



SEAS-NVE

Progress Report 2015

FN Global Compact

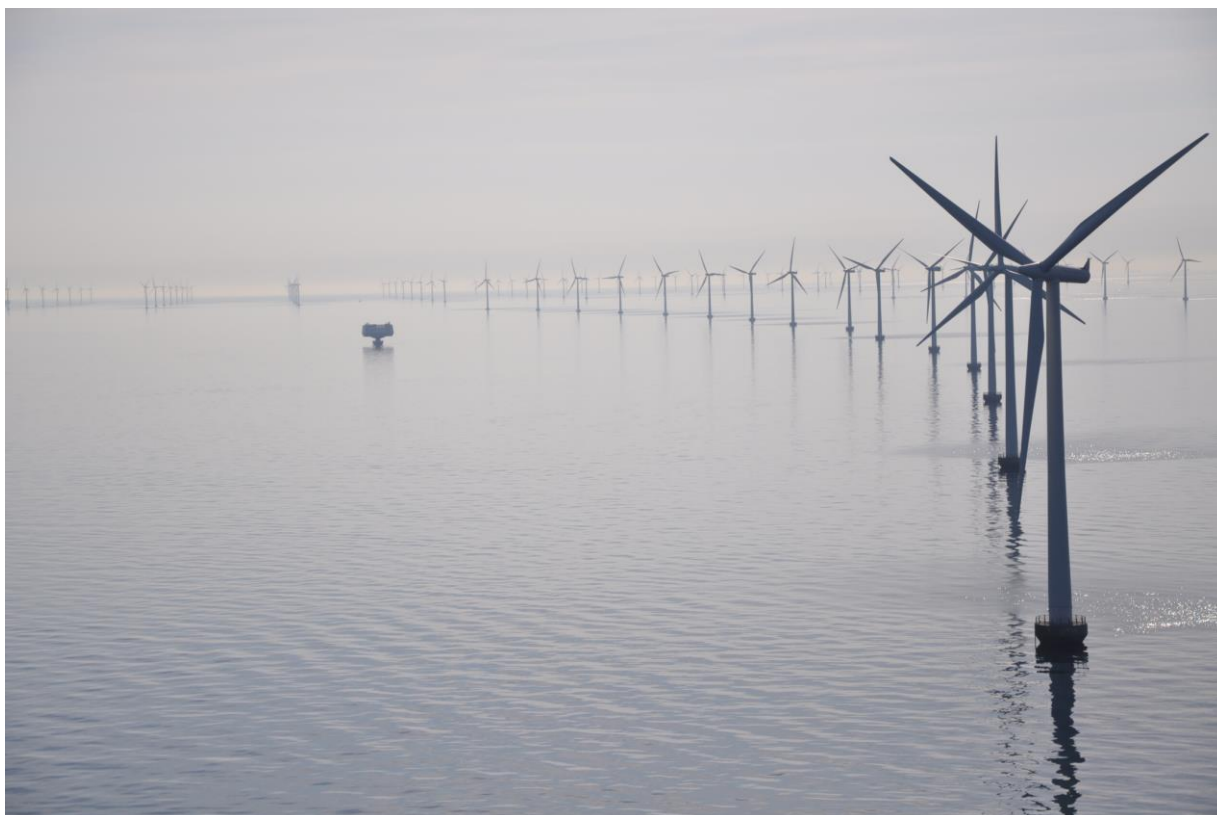


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UN Global Compact - Corporate Social Responsibility

UN Global Compact is the world's largest initiative for Corporate Social Responsibility (CSR). This is an international initiative launched by the United Nations with the intention to involve private companies in the task of solving the social and environmental challenges that come with globalisation. Global Compact enables companies worldwide to take an active part in solving these challenges.

UN Global Compact has two main objectives:

- Companies are encouraged to support ten principles in the areas of human rights, labour rights, environment and anti-corruption and to implement these principles internally within their practice.
- Companies are encouraged to contribute with voluntary initiatives to promote the UN's goal of sustainable development.

Reporting

When a company has signed up to the UN Global Compact, it must prepare an annual progress report, Communications on Progress (COP). This report must be submitted to the UN Global Compact and is published immediately afterwards on the project's website.

SEAS-NVE's membership of the Global Compact

A member since: 6 September 2012

Number of employees: 855¹

Sector: Electricity

Reporting date: 9 March 2015

Reporting period: 1 January 2015 - 31 December 2015

SEAS-NVE's COP is available on www.seas-nve.dk/csr

¹ Including Fibia

About SEAS-NVE

SEAS-NVE is a healthy and well-run limited liability co-operative experiencing positive development. As a group, our primary focus is on energy supply and infrastructure and every day we attend to the interests of our members and customers within the areas of energy and fibre networks. We achieve this through attentiveness and dialogue.

We have 100 years' experience and a level of expertise that is tangible. We are also Denmark's largest cooperatively owned energy and fibre network company, with over 400,000 customers, 386,000 of whom are members and therefore own a small part of the cooperative each.

In 2015, SEAS-NVE employed 855 people, had a turnover of DKK 4.2 billion and made a profit before tax of DKK 210 million. We are proud of this, because it means we are creating value for both private, public and business customers inside and outside our supply area in West and South Zealand and on Lolland-Falster.

We are experts in the fields of energy, fibre and energy consultancy. It is our goal within these three areas to introduce ground-breaking technologies so that we can help to lead our customers safely into the future, while also ensuring development opportunities in our region.

Our ambition is to be our customers' best connection, and our mission is to be the responsible pioneer, who safeguards our members' energy and fibre networks.

SEAS-NVE is a cooperatively owned company, where around 150 popularly elected members of our Committee of Shareholders represent our customers, our owners.

Facts about SEAS-NVE

Turnover in 2015: DKK 4.2 billion

Members: 386,000

Length of the cable network: 26,562 kilometres



Statement of support from the CEO

At SEAS-NVE, we are constantly seeking new ways and methods to make a difference. This is reflected in our activities and is anchored in our mission to be the responsible pioneer. This has been true since SEAS-NVE was first established, when responsibility for our employees, our members and for our environment was an essential cornerstone of our business concept, and it still is.

We want to lead the way and take responsibility.

CSR - it's about making a difference

Social responsibility is a natural part of our working day at SEAS-NVE. Internally, we focus on culture and job satisfaction, and in 2015 a record number of employees passed through our training programme. Externally, we erected a wind turbine with a group of customers who all, like us, wish to make a difference for the environment.

We are a natural and often invisible part of the everyday life of our customers and members. This is how it should continue to be. However, we have an important task to create visible and tangible value. Our donations strengthen the community in the region and contribute to the local and regional cohesion and development. We help to give pleasure and we make a difference.

As part of our development work last year, we cooperated with our shareholders and customers to test how the internet can help to optimize families' energy consumption. As a natural part of everyday life. And with a pioneering spirit.

Our full support for the UN Global Compact

We presented our first progress report to the UN Global Compact in 2012. This was the start of a journey towards a structured and business-driven approach to social responsibility. We continued this journey in 2015 with a number of concrete measures that we present in our progress report for the year.

Through this report on social responsibility, SEAS-NVE declares its continued full support for the UN Global Compact and the initiative's efforts to focus on solving social and environmental challenges internationally.

Yours sincerely,

Jesper Hjulmand
CEO
SEAS-NVE

SEAS-NVE's activities in 2015

In 2015, SEAS-NVE focused on social responsibility through a number of initiatives, both internally and externally in the organization.

Based on SEAS-NVE's business activities and its anchoring in Denmark, we have defined our focus areas for social responsibility as: employees, environment and climate, and society. These are key areas for SEAS-NVE and, at the same time, they are also elements of the principles upon which the UN Global Compact is based.

Employees

SEAS-NVE believes that a healthy working life is based on the well-being of the employees. We are convinced that contented employees create stronger customer relationships and ultimately, more satisfied customers.

In addition, we also experience greater flexibility when an extra effort is required. Therefore, it is important for us to ensure that SEAS-NVE is an attractive workplace with a good working environment that takes account of the balance between working life and leisure, but also focuses on diversity, equality, safety and personal development.

Environment and climate

In collaboration with the rest of society, we want to be part of a shared responsibility for the development of technologies that will help to support the green transition. At the same time, we will continuously work to improve and structure our environmental efforts. In this context, our key areas of focus are energy management, energy consumption and sustainable electrical products.

We have also prioritised environment issues within the company. Among other things, we enhanced our working environment function in 2015. The purpose is to ensure continual monitoring of our environmental conditions so that our obligations and efforts are always in compliance with the applicable legislation.

Society

Our mission is to create value for our members. We do this by listening to them and involving them in SEAS-NVE, including through our Committee of Shareholders. Our focus is on reliability of supply, cabling, remotely read meters, expanding the fibre broadband network and green transition. We also want to contribute to our local community. We do this through the creation of local jobs and through donations that support local initiatives that serve the community.

Employees

A strong and common culture requires deliberate management that maintains the best possible contact with the employees. All managers are role models, who help to create and enhance our corporate culture and the good working atmosphere. All our managers complete the Path Finder training programme, which gives them the opportunity to develop and strengthen their leadership identity using tools that help them to become the best possible version of themselves as a leader. They also take the next level of the training programme, Responsible Leadership, which focuses on maintaining the principles and tools from the Path Finder programme. But it is not only the management that have an important role in contributing to a strong culture - the same is true of our employees.

A record number of employees participated in our training programme in 2015

The journey

A 5-day course focusing on business-oriented self-development. Based on SEAS-NVE's values and standpoint, the course introduces the pathfinder tools that we work with in SEAS-NVE. It is an intensive course that alternates between exercises, play, dialogue and reflection, both individually and in groups.

The horse as teacher

A 3-day course that provides a unique opportunity to work with personal development and communication in an alternative way - namely with horses as teachers. Through exercises and reflection, the course participant gains a greater insight into themselves and their own way of communicating.

Mindfulness

A 2-day course that introduces and trains the employees to be attentive, focused and balanced. The course provides an insight into stress theories and practical tools to manage a busy schedule.

Employee training courses and participants				
	2013	2014	2015	
The journey, Path Finder for employees	19	66	120	
The horse as teacher	48	48	48	
Mindfulness	28	59	48	
Overall number of participants	95	173	216	

Conducted at SEAS-NVE Holding A/S, SEAS-NVE Strømmen A/S and SEAS-NVE Net A/S

In addition to the personal development culture courses, it is also possible for all managers and staff to undertake general, professional training.

Sick leave

The employees' commitment was reflected in a low level of absence due to illness, which in 2015 was 1.7% of the working days for the year for the group, and there was no long-term absence due

to illness. This is similar to the level for 2014. The level is still low compared to the national average. Absence due to illness in the private sector in Denmark is about 6.4 days per year. With 220 working days per year, this is equivalent to an absence rate of 2.9%.

Absence due to illness				
	2012	2013	2014	2015
Percentage of working days	1,6	1,6	1,7	1,7

Conducted at SEAS-NVE Holding A/S, SEAS-NVE Strømmen A/S and SEAS-NVE Net A/S

Occupational health and safety

A key focus area for SEAS-NVE is to establish a safe and secure psychological working environment for our employees. Many of our colleagues work with energised electro-technical installations and heavy equipment and are out in all types of weather. We have a policy regarding the working environment and we firmly believe that education and training of employees has a positive influence on SEAS-NVE's results.

Our ambition is to have zero accidents at work and our health and safety organisation works continually to advance the education and training of our employees. In 2015 we had 12 registered accidents at work. This represents a reduction of 45% compared to 2014, reflecting the intense focus on the working environment by both managers and employees. Fortunately, 6 out of the 12 accidents (50%) did not result in absence beyond the day the accident occurred and were therefore not subject to an obligation to report. The majority were minor accidents such as falls, driving in terrain and strain when lifting. Only one accident occurred during work on our electrical system. This is also reflected in the number of days of absence, since as mentioned, 50% of these accidents required less than one day's absence, and only one resulted in absence of 14 days.

	2013	2014	2015
Reported accidents at work, number	20	22	12
Number of sick days, distribution, number	Less than 1 day: 14	Less than 1 day: 14	Less than 1 day: 6
	1-3 days: 4	1-3 days: 4	1-3 days: 4
	4-6 days: 1	4-6 days: 2	4-6 days: 1
	7-13 days: 0	7-13 days: 0	7-13 days: 0
	14-20 days: 0	14-20 days: 0	14-20 days: 1
	21-30 days: 0	21-30 days: 0	21-30 days: 0
	More than 30 days: 1	More than 30 days: 2	More than 30 days: 0

Conducted at SEAS-NVE Holding A/S, SEAS-NVE Strømmen A/S and SEAS-NVE Net A/S

We continually work to reduce the instances of work accidents through education, training and investigation of an accidents that occur. One element of learning more about the accidents that take place, is that all accidents are recorded, regardless of their severity. Similarly, "near-misses" are

also recorded, which are incidents in which an employee could have been hurt, but was not. In this way, we are constantly accumulating knowledge in order to prevent further accidents.

All our call-out employees and employees who otherwise perform electrical work regularly receive training in electrical safety. Thus, every year we hold mandatory safety days, when these employees receive training to maintain their knowledge levels. This occurs particularly in the areas of Low Voltage Live Working/Live Working and first aid.

In addition, SEAS-NVE provide a number of other courses relating to the working environment and electrical safety for our technicians and other employees. We regularly conduct a comprehensive series of courses in areas such as:

- Couplings on 10 kilovolt systems
- The team leader's obligations and responsibilities
- Lifting techniques and ergonomics
- The road as a workplace.
- Knowledge of chemical substances in the working environment.

Environment and climate

We are one of Denmark's largest energy companies, and we sell and supply power to 400,000 customers. Electricity is a necessity of life in our society and as citizens of the world community, we are all having an impact on the environment, even though we may not realise it. SEAS-NVE contributes to making Denmark a little greener. As a company, we are involved in a number of activities intended to ensure that we can help our customers to reduce their energy consumption and to ensure that they have the opportunity to purchase their energy from environmentally-friendly energy generation. At the same, we in the company are making a major effort to reduce our own energy consumption. We are also at the forefront of a number of research projects that will eventually help us to participate in the green transformation of society. This section describes a number of the activities SEAS-NVE is involved with in order to reduce its environmental impact.

Energy consulting

SEAS-NVE provides consultancy services in the field of energy consumption. We help our customers to save energy for the benefit of the environment. Among other things, we advise our private and business customers about how best to reduce energy consumption in their household or company. We provide grants for home renovation in order to reduce energy consumption.

SEAS-NVE has a portal on the internet, where affiliated craftsmen and partners can report the improvements that private citizens have made to their property. The reporting portal is the common anchor point for the customers', craftsmen's and SEAS-NVE's joint efforts to achieve energy savings.

SEAS-NVE realised the remaining savings in cooperation with commercial clients throughout the country. Energy consultancy for corporate and public sector clients is primarily based on our concept for energy optimisation, Energy management.

One of the many initiatives for green transition in the Danish climate and energy policy is that all energy companies in Denmark shall help the consumers use less energy and report their energy savings to the Danish Energy Agency, cf. the Energy Conservation Agreement of 13 November 2012.

In 2015, SEAS-NVE met their expectations in relation to the purchase and resale of the statutory energy consultancy. An overall result for both the private and commercial sector of 334 million kWh not only means that the obligation for 2015 has been fulfilled, but also that the GWh shortfall from 2014 and 2013 has been made up. The strong performance is more than twice as large as the result of 118 million kWh from 2014.

	2013	2014	2015
Energy savings (kWh)	149.147.000	118.123.000	334.000.000
Corresponding number of households	37.287	29.530	79.000

Energy efficiency in SEAS-NVE

We are continuing to work on the introduction of the Energy Management tool to reduce energy consumption and climate impact.

The work has not progressed as far as expected, but a number of analyses have been launched that during 2015 will result in the preparation of concrete plans, which can subsequently be reported on.

100% climate-friendly electricity generation

The energy product Global Energy from SEAS-NVE is the first Danish electricity product developed specifically according to a declaration for green energy products issued by the Danish Energy Association, the Ecological Council, the Danish Society for Nature Conservation, the Danish Consumer Council, the Danish Energy Agency, the Danish Energy Industry and Energinet.dk. With Global Energy, the customer pays DKK 0.12 per kilowatt hour in addition to the electricity price. For an average family, it only costs about DKK 50 a month to participate. The entire DKK 0.12 is transferred to the Climate Fund, whose purpose is to invest in renewable energy installations, such as new wind turbines. This increases the volume of renewable energy, so that we become less dependent on oil, coal and gas.

In 2015, the Climate Fund invested in its first wind turbine, a Vestas V117 wind turbine, which are located at Store Røttinge near Tappernøje. The 150 metre high wind turbine is expected to produce 10 million kilowatt hours per year. This corresponds to the consumption of 2,500 ordinary households, and is therefore a significant contribution to the green transition and to our common future.

Wind energy

In 2013, SEAS-NVE purchased 80% of the offshore wind farm Rødsand 2, which has 90 turbines located in the waters south of Rødby. Thus, our company is again engaged in wind turbines, as we have been since 1950, when SEAS built the first AC wind turbine in southern Zealand. A few years later, namely in 1957, we built the Gedser wind turbine, which has been an inspiration for the development of new wind turbines up to the present day.

The investment is part of creating value for the region and for our owners and, with a total output of 207 megawatts, it can produce over 830 million kilowatt hours per year, which corresponds to the standard electricity consumption of 200,000 households.

The level of production in 2015 matched our expectations. SEAS-NVE's offshore wind farm actually broke all records and produced 860 Gigawatt-hours of sustainable power in 2015. This represents over 50% of the total power consumption of the Group's approx. 370,000 retail customers on Zealand.

	Achieved 2014	Achieved 2015
Energy produced	820.000.000	840.000.000
Corresponding number of single-family homes	205.000	210.000

Our own solar cell and geothermal installations

In 2013, we established our own solar cell system in Svinninge in order to protect our shared environment from emissions of over 37 tonnes of CO₂ per year. At our Pionergården centre for courses at Kalundborg, we installed a geothermal system as a replacement for an older oil-fired boiler in order to halve the CO₂ emissions from 58 tonnes to 27 tonnes. Both systems had a satisfactory year of operation in 2015 and delivered the expected CO₂ reductions.

SEAS-NVE and the society

SEAS-NVE is a modern, cooperatively owned energy and fibre network group. We take care of our common interests when we lay power cables underground, deploy fibre networks and renovate street lighting. The same applies when we invest in wind turbines, create innovation for the future and provide advice on energy.

It is a modern ownership form that makes a difference. The goal is constantly to create development and growth for the benefit of the customers, the private sector, the public and businesses, in the community and in the region.

As a limited liability co-operative, SEAS-NVE does not have to generate the maximum financial profit for a small group of shareholders. However, our mission is to provide value to our members.

Every year, SEAS-NVE invests a substantial amount in our common infrastructure, the power grid in the supply area. In addition to these investments contributing to maintaining a high supply of electricity and extending the fibre network, they also contribute to job creation in our region.

Reliability of delivery

Maintaining supply is absolutely vital for both the general public, public institutions and businesses. Without power, Denmark would shut down. Reliability of supply is therefore the most important task for SEAS-NVE.

Our primary task is to ensure that there is power in the socket. In fact, reliability of power supply in Denmark is more than 99.99%. This means that each member only experiences a power outage for 20 minutes a year on average. We achieve this level of reliability, even while we operate Denmark's longest power grid to transport power to your home.

The reliability of supply for SEAS-NVE's supply area was high in 2015. On average, our members were without power for 18.6 minutes. This is slightly more than in 2014, when the figure was 15.4 minutes, but the level is still considered to be satisfactory.

The high level of reliability of supply is the result of all of our 10 kV and 0.4 kV overhead lines now being laid underground. When storm Gorm raged through Denmark in November 2015, all of our members retained full power. This is historic.

We are continuing to renovate outdated substations. We renewed the submarine cable between Lolland and Fejø and Fejø-Femø, thus completing the final stage of the modernisation of the power supply system in the Småland channel. The islands in the Småland channel are now interconnected and will therefore have the same reliability of supply as our other members.

SEAS-NVE connected two large solar power plants in 2015: Lerchenborg at Kalundborg with 44 megawatts and Horslunde with 4 megawatts.

Development projects

We focused on innovation and development again in 2015. In collaboration with the rest of society, we take co-responsibility for the development of technologies that will help to support the green transition. In 2015, the intelligent future moved a step closer. We integrated future technologies into members' everyday lives with a multi-dimensional development project, where the consumer and the internet provides the framework for smarter energy consumption.

Development and pioneering spirit are important and natural components of our DNA at SEAS-NVE and our foremost task is to create results and specific initiatives that can be integrated into our customers' homes. Energy supply must be reliable, renewable energy must be taken for granted and energy consumption must be naturally low - without compromising on comfort and the need for a daily life that simply works.

We accept responsibility for this task. Our strategic objective is therefore to be a partner with our members with respect to smart energy.

In Svebølle, a small town in West Zealand south of Kalundborg, we are therefore working with the town's inhabitants, a number of universities and Kalundborg Municipality to test how the internet can help to optimise the family's energy consumption using Wi-Fi management of electricity, heat and water. The technology shall be a natural part of everyday life.

30 of the city's families have had their meters connected to the internet by Wi-Fi. This provides them with a glimpse of how an intelligent future might work, where they can use the "Green family" app on their mobile phones to monitor power consumption when they are holiday. They can also use the app to access advice on saving energy, and they can compare their consumption to similar families' consumption. All this data is provided by a small transmitter. It is placed on the fixtures and installation from which each family wishes to collect data. Several families had the opportunity to check their usage on-line with immediate figures and one family also received data from their heat pump.

We are also running a trial in Svebølle with Wi-Fi hotspots on pylons for street lighting. When the system is in full operation, it will allow citizens to go on-line when they are out walking, for example, and thereby ensure contact with home appliances and installations.

We want our development activities to benefit our members and customers throughout Denmark. Therefore, we are also testing consumers' willingness to change electricity habits and the possibility to store energy. We are developing the power grid in order to be able to handle the increasingly decentralised power generation and the increasing volumes of renewable energy that are being transported on the grid. Our development efforts are helping to make a difference. Our members are our key priority, both now and in the future.

Examples of activities in 2015

All of our projects in 2015 had a common theme, that we should change from producing energy when it is needed, to consuming energy when it is produced.

- **Smart Home to Smart Grid**
This is an EU-funded project that examines how much of our consumption can be moved away from the peak consumption period associated with preparation of the evening meal.
- **UrbGrade**
This is an EU-funded project, which among other things, links the consumer's data with practical advice for energy conservation and compares their usage with other consumers' data.
- **Wi-Fi in street lamps**
This involves the installation of hotspots in street lamps, which allows the gathering of data, for example for the UrbGrade project.
- **"Move Yourself" and "Win with New Electricity Habits"**
Implementation of price tests that examine the consumers' willingness to shift their consumption to cheaper periods.

- **Forecast models**

This entails studying the relationship between electricity consumption (and thus the purchasing of electricity) and the weather.

Business ethics

It is a basic assumption of the competition legislation that companies shall make their business decisions based on an individual assessment and not by agreement with one or more competitors. For SEAS-NVE, this means that we take our daily decisions regarding the implementation of strategies etc. based on our own investigations and decision-making procedures and in accordance with commercial considerations.

In 2015 we developed and implemented the policy *Competition legislation rules of conduct* to apply to our company. In 2016, we will continue to work internally with training and information with respect to the basic principles of the legislation governing competition.

Purchases for SEAS-NVE shall be made in accordance with the applicable laws and regulations, both nationally and internationally. SEAS-NVE therefore expects its suppliers and their subcontractors to comply with applicable laws and international conventions regarding social responsibility and the working environment, which must be documented on request.

Human Rights

SEAS-NVE has not formulated a specific policy on human rights, since we operate exclusively in Denmark. The area of human rights in Denmark is already governed by general legislation, which we adhere to.

Donations

SEAS-NVE strives to create value for each of our members, but we also wish to contribute to and enhance the community in the region. With hope to use our donation programme to strengthen the local community through initiatives that are consistent with our values and our standing as a member-owned enterprise.

We support local initiatives and events with our donations of DKK 10,000 twice a year in order to have the opportunity to contribute to the community and to the development of our common region.

When allocating resources, we emphasize that the activities:

- must originate in an association, club or benevolent event that reaches as many people as possible
- are regional
- are evenly distributed around the region that we supply
- are consistent with SEAS-NVE's focus on accountability and pioneering spirit
- are not operated by our employees or persons related to employees of SEAS-NVE.

In 2015 we granted donations to:

- | | |
|---|---|
| • Trailstars Falster, Nykøbing Falster | • Museumsbanen Maribo-Bandholm, Lolland |
| • Forskønnelsesgruppen Idestrup, Idestrup | • Havdrup Fodbold, Solrød |
| • Fægteklubben Trekanten, Vordingborg | • Sønderlundsparken, Roskilde |
| • Flakkebjerg Skole, Slagelse | • Frivilligcenter Hyldegården, Ringsted |

- Karrebæk Idrætsforening, Næstved
- Hagedsted Forsamlingshus, Holbæk
- Tuse Næs Jagtforening, Holbæk
- Agersø Møllelaug, Slagelse
- Julemærkehjemmet Skælskør, Slagelse
- Nakskov Roklub, Lolland

- Hjerteforeningens Børneklub, Guldborgsund
- Spejder Niløse – DDS, Sorø
- NBK Badminton, Guldborgsund
- Global Markedsplads, Guldborgsund

What will we do in 2016?

In 2016 we will continue to structure our work with CSR. We will do this by, among other things, initiating specific activities that are both CSR-related and targeted at our key areas of focus, and which simultaneously contribute to the development of SEAS-NVE's business activities.

Examples of planned activities in 2016:

- **We intend to double the number of our apprentices**

As a co-operative and a large regional company, we have both a duty and an interest in helping to train and develop apprentices and students and to address the shortage of traineeships and apprenticeships that exists in the region. SEAS-NVE wishes to lead the way in the region and we will therefore double the number of apprentices and trainees in 2016. This means we will go from having 11 apprentices in 2015 to having 22 in the 2016.

- **Women in management - ambitions**

Generally, there is a positive trend in the proportion of female managers at all levels in SEAS-NVE. The overall level of women in management is remarkably high, relative to the general proportion of women in the company. In 2016 we will work to ensure that we continue to achieve our objectives and maintain the current positive trend regarding female managers in the Group and to identify opportunities for further initiatives in this area

- **Renewed efforts in occupational health and safety and the natural environment:**

- In 2016 we will launch renewed and enhanced initiatives for the working environment, focusing especially on the psychological working environment.
- Our focus on the working environment in 2016 will also be aimed at reducing the total number of chemical substances currently in use at SEAS-NVE.
- We will therefore continue to chart our impact on the natural environment and establish an environmental policy for SEAS-NVE.