

ESG STRATEGY

Climate change is one of the biggest challenges of our time. Transformation of the energy system is a crucial condition to achieve a CO₂-neutral society by 2050. This is an enormous task for the Netherlands and for Enexis. At the same time, we regard this as a unique opportunity to contribute to the sustainability of the Netherlands. We do everything we can to keep our energy infrastructure reliable and accessible for everyone. This is essential for a sustainable Netherlands and also economically and socially vital.

Energy networks are the lifeblood of our society. Visible and invisible, parts of complex and crucial networks are everywhere: cables and pipelines that provide us with energy. Energy that we use to heat our homes, charge our cars, and keep the economy moving. Increasingly, this energy comes from sustainable sources.

As a network company, Enexis is at the heart of society. Our mission is to bring more and more renewable energy to people by smartly investing in reliable energy infrastructure. This keeps the energy transition feasible and affordable. Fulfilling this mission requires our full attention. Therefore, we focus on our core activities. Everything must be aimed at keeping the energy supply safe and reliable, connecting customers on time, and realising a future-proof energy system. By focusing on our essence, we make the difference.

In doing this we realise our biggest social and sustainable impact. Our vital infrastructure is essential for the functioning of the economy and society. Additionally, we enable sustainable generation and electrification of industry and mobility. The transformation of the energy system demands a lot from our organisation, from the people who work for us, and from the parties we collaborate with. Therefore, we want to offer a safe, attractive working environment and conduct business fairly.

At the same time, we realise that our core activities have a downside. Our work impacts the climate, and we use raw materials. We feel responsible for this. We make sustainable choices in our business operations. We focus on topics where we can truly make a difference and that do not hinder the realisation of our mission.

We have developed our ESG strategy based on the following material themes.



Material topics and stakeholders

Enexis periodically conducts research on which topics are material to us. This helps to focus on the most relevant topics in our plans and reporting. A topic can be material for two reasons:

- Inside out: Enexis can have a significant (positive or negative) impact on people and/or the environment with the topic.
- Outside in: the topic has the potential for significant financial impact on Enexis.

This is called double materiality.

Our stakeholders

We continuously engage with our stakeholders to influence, help, and collaborate with each other. We distinguish eight stakeholder groups:

- Customers
- Employees
- Shareholders
- Energy market parties
- Investors
- Chain partners
- Policymakers
- Local energy transition partners

Internal analysis and input from our stakeholders are crucial in determining our material topics. In 2024, we conducted this process based on the CSRD themes and requirements. This resulted in the following material topics, which form the basis of our ESG strategy.



Environment



Realising the energy transition

Governments, companies, and citizens are making plans and taking concrete steps in the energy transition. They are making homes more sustainable, building wind and solar parks, and are investing heavily in electric transport and the sustainability of industry. As a grid operator, we are an indispensable link in the transformation of the energy system. We have the greatest sustainable impact when we ensure that our grids enable our customers to become more sustainable. Our role is expanding: from manager to manager, architect, builder and director of a future-proof energy system.

Enexis actively influences the demand for capacity on the electricity grid. System efficiency, the right incentives, and influencing locations for energy generation or use are high on our agenda. With digitalisation, innovation, and managing supply and demand, we find ways to use the grid more efficiently. Additionally, significant grid expansions are, of course, still necessary.

In a future-proof energy system, sustainable molecules such as collective heat, green gas, and hydrogen are also needed. We contribute to this as well.

Long-term goals

- We expand the grid annually by at least 1 GW.
- We aim to realise the equivalent of 50,000 additional homes on heat in our service area by 2030, together with partners.

A selection of our measures

- We accelerate the expansion of the regional energy infrastructure with the National Implementation Agenda.
- We make the grid future-proof neighbourhood by neighbourhood with production caravans.
- We maximise the use of the existing grid with the further development of congestion management and the development of propositions for customers who are flexible in production and/or consumption.
- We promote the use of green gas and hydrogen to achieve Dutch climate goals and ensure that our infrastructure is ready in time to:
 - o Inject green gas;
 - o Distribute hydrogen from 2028, also through the existing gas network.

Sustainable business operations

Our core activities enable the energy transition, but they also have a downside. Our work impacts the climate, and we use raw materials. We feel responsible for this and therefore make sustainable choices in our business operations. We focus on climate and circularity because we can make the biggest difference there. In our measures, we ensure that we do not hinder the positive impact of our core activities and keep an eye on the affordability of the energy supply.

Climate

Enexis has already made about 85% of its emissions in scope 1 and 2 of its CO₂ footprint sustainable in recent years. The remaining part is small but also harder to make sustainable. Nevertheless, we have set ourselves an ambitious goal. Our goal is a greenhouse gas reduction in scope 1 and 2 of 25% by 2030 compared to 2024. This is in line with the Paris Climate Agreement to limit global warming to 1.5 degrees and achieve climate neutrality by 2050. It is based on a linear reduction from 2024 towards 2050. As a public company, we take at least our fair share in the Dutch climate goals. For example, we purchase our grid loss electricity 100% green, and to help achieve the Dutch climate goals, we do this partly in the Netherlands. This will increase to 55% in 2030, and if the Dutch climate goals change, we will follow that.

We do not have a 2050 goal for our emissions in scope 1 and 2. The largest part of our remaining footprint in scope 1 and 2 consists of gas leaks. We can reduce them but never completely prevent them. We have a legal duty to distribute gas, and there are still many uncertainties in making the energy system free of natural gas by 2050. Because we want to stand for goals we promise, we choose not to set a goal for 2050 at this time.

We expect to set a target for scope 3 emissions in our footprint in 2025. We are taking measures to reduce greenhouse gas emissions in scope 3. In 2024, we will complete this part of our footprint with missing components and align it with CSRD requirements. This insight is needed to identify further improvement potential and set an ambitious and achievable goal. This will likely be an intensity target rather than an absolute target because we are purchasing more and more services and products due to the energy transition.

Finally, we choose to offset the remainder of our gross carbon footprint in scope 1 and 2, and commuting and business travel in scope 3. We invest in solid CO₂-reducing projects that also contribute to the sustainable development of local communities.

In addition to the fact that our operations impact the climate, the changing climate also impacts our operations. How we manage these risks is described in the paragraph Reliable and accessible energy infrastructure.

In 2025, we will publish a Transition Plan for Climate Mitigation in which we concretize the measures to achieve our 2030 goal.

Circularity

In terms of circularity, we focus on the four component groups with the biggest environmental impact: low and medium voltage cables, gas pipes, and distribution transformers. We aim to reduce the share of primary raw materials per unit of product for these component groups by 50% in 2030 compared to 2014. We optimise our operations to prevent waste of products and

materials. And although our work inevitably produces waste, we see it as our responsibility to collect, separate, and process it properly.

Biodiversity

Our efforts for climate and circularity also positively contribute to biodiversity. And although our area is too small to make a significant contribution to biodiversity through land use, we still want to take steps in this area. We consider nature-inclusive construction in consultation with the municipality if it contributes to support and/or speed of our core activities. And we are developing a plan to meet our commitment in the “Sectorakkoord Natuurinclusieve Infrastructuur”.

Long-term goals

Climate:

- Our greenhouse gas emissions in scope 1 and 2 are 25% lower in 2030 than in 2024.
- Enexis is and remains CO₂ neutral (Scope 1 and 2 CO₂ footprint) by:
 - 100% green procurement of electricity, of which generated in the Netherlands increasing to 55% in 2030. We follow the Dutch climate goals.
 - Offsetting what we cannot procure green with investments in solid CO₂-reducing projects that also contribute to the sustainable development of local communities.

Circularity:

- In 2030, the share of primary raw materials per unit of product (m or kVa) in the inflow of components within scope (LS cables, MS cables, gas pipes, and distribution transformers) is 50% lower than in 2014.

Biodiversity:

- We aim to have a positive impact on nature with our projects from 2030 onwards. By 2025 at the latest, we will have goals and a plan to meet the commitment in the “Sectorakkoord Natuurinclusieve Infrastructuur”.

A selection of our measures

- We reduce grid losses by using the right materials and by detecting and repairing gas leaks.
- We apply CO₂ pricing in our procurement and investment decisions.
- We make our inflow more circular (Sustainable Procurement), reuse used components, and separate and recycle waste.
- With our Sustainable Procurement policy, we challenge suppliers to positively distinguish themselves in terms of sustainability (materials & environment).
- We adjust our lease offer so that employees can only choose 100% electric passenger cars from January 1, 2025.
- Through pilots and a frontrunners group, we gain experience to develop an ambitious and feasible scaling plan to make company cars, vans, and heavier transport/equipment more sustainable.
- We purchase more sustainable emergency power generators (reducing particulate matter and CO₂ and limiting noise pollution).
- Together with partners, we investigate how we can structurally increase the availability of electric equipment in the market in the future to comply with the law in time.
- In future tenders for landscaping management, we consider ecological management to limit our negative impact.

Society

Reliable and accessible energy infrastructure

Energy infrastructure is rightly characterised as vital infrastructure. It is economically and socially essential for the Netherlands and its residents. Therefore, we strive for accessible, safe infrastructure while maintaining our high level of reliable energy supply at the lowest possible cost.

- We are proud of the high reliability and safety of our energy supply. Even in the energy transition, we make no concessions in this regard.
- We aim for zero accidents involving the public. In practice, this is not achievable due to the inherent risks of gas and electricity distribution and dependencies on the environment (excavation work, vandalism, etc.). We take measures to prevent incidents and set targets and thresholds to tighten these measures where necessary.
- In everything we do, we are aware that we must spend money wisely. This is part of our public duty and helps keep energy affordable for everyone. Therefore, we make cost-efficient choices and work efficiently and effectively.

The changing climate can lead to an increased risk of flooding, severe drought, and prolonged heat. Enexis' infrastructure is well-resistant to a wide range of extreme weather conditions, such as high temperatures, drought, heavy rainfall, and high wind speeds. Flooding can potentially lead to power outages for customers. Therefore, mitigating measures have been or will be taken. The residual risk is currently considered acceptable. We keep a close eye on this with our ROBAM system (Risk and Opportunity Based Asset Management). We periodically assess asset risks and opportunities and weigh them against each other to invest and maintain effectively.

Long-term goals

Reliability:

- We minimise accidents involving the public.
- We aim to score better than the sector average for annual electricity outage duration: we ensure that customers are without electricity for an average of less than 17.5 minutes per year.
- We maintain the historically very high safety and reliability of gas, with an outage duration of around 1 minute per year.

Accessibility:

- We connect customers on time: we aim to connect at least 85% of our customers on their desired date, and we want to achieve this goal by 2026 at the latest.

Affordability:

- We make cost-efficient choices and work more efficiently and effectively. Our goal is to save at least 220 million euros between 2022 and 2026.

A selection of our measures

- Perform timely maintenance, quickly resolve outages, and use the right materials.
- Invest in grid automation and use collected data to realise the energy transition, connect as many customers as possible, and keep the network reliable and affordable.
- Inform customers in a timely manner about where capacity will be available.

Attractive work

At Enexis, you contribute to one of the greatest challenges of this generation: the energy transition. Enexis is entering a period of unprecedented growth. This means we offer structural employment to achieve our sustainable ambitions. We recruit new employees, and due to the shortage of experienced technicians, we focus heavily on technical training for the entire chain. We also tap into new target groups in the labour market, such as status holders and returnees. By maximising the use of capacity of contractors, we increase our execution capacity.

The task we face demands a lot from our organisation and the people who work for us. The transition calls for craftsmanship, vitality, and resilience from employees. As an employer, we do everything we can to attract and keep employees sustainably employable in a safe, attractive working environment. Our three core values—Clear, Inclusive, and Learning—are our anchor in collaboration and interaction with each other and our environment. We are convinced that if every individual feels welcome and valued, we challenge and strengthen each other to achieve great performances as one Enexis.

We want every employee and everyone who works for Enexis to come home healthy every day. Therefore, safe working is a top priority. We continue to build a strong safety culture—with our employees and the contractors we work with more and more closely. We learn across the chain from accidents and good examples, because every accident is one too many.

Enexis follows the guidelines for working conditions of the International Labour Organization (ILO) and recognises and endorses the Universal Declaration of Human Rights of the United Nations. We also demand this from our suppliers.

Long-term goals

- We strive for employees to come home safely every day.
 - We have a Lost Time Injury Frequency (LTIF) of less than 1 for Enexis employees and less than 2 for contractor employees.
 - By 2027, we will be at level 4 of the Safety Ladder.
- We offer market-conform and social employment conditions.
 - By 2026, we aim to score higher than 40 on the Employee Net Promoter Score (ENPS).
 - We are an Enexis for everyone: with a diversity of people and an inclusive organisational culture.
 - We have more women in leadership positions:
 - At least 40% women and at least 40% men in senior management, the Executive Board, and the Supervisory Board.
 - Middle management grows to 30% women by 2030.
 - We embrace cultural diversity: 10% of employees entering in 2030 have a culturally diverse background. Their country of origin is outside Europe (source: CBS).

A selection of our measures

- We build a positive safety culture every day based on trust, openness, and learning (amongst others through workplace dialogues and collaboration with contractors).
- We use a collective primary and secondary employment package that supports fair appreciation, vitality, and a good work-life balance.
- We enter into strategic partnerships with our contractors for the execution of large, multi-year work packages. We shift our production in the chain.
- We profile Enexis as an attractive employer in the labour market to attract new technical employees, IT, and data analysts.
- We motivate continuous learning, both in craftsmanship and personal development, and invest in training through our own vocational school and a wide range of learning opportunities.
- We take measures to comply with the International Labour Organization Guidelines to combat (among other things) child labour and support freedom of association and assembly.
- We respect human rights and act accordingly to provide a (socially) safe working environment and demand this from our suppliers. We do this with our Code of Conduct for employees and our Supplier Code of Conduct.

Doing business honestly

At Enexis, we do business honestly and strive for responsible and ethical governance and behaviour. We respect at least the (inter)national laws and regulations and expect the same from the parties we work with.

Good corporate governance, adequate supervision, and transparent accountability to all stakeholders are important to us. Enexis has a social duty. We apply the Corporate Governance Code as far as possible and applicable. This emphasises our responsibility for the social aspects of business. The Executive Board, Supervisory Board, and General Meeting of Shareholders are responsible for governance and supervision. An explanation of our governance and the associated documents are publicly accessible via our website.

We continuously engage with our stakeholders to influence, help, and collaborate with each other. Topics of discussion include our strategic choices, the future-proof energy system, and mutual services.

As a contracting authority, we are bound by the Procurement Act and the Proportionality Guide and follow the principles of transparency, equal treatment, and proportionality in our assignments.

In anticipation of upcoming legislation, such as the Corporate Sustainability Due Diligence Directive (CSDDD), we are further refining our due diligence process to continuously identify, prevent, and/or mitigate actual and potential negative impacts on human rights and the environment in our value chain. After an impact and risk analysis, we will develop a plan for this by 2025 at the latest.

A selection of our measures

- We are continuously alert and protect vital infrastructure, ICT systems, and (personal) data structurally and proactively against digital attacks.
- We use a code of conduct for suppliers and a code of conduct for employees. We raise awareness among employees through periodic e-learnings.
- We use pre-employment screening to reduce integrity and fraud incidents, with the intensity of the screening depending on the position. Internal transfers to certain positions also involve screening.
- We have a complaints procedure, confidential advisors, and a whistleblower policy for reporting any violations of our policy.
- We have established a complaints desk specifically for procurement procedures.
- We ensure that every employee signs a confidentiality agreement.