



Femern
Sund ≈ Bælt

**FEMERN A/S'
SUSTAINABILITY STRATEGY**

CONTENTS

| | | |
|-----|------------------------------|----|
| 1 / | Foreword | 3 |
| 2 / | A sustainable business model | 4 |
| 3 / | Strategic priorities | 7 |
| | Climate | 9 |
| | Technology and materials | 10 |
| | Nature and biodiversity | 11 |
| | Local engagement | 12 |
| | Pay and working conditions | 13 |
| | Apprentices and training | 14 |
| | Working environment | 15 |
| | Equality and human rights | 16 |
| | Anti-corruption | 17 |

1 / FOREWORD

Femern A/S is the client for the largest construction project in Danish history, the Fehmarnbelt Fixed Link. The link will be an 18 km immersed tunnel between Rødbyhavn on Lolland in Denmark and Puttgarden on Fehmarn in Germany, creating an efficient, green transport corridor that connects Scandinavia with the rest of Europe. When complete, the tunnel will be the world's longest immersed tunnel for both cars and trains.

The Fehmarnbelt Fixed Link creates new opportunities for regions, local communities, businesses, tourists and commuters. Its construction has already had a significant effect on business both locally and regionally and will provide employment for several thousand people. There will also be a significant demand for goods and services during the construction phase. The link is therefore important for Denmark and Germany – both locally and regionally.

As the client, Femern A/S is a socially responsible company and will implement the upcoming link as an infrastructure project with a special focus on environmental and social sustainability. The ambition is for the project to be an inspiration for future construction projects, including that it will develop, gather and pass on experience and learnings to other future infrastructure projects.

Femern A/S is a subsidiary of the state-owned Sund & Bælt Holding A/S. In 2009, Sund & Bælt Holding A/S joined the UN Global Compact, which is the world's largest voluntary initiative for sustainable companies. This means that, through the holding company, Femern A/S is obliged to work with the Global Compact's ten principles and the relevant global goals as an important focal point for the company's core business, as well as to report the company's progress on sustainability to the UN on an annual basis. Femern A/S therefore also refers to the UN's global goals in this strategy and in the company's other reporting on sustainability.



The strategy, which sets the overall framework for Femern A/S' work on sustainability, is therefore a supplement to Sund & Bælt Holding A/S' sustainability policy. Because the sustainability agenda is changing rapidly, Femern A/S will, on an ongoing basis, evaluate the company's ambition levels and success criteria in connection with the company's annual reporting to the UN.

WE SUPPORT



Henrik Vincentsen,
CEO, Femern A/S

2 / A SUSTAINABLE BUSINESS MODEL

Femern A/S is 100% owned by Sund & Bælt Holding A/S, which, in turn, is wholly owned by the Danish state. The Danish Ministry of Transport handles the ownership of the Sund & Bælt Group, including Femern A/S. The 2015 Construction Act gives Femern A/S the responsibility to construct and operate the Fehmarnbelt Fixed Link.

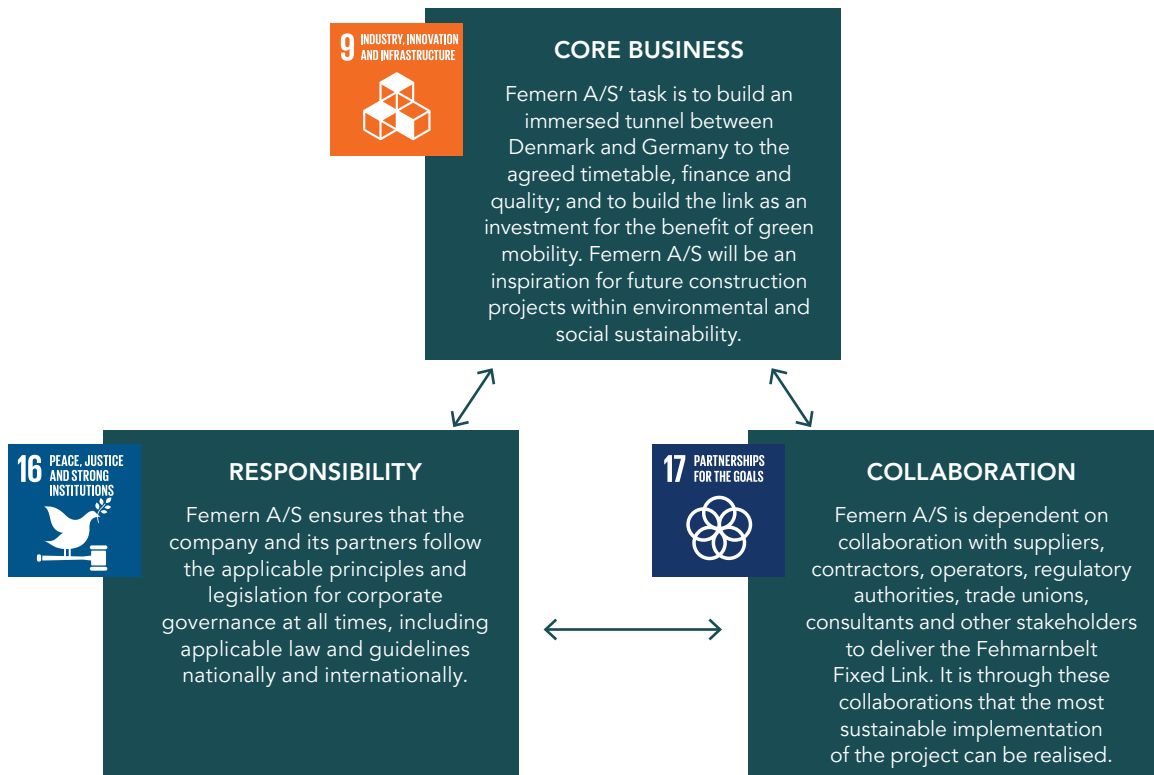
Femern A/S contributes to creating the sustainable European transport network of the future. The link will establish a green transport corridor with a fully electrified railway and a direct road link between Scandinavia and central Europe – ready to handle the green vehicles of the future. The company works transparently and systematically with social responsibility to ensure that its environmental and social sustainability objectives are met, together with sustainable corporate governance.

The link will be constructed to be as climate-friendly as possible and will focus on minimising the carbon footprint from the materials used and on promoting sustainable behaviour on the construction site. In addition, it is Femern A/S' ambition that the operation of the link itself from 2029 will be CO₂e-neutral. The link will be built in such a way that everyone who works on the project experiences a safe and secure working environment, has decent pay and employment conditions, and that Femern A/S contributes to the training of skilled workers in order to secure the skilled workforce of the future.

Femern A/S bases its work on life cycle analyses in relation to both environmental and social sustainability. It is essential to deliver an operational tunnel that is built with the most durable materials so that it is as maintenance-free as possible. The maintenance itself should look to extending the life of existing components where possible. Similarly, Femern A/S regards concern for the working environment and for apprenticeships as initiatives that can be used throughout the company's value chain. This also means that these can be transferred to Sund & Bælt's future construction projects in addition to being an integral part of the operation and maintenance of existing links.

Femern A/S is a responsible client and sets ambitious goals for environmental and social sustainability. The company has a major responsibility in relation to the entire Sund & Bælt value chain and aims for optimal utilisation of the opportunities it provides. Femern A/S has consequently developed a business model that forms the overall structure and principles for how the company works with sustainability. The business model has to ensure that the company works with sustainability where there is the greatest benefit from the company's activities in order that its strengths and opportunities are used in the best possible way.

FIGURE 1: FEMERN A/S BUSINESS MODEL FOR SUSTAINABILITY



Note: Femern A/S' business model for sustainability forms the overall structure and principles for how the company works with sustainability.

All activities that Femern A/S plans and performs must comply with these three principles.

2.1 / CODE OF CONDUCT FOR RESPONSIBLE SUPPLIER MANAGEMENT

Femern A/S works with sustainability both in relation to the company's own activities and those that its partners perform on behalf of Femern A/S.

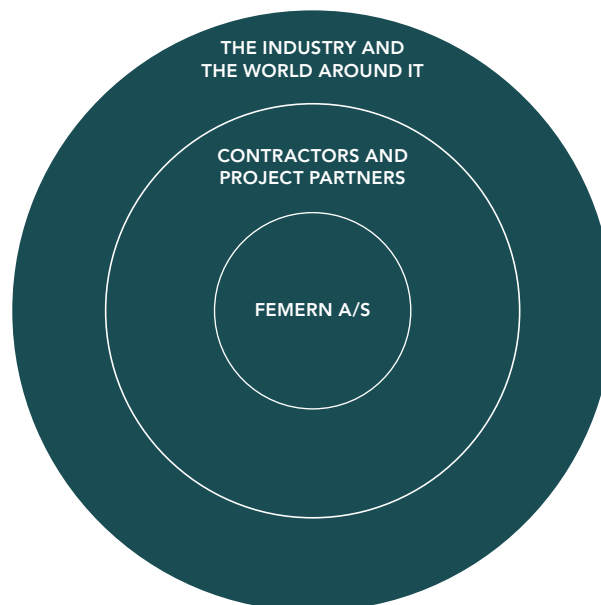
Femern A/S has therefore prepared a code of conduct for responsible supplier management. The effect of this is that the company's suppliers are obliged to comply with the Global Compact's ten principles. Suppliers must develop policies and guidelines for social responsibility with a focus on the aspects that are particularly relevant to their specific industry. They also have to work systematically to continuously improve their social efforts. At Femern A/S' request, suppliers have to be able to document that the requirements in the code of conduct have been met. Furthermore, Femern A/S can carry out an audit of the supplier if its submitted documentation is assessed to be insufficient.

2.2 / SPHERES OF INFLUENCE

Femern A/S is the client and has contracts with contractors for the execution of the construction work. Femern A/S only sets social responsibility goals where the company itself has an influence on their fulfilment. The company has therefore identified three spheres of influence within which the company operates. The spheres of influence describe the company's ambition levels and success criteria in relation to itself, contractors and project partners, as well as in relation to the industry and the world around it.

The three spheres of influence feature in all of the company's activities. They indicate various opportunities to handle and control the company's sustainability initiatives.

FIGURE 2: FEMERN A/S SPHERES OF INFLUENCE



FEMERN A/S' SPHERE

Femern A/S has full responsibility and control over all sustainability related matters within its own organisation.



CONTRACTORS AND PROJECT PARTNERS' SPHERE

Femern A/S' responsibility is to ensure that contractors, suppliers and other project partners – through contracts and collaborations – promote the sustainable construction of the Fehmarnbelt Fixed Link.



THE INDUSTRY AND THE WORLD AROUND IT

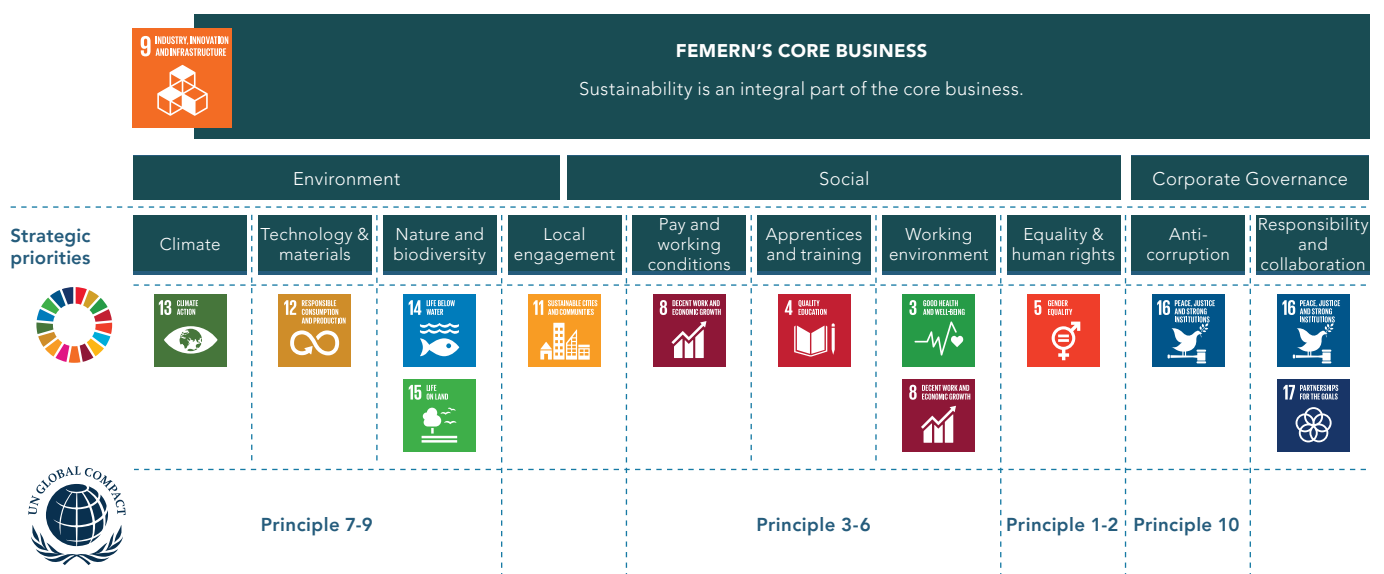
Femern A/S' responsibility is to ensure that it contributes positively to industry and society – by setting high standards for sustainability in the project's implementation: to inspire future projects; and by sharing knowledge and experiences in the field.

Note: Femern A/S has various opportunities to handle and control the various sustainability initiatives in each sphere.

3 / STRATEGIC PRIORITIES

Sund & Bælt Holding A/S has, based on its value chain, selected ten strategic priorities that all projects in the group must work with for environmental and social sustainability, as well as sustainable corporate governance. Femern A/S has identified the company's ambition levels and success criteria within each of the ten aspects.

FIGURE 3: FEMERN A/S' STRATEGIC PRIORITIES FOR SUSTAINABILITY



Note: Femern A/S' strategic priority areas have been chosen on the basis of the holding company's business model for corporate social responsibility and constitute the aspects that Femern A/S is involved with in its sustainability work

Because Femern A/S is dependent on collaboration with suppliers and the construction contractors to perform its core business, it is essential that it works with these ten aspects both internally and in relation to partners. In addition, the company must assess these areas in relation to how the company can influence the industry and the world around it through the conduct of its core business. For each of the priority areas, Femern A/S has therefore formulated an ambition level and a success criterion in relation to each level in the company's three spheres of influence.

Femern A/S reports annually on the company's work with the sustainability strategy.





ENVIRONMENTAL CONDITIONS

CLIMATE

Femern A/S' ambition is to build the Fehmarnbelt Fixed Link with the utmost consideration for the climate. When the tunnel is complete and opens to traffic, the new infrastructure will make an important contribution to the sustainable European transport network of the future.

Femern A/S also has the ambition to contribute to research and dissemination of knowledge about climate-friendly solutions for future infrastructure projects with a view to accelerating the green transition of the industry.

Man-made climate change has left its mark – not least as a result of rising greenhouse gas emissions, and there is a shared responsibility to help reduce these.

Femern A/S oversees the contractors in order to ensure that focus on minimising CO₂-emissions is maintained at all times. All CO₂-equivalent emissions are therefore quantified in relation to construction work. Femern A/S encourages contractors to investigate the market so that the most climate-friendly materials are selected, and that all materials used carry an Environmental Product Declaration (EPD). The EPD requirement has the advantage of maturing the market, which supports the green transition of the construction industry. In addition, Femern A/S actively supports future infrastructure projects in their choice of more climate-friendly materials as a result of it having contributed to research in this area.

AMBITION LEVELS



Femern A/S' ambition is to minimise the company's climate impact.

Femern A/S' success criterion is that the operation of the Fehmarnbelt Fixed Link must be CO₂-neutral from 2029. During the construction phase, Femern A/S will ensure that the company sets targeted climate requirements in future tenders for construction contracts and has a clear policy on climate-optimised procurement for administration use.



Femern A/S' ambition is to optimise the climate impact of the Fehmarnbelt Fixed Link during the construction phase.

Femern A/S' success criterion is to reduce the total CO₂ emissions in the construction phase to a lower level than assumed in the EIA report.



Femern A/S' ambition is to contribute to the green transition of the building and construction sector.

Femern A/S' success criterion is to support research and dialogue through participation in activities that promote the green transition.



ENVIRONMENTAL CONDITIONS

TECHNOLOGY AND MATERIALS

Femern A/S is constructing the world's longest immersed tunnel, which is designed to last for at least 120 years. Its ambition is to use the best possible available technology and focuses on optimising the use of resources to ensure that the impact on the climate and the environment is minimised as much as possible during the construction phase and throughout the life of the infrastructure.

The construction industry accounts for about 40% of society's resource and energy consumption and for a third of the total Danish waste volume, which is why there is great potential in utilising the resources as efficiently as possible and avoiding material waste.

Femern A/S contributes to the fact that during the construction of the Fehmarnbelt Fixed Link research can be carried out into both the use of new materials with a lower impact on the climate and the environment, as well as the recycling of materials. Concrete and steel, which constitute a significant element of the construction materials in the tunnel, are among those that have the largest imprint and on which Femern A/S has a particular focus. The company has also designed the tunnel to last for 120 years, which minimises the resource pressure in relation to maintenance and the use of temporary structures. Efforts are also being made to preserve the tunnel element factory at Rødbyhavn so that it can be used for other future construction projects.

AMBITION LEVELS



Femern A/S' ambition is to develop knowledge about new technology and environmentally friendly materials for use in future projects.

Femern A/S' success criterion is to minimise Sund & Bælt Holding A/S' total resource consumption in future construction projects.



Femern A/S' ambition is to promote the contractors' work with circular building materials, including through the use of best available technology.

Femern A/S' success criterion is that the contractor uses the best available technology in an effort to reduce resource consumption and increase the recycling possibilities of temporary installations and structures.



Femern A/S' ambition is to lead the way in terms of new methods of constructing sustainable projects.

Femern A/S' success criterion is that new technology and the use of more environmentally friendly materials are researched during the construction of the Fehmarnbelt Fixed Link.



ENVIRONMENTAL CONDITIONS

NATURE AND BIODIVERSITY

Femern A/S has great respect for nature and the environment. Its ambition is that the Fehmarnbelt Fixed Link will have minimal impact on plant and animal life, as well as their habitats, both during the construction phase and when the tunnel is complete. Femern A/S is a responsible and transparent client and therefore ensures that all the company's environmental data is publicly available.



Plant and animal ecosystems are vulnerable to external influences such as pollution and climate change, with many plant and animal species being endangered. By conserving biotopes on land and at sea, ecosystems are maintained for the benefit of nature.

Femern A/S prepared thorough environmental analyses for the final environmental approval of the project in Denmark and Germany. Femern A/S designed and planned the Fehmarnbelt Fixed Link in such a way that neither the construction work nor the completed tunnel will cause significant deterioration of plant, animal life and habitats. The inevitable impacts on nature areas will be remedied with the creation of new nature areas elsewhere, so that both human and other life on land and in the sea will benefit from the upcoming tunnel. At Rødbyhavn, new green corridors are being established which are in tune with nature and which create a basis for a robust population of insects together with protected animals and plants. Rocks will be placed to protect the end of the tunnel and, over time, they will acquire the same function as natural stone reefs and form a habitat for the Fehmarnbelt's animal and plant life.

AMBITION LEVELS



Femern A/S' ambition is that the construction of the Fehmarnbelt Fixed Link has minimal impact on plant and animal ecosystems.

Femern A/S' success criterion is to ensure joined up nature areas with green corridors to support a robust population of protected animals and plants.



Femern A/S' ambition is to ensure ecologically functional habitats for plants and animals.

Femern A/S' success criterion is to promote nature in local areas by establishing areas that benefit the original nature and biodiversity of the area.



Femern A/S' ambition is to be a transparent client organisation that inspires future construction projects.

Femern A/S' success criterion is to publish its nature data on a publicly available nature portal throughout the construction phase and on an ongoing basis.



ENVIRONMENT AND SOCIAL CONDITIONS

LOCAL ENGAGEMENT

Femern A/S is building a green transport corridor that connects Scandinavia with the rest of Europe, and which will contribute to creating growth and development both regionally and across national borders. Femern A/S' ambition is to build local engagement in relation to the environment and nature, to local businesses and to ensure a true spirit of community.

A construction project of the size and scope of the Fehmarnbelt Fixed Link has an impact on the local environment in the form of periodic nuisance such as noise, dust, light and traffic on the local roads. Such nuisances are regulated partly through the applicable environmental legislation, and partly through the contractual requirements that form the basis for the contractors' execution of the construction work. Femern A/S monitors its contractors to ensure they comply with the requirements and criteria in force at any given time.

The building of the Fehmarnbelt Fixed Link entails a high level of construction site activity, which can be a nuisance for the local environment and population. Femern A/S collaborates with the contractors to reduce these nuisances and deliver good, timely and transparent information about the construction to local residents. A derivative effect of the construction of the link is local growth in the business community and, in addition, the project also brings other follow-on opportunities for the local business community.

AMBITION LEVELS



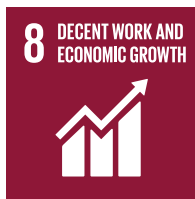
Femern A/S' ambition is to be an open and accessible client in and for the local area.
Femern A/S' success criterion is that the local population and business community perceive Femern A/S as an engaged and trusted partner that contributes to local development.



Femern A/S' ambition is to support the sense of community that the project will engender.
Femern A/S' success criterion is that as many local businesses as possible are engaged as suppliers to the project's contractors.



Femern A/S' ambition is to create growth and development in the region.
Femern A/S' success criterion is to contribute to creating lasting growth and employment in the local area.



SOCIAL CONDITIONS

PAY AND WORKING CONDITIONS

Femern A/S is the client for the largest construction project in Danish history. The construction itself will employ approximately 3,000 people annually until the planned opening in 2029. Femern A/S sees it as an essential precondition for being a responsible client organisation that there are decent pay and employment conditions on the Fehmarnbelt project. Femern A/S therefore wishes to promote the Danish model across the entire project.

There are major differences in pay and working conditions around the world. Denmark has a minimum wage that is relatively high compared with other countries. Decent working conditions are ensured through laws, regulations and agreement systems. The Danish labour market is rooted in the Danish labour market model, which is founded on a dialogue-based agreement system, collective agreements and a high degree of organisation. In principle, the government does not interfere in the regulation of pay and working conditions.

Work performed on the project must be in accordance with applicable national and international laws and agreements that regulate pay and working conditions. Femern A/S monitors the contractors to ensure decent conditions for employees who work on the Fehmarnbelt project. Femern A/S has therefore incorporated clauses on pay and working conditions applicable to working in Denmark and Germany. Femern A/S also demands that the contractors offer proper housing to those employees who cannot reasonably commute between their home and the workplace.

AMBITION LEVELS



Femern A/S' ambition is to ensure the framework and basis for decent pay and working conditions for everyone working on the Fehmarnbelt project.

Femern A/S' success criterion is to ensure that national and international labour market models are implemented on the project.



Femern A/S' ambition is to create the framework for a working life of health and well-being for everyone who works on the Fehmarnbelt project.

Femern A/S' success criterion is that everyone who works on the project with contractors and consultants is given the opportunity to live a healthy lifestyle based on a focused effort by the contractors.



Femern A/S' ambition is to ensure that its knowledge and experience are made available to the industry for use in future construction projects.

Femern A/S success criterion is to engage in the industry and public debate, by sharing knowledge and experience on pay and work conditions on the Fehmarnbelt project.



SOCIAL CONDITIONS

APPRENTICES AND TRAINING

Femern A/S is constructing the world's longest immersed tunnel. This requires employees with great professional expertise of various kinds and especially in the skilled trades. Femern A/S' ambition is to contribute to increasing the number of skilled workers in Denmark and Germany. This includes contributing to achieving quality in the training of apprentices.

A projection from Arbejderbevægelsens Erhvervsråd (The Economic Council of the Labour Movement) of imbalances in the labour market shows that Denmark will have a shortage of 99,000 skilled workers by 2030. At the same time, there will be a 59,000 surplus of unskilled workers. The imbalance can lead to bottlenecks, higher unemployment and lower wages for certain groups, while at the same time hindering companies' opportunities for development.

Femern A/S wishes to contribute to the employment of both apprentices in the skilled trades as well as trainees and trainee office staff. For the major construction contracts, Femern A/S has set requirements for the training of a total of 500 apprentice man-years during the Fehmarnbelt Fixed Link's construction period. Femern A/S supports contractors in fulfilling the training requirement and participates in networks and collaborates with local and regional educational institutions, authorities, organisations, client organisations on other large Danish infrastructure projects, as well as labour market parties.

AMBITION LEVELS



Femern A/S' ambition on the Fehmarnbelt project is to train the next generation of skilled labour.

Femern A/S' success criterion is to create interest among young people in becoming an apprentice on the Fehmarnbelt project, and that high-quality training courses are offered in a safe environment.



Femern A/S' ambition is that the Fehmarnbelt project will help to train the next generation of skilled labour.

Femern A/S' success criterion is that 500 apprentice man-years are trained by the contractors.



Femern A/S' ambition is to be a beacon for future construction projects in relation to the training opportunities for apprentices.

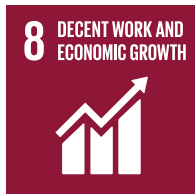
Femern A/S' success criterion is to increase interest in a vocational education.



SOCIAL CONDITIONS

WORKING ENVIRONMENT

Femern A/S' ambition is that all employees on the Fehmarnbelt project have the same approach to high safety standards in the workplace in order that everyone is secure in the knowledge that they will return from work safely every day. Under the heading "Target Zero - A State of Mind", Femern A/S seeks to achieve a safe and secure construction process



The construction industry is one with a high risk of accidents at work, and there is therefore a need for a strong focus on safety. Figures from Arbejdstilsynet (the Danish Working Environment Authority) show that 13 percent of reported industrial accidents in Denmark occur in the construction industry, even though the industry only accounts for about six percent of the employed. In addition, the risk of physical overload and early attrition is over twice as high as in other industries.

As a client organisation, Femern A/S has the overall responsibility for health and safety on the Fehmarnbelt project and monitors the contractors on the construction site to ensure that the workplace and processes are run so that the working environment and safety are paramount. Femern A/S has contractually obliged contractors to train employees in the working environment and safety and has established a follow-up and penalty system to reduce inappropriate behaviour in the workplace.

AMBITION LEVELS



Femern A/S' ambition is to create a strong safety culture that supports personal ownership for the safety of all employees at Femern A/S.

Femern A/S' success criterion is to develop a training concept, Target Zero Academy, which trains employees in an expanded understanding of safety and risk.



Femern A/S' ambition is to promote a strong safety culture for everyone working on the Fehmarnbelt project.

Femern A/S' success criterion is to have an accident statistic that is significantly better than the rest of the industry.



Femern A/S' ambition is to lead the way for a safer construction industry.

Femern A/S' success criterion is to improve safety in the construction industry in part by: promoting automation; ensuring knowledge sharing; and exchanging experience with other construction projects and relevant authorities.



SOCIAL CONDITIONS

EQUALITY AND HUMAN RIGHTS

Femern A/S wishes to have a workforce that reflects society and is based on an inclusive and non-discriminatory

working environment.

The construction industry is one of the most gender-skewed industries in Denmark. Only nine percent of those employed in the construction industry are women. In addition, only 25 percent of the women employed in the industry work in the skilled trades. The rest are managers or work in offices in construction companies. The unequal gender distribution in the construction industry is an issue because studies have shown that companies where the employee composition reflects that of society, are more innovative in relation to other major societal challenges through having a safer working environment and being more climate-friendly.

Femern A/S sees diversity and equality as one of the core challenges, and therefore sees it as an essential task to break down the barriers that create inequality and to have a sharper awareness of situations and areas with structural societal inequalities in order to break them down. Femern A/S is aware of its special responsibility in relation to contributing to increased gender equality in the construction industry.

AMBITION LEVELS



Femern A/S' ambition is to be an attractive workplace for everyone.

Femern A/S' success criterion is to have a diverse staff composition with room for everyone regardless of gender, sexual orientation, ethnic background, religion, disability and age, reflected at all levels in the organisation.



Femern A/S' ambition is to support initiatives that increase the proportion of women who can be recruited to the Fehmarnbelt project.

Femern A/S' success criterion is to remove barriers that can contribute to maintaining an unequal gender distribution on the Fehmarnbelt project and to attract female apprentices to the project.



Femern A/S' ambition is to support initiatives that create awareness of equality in the construction industry.

Femern A/S' success criterion is to ensure knowledge sharing and exchange of experience with other construction projects and relevant stakeholders on gender and equality.



CORPORATE GOVERNANCE

ANTI-CORRUPTION

Femern A/S is a responsible and transparent client that ensures proper corporate governance in all its activities. The company distances itself from and opposes any form of corruption, abuse of trusted power and resources for one's own gain.

Femern A/S actively opposes all forms of corruption, including extortion and bribery, nepotism, conflicts of interest, embezzlement, fraud, extortion, participation in organised crime and money laundering.

Femern A/S' starting point is zero tolerance in relation to all forms of corruption and financial crime, and the company works to maintain a high ethical standard. Good and responsible corporate governance is a fundamental foundation for all the company's activities.

Femern A/S has established a whistleblower scheme that gives employees and others connected to the Fehmarnbelt project the opportunity to voice their concerns about any irregularities or rule violations. The scheme ensures full anonymity for those who use it.

AMBITION LEVELS



Femern A/S' ambition is to ensure that all employees on the Fehmarnbelt project are always familiar with current rules and guidelines on anti-corruption.

Femern A/S' success criterion is to maintain and further develop an easily accessible and secure whistleblower scheme for everyone, and that all referrals are submitted to the company's board of directors.



Femern A/S' ambition is to ensure that the contractors and their sub-contractors develop and enforce a zero tolerance in connection with corruption.

Femern A/S' success criterion is that the contractors prepare guidelines for anti-corruption and implement a penalty system for enforcement and launch an anonymous whistleblower scheme.



Femern A/S' ambition is to contribute to knowledge sharing about best practice initiatives that will prevent corruption in all its forms.

Femern A/S' success criterion is to enter into active collaboration with the industry on the development of the anti-corruption area.

Femern

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Femern A/S is tasked with the planning, building and operating the fixed link between Denmark and Germany across the Fehmarnbelt. Information and communication developed in the course of the planning process should be considered as work in progress and not representing a final position or determination unless otherwise has been explicitly stated. Femern A/S is a subsidiary of the Danish, state-owned Sund & Bælt holding A/S, which has experience from the construction of the fixed links across the Great Belt and Øresund.