06 per cent.

Planet

OUR ENVIRONMENTAL RESPONSIBILITY PRINCIPLES 7-9

Policy

It is our core value and approach to demonstrate responsibility towards the environmental and climate related impacts that Sund & Bælt's activities cause. It is the policy of Sund & Bælt to prevent and minimise negative environmental impacts from the company's activities through proactive efforts (See Global Compact principles 7-9).

Sund & Bælt wishes to contribute to society's environmental objectives by ensuring that traffic on the company's facilities as well as its operations and maintenance are carried out with the greatest possible respect for the surrounding environment. You can read our full environmental policy at www.sundogbaelt.dk/uk

Implementation

Sund & Bælt has always stressed the importance of running a solid environmental management system. By careful and systematic investigation of our negative impacts on the environment, Sund & Bælt is attentive to changing circumstances and potential environmental challenges that need to be addressed. In the case of the current planning phase of the potential solution of the Fehmarnbelt Fixed Link, comprehensive social and environmental impact assessments have been undertaken. All relevant public, as well as private stakeholders can engage in our open consultation process. For more information on the activities of our subsidiary Femern A/S please confer www.femern.com and www.femernenvironment.com.

Examples of other initiatives we have in relation to our environmental responsibility are:

- Nature preservation work
- Monitoring, registration and preventive actions for protecting affected animal life such as porpoises, toads and birds
- Environmental education of employees and contractors
- Dialogue on the intranet with our employees regarding their proposals for improving the working environment
- High environmental requirements to suppliers and subcontractors (see section on Responsible Supply Chain Management)

Wind Energy Offsets our CO₂-emissions

At Sund & Bælt we do more than eliminating or reducing our negative environmental impact by taking a precautionary and responsible approach to the environmental challenges as prescribed by the UNGCs principles 7 and 8. Under UNGC principle 9, Sund & Bælt pro-actively promotes renewable energy and the reduction of our CO₂-emissions by finalising the Sprogø Offshore Wind Farm¹⁾ in December 2009. This project contributes to UNGC principle 9 by spreading the use of environmentally friendly technologies and putting environmental sustainability on the agenda. Sund & Bælt has invested DKK 400 million in the project, which is to run and compete on commercial terms.

Another project contributing to raising public awareness about the global climate challenges is our sponsorship of the initiative "100 Places to Remember Before they Disappear" that features 100 photographs of places threatened by climate change. The election of the specific places is based on UN reports from UN's Intergovernmental Panel on Climate Change (IPCC).

Results

Environmental responsibility is a key feature in the mandate of Sund & Bælt as a state owned company with significant potential positive as well as negative environmental impact in the region. Responsible environmental conduct is simply paramount for our licence to operate. Therefore, high standards also make sense from a traditional business perspective. This line of thinking is in line with our commitment to environmental responsibility – it is good for us and it is good for society. Moreover, it is the right thing to do. We are delighted that our Sprogø Offshore Wind Farm annually will generate 66 million kWh which is more green energy than Sund & Bælt uses. Through our various environmental initiatives, Sund & Bælt has not only reduced its CO₂-emissions, but also contributed to a higher awareness of global climate challenges among its employees and the public in general, as well as actively promoted the diffusion of green energy.

¹⁾ For more information about this project please see our website: www.sundogbaelt.dk/uk



Project on energy optimization

In 2009 Sund & Bælt launched a project on energy optimization. Some of the initiatives regard the reduction of the energy that the technical systems and facilities use in relation to the operation and maintenance of our bridges. The project is divided into four different phases:

> 2009

- Analysis of the current situation
- Assessment and cost benefit analysis of the opportunities for energy optimization
- Planning of the different activities and initiatives

> 2009 AND 2010

- Implementation

Planned activities

In 2010 Sund & Bælt will work on reaching our environmental objectives for 2010 and continuously improving our environmental performance. Please confer our environmental report for 2009 (in Danish) for more details www.sundogbaelt.dk/uk

Moreover, Sund & Bælt will seek to reduce the risk of storm surge catastrophes, e.g. by amplification of the dikes at Vestamager in Denmark's capital, Copenhagen. This project is carried out in collaboration with the local authorities and has the purpose of not only protecting the infrastructure facilities of Sund & Bælt, but also the local population of Amager, Copenhagen.





Profit

OUR ECONOMIC RESPONSIBILITY PRINCIPLE 10

Policy

Sund & Bælt believes that incorporating social, environmental and economic responsibility is a strategic choice that safeguards our business as healthy – also in the long run.

Economic responsibility is important for the company's legitimacy, competitiveness and profitability and thus, is fundamental for the long-term operation of our business (see Global Compact principle 10).

Sund & Bælt commits to:

- Continually identify areas where our activities and unique competencies can contribute positively to sustainable economic development in society
- Continually work on improving our financial results by setting high goals for growth and value creation and deliver competitive results
- Continually practice a zero-tolerance policy on corruption, extortion and bribery
- Work on improving our capacity and ability to proactively avoiding corruption in all its forms
- Maintain an open dialogue with stakeholders and annually report on our economic responsibility and results

Implementation

It has always been a part of Sund & Bælt's culture to do business in a responsible and ethical manner and not participate in corruption, extortion and bribery. Furthermore, Sund & Bælt complies with strict EU and Danish legislation on tenders, which apply to all deliveries of products and/or services above a certain amount. This promotes transparent and fair process in relation to tenders thereby combating corruption and bribery. The processes include grievance mechanisms, allowing competing companies to lodge complaints to be assessed by an independent board.

Results

Our way of operating responsibly has resulted in a high degree of goodwill from Sund & Bælt's different public and private stakeholders. We are known for striving to be a credible, trustworthy and responsible business. Our status as a state-owned company commits and raises the expectations to Sund & Bælt's business conduct even more.

Responsible Supply Chain Management

Promoting Sustainability among Suppliers

One of the challenges that Sund & Bælt faces in relation to CSR, is promoting sustainable social, environmental and economic development in our supply chains. Such engagement is increasingly perceived as a part of being a responsible company. Not least due to the general increase in outsourcing and awareness of – at times – appalling conditions among suppliers globally. This challenge is on the agenda of Sund & Bælt and will particularly concern our subsidiary Femern A/S, when planning and – if agreed – managing the construction of the Fehmarnbelt Fixed Link that will connect Scandinavia with continental Europe.

Nevertheless, Sund & Bælt acknowledges the challenges related to responsible supply chain management. Responsible supply chain management is an area where the expectations of stakeholders to buyers have been rising for years – also beyond the scope of the legal responsibility.

However, the traditional approaches of enforcing individual company codes of conduct on CSR through monitoring and limited capacity building of suppliers or sector initiatives are not without disadvantages. They can be costly and yet ineffective.

Therefore, Sund & Bælt is planning on starting an internal work stream to further strengthen our approach to responsible supply chain management, in order to promote human rights, including core labour rights, environment and anti-corruption among Sund & Bælt's suppliers. Our objective is to do so in a manageable, cost-effective, systematic and sustainable way.

Our point of departure for this, is our existing comprehensive dialogue and cooperation with public authorities and civil society organisations, as well as extensive experience with managing suppliers.



Environmental, health and safety requirements in supplier contracts

In our major contracts with suppliers and contractors, we have already multiple requirements integrated, in order to ensure that the project is managed and carried out in a responsible way that respects international labour rights and adheres to high environmental standards.

› SOME OF THE REQUIREMENTS IN THESE CONTRACTS ARE

- Mandatory Health & Safety courses for all staff
- Knowledge of the company's environmental policy and a management system that ensures the policy is adhered to
- Health & Safety standards regarding the workers such as:
 - Noise, vibrations, radiation, thermal/climate conditions, psychological conditions and risks of work accidents.
- Mandatory reporting of work-related accidents
- Work out of an environmental action plan, which includes environmental standards for:
 - Materials used such as chemicals
 - Energy consumption such as gas, diesel and electricity
- Contractors must have a system which safeguards that these requirements are being adhered to.
- Audit and monitoring of the contractor's work



Storebælt
Sund ≈ Bælt

P-371





Sund & Bælt Holding A/S
Vester Søgade 10
DK-1601 Copenhagen V
Tel. +45 33 93 52 00
Fax +45 33 93 10 25
www.sundogbaelt.dk/uk
CVR-no. 15694688