

Sustainability Report

2022



Introduction and Statement of continuous support

Construction of the Fehmarnbelt Fixed Link is well under way. The construction sites have taken a clear shape both on Lolland and on Fehmarn and activities both on land and at sea have picked up visibly on both sides of the Fehmarnbelt in 2022. Despite the challenges which inevitably arise along the way in a construction project of this magnitude and complexity the project is progressing according to schedule.

As the construction phase has taken off, numerous people have started working on the project, and Femern A/S, in close cooperation with the contractors on the project, has over the past year had a particular focus on ensuring a strong health and safety culture as well as decent wages and working conditions. Furthermore, the size of the project provides a great opportunity for developing the future workforce via high quality apprenticeships, which has therefore also constituted a major focus.

The construction activities on land and at sea have been carried out in accordance with all the environmental requirements set by both the Danish and the German authorities. This also includes the successful removal of the last remaining unexploded WWII-bomb identified in the project area in the Fehmarnbelt, which was removed under the highest safety precautions for both people and the marine environment. In parallel with the construction works, the establishment of replacement nature on the Danish and German sides of the Fehmarnbelt is progressing according to plan.

Sustainability has always been an integral part of the company's core business. In 2022, this was taken a step further, as sustainability was formally integrated as the company's fifth core objective, and therefore given the same importance as constructing on time and within budget. Femern A/S also became an individual participant in the UN Global Compact, from having been previously committed as a subsidiary of our parent company, Sund & Bælt Holding A/S. As CEO of Femern A/S, I am therefore delighted to confirm our continued support for the UN Global Compact and its Ten Principles for corporate social sustainability. These, together with the Sustainable Development Goals, constitute the framework for the company's sustainability strategy going forward.

The main results of Femern A/S' activities in 2022 in terms of sustainability, as well as deep dives on a number of selected focus areas, can be found in this sustainability report.



A handwritten signature in black ink, which appears to read 'Henrik Vincentsen'.

Henrik Vincentsen
CEO, Femern A/S



2022 at a glance

+273

Danish companies
involved in the project
since the beginning
of construction.

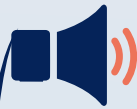
80.7 ha

Compensation nature
established to date
out of a total of
116,9 ha on Lolland



20

new ponds
established to date



Zero
Whistleblower
reportings



44,428
Visitors

at Femern A/S' exhibitions
in Rødby and in Burg

56

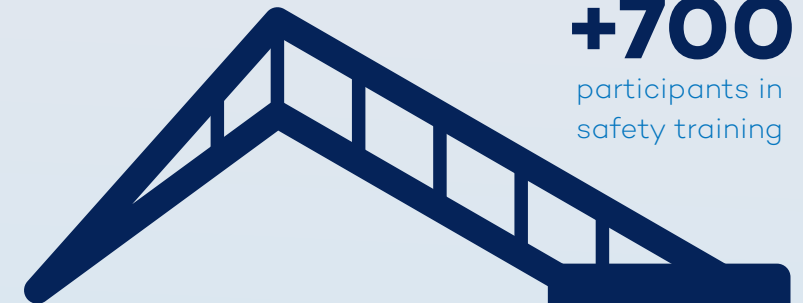


apprenticeship

FTEs realised out of 73 to date

250 Tons
waste sorted

from construction site,
equivalent to 90 pct



+700

participants in
safety training

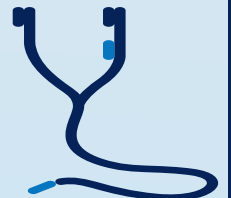
6,823,386

work hours since the beginning
of construction, which leads to a
total **Lost Time Incident Frequency** of

3,9

18

accidents with absence
out of a total of 27 to date



Content



Femern A/S' business model and sustainability strategy

The Fehmarnbelt Fixed Link serves a sustainable purpose	6
Femern A/S' business model	8
Femern A/S' approach to sustainability	9
Femern A/S' sustainability strategy	10

Sustainability highlights from 2022

Social sustainability highlights	13
Environmental sustainability highlights	15



Focus areas in 2022

The workforce of the future	19
A safe workplace	24
Responsible resource utilisation	29
Orderly working conditions	33
Nature and biodiversity	37



Focus areas and goals for 2023

The workforce of the future	42
A safe workplace	43
Orderly working conditions	44
Environmental sustainability and responsible resource utilisation	45



Femern A/S' policy on human rights, labour rights, environment and anti-corruption 46

ESG key figures [Annex] 49



About the project

The Fehmarnbelt Fixed Link serves a sustainable purpose



The Fehmarnbelt Fixed Link will be an 18 km long immersed tunnel for cars and trains, connecting the Danish island of Lolland and the German island of Fehmarn. It is the largest construction project ever carried out in Denmark and will be the world's longest immersed tunnel.

The new top-class link between Scandinavia and central Europe is a key part of the EU's ambitions for a more closely connected transport system and will benefit businesses, tourists and commuters alike. It is a central part of creating a green transport corridor across Europe – ready to handle the green vehicles of the future, and highly durable with a lifetime of minimum 120 years.

Operation of the tunnel will be CO₂-neutral and will help enable a green transformation of the transport sector with a modern and fully electrified railway for freight and

passenger transport, while offering drivers a highspeed shortcut with substantial time savings. The new route for freight transport will also free up capacity over the Great Belt, while saving shipments a CO₂-intensive detour of 160 km.

During the construction phase, the goal is for the project to have as minimal an impact on the environment as possible, while leaving behind a positive footprint for people, nature and biodiversity in the long run.

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 future infrastructure projects.





The Fehmarnbelt Fixed Link was agreed upon in the State Treaty between Denmark and Germany in 2008 and, as a cross-border project, must be approved in accordance with the applicable rules and regulations in both Denmark and Germany.

Following the final approval of the project in Germany in November 2020, construction work began in full in both Denmark and Germany in January 2021.

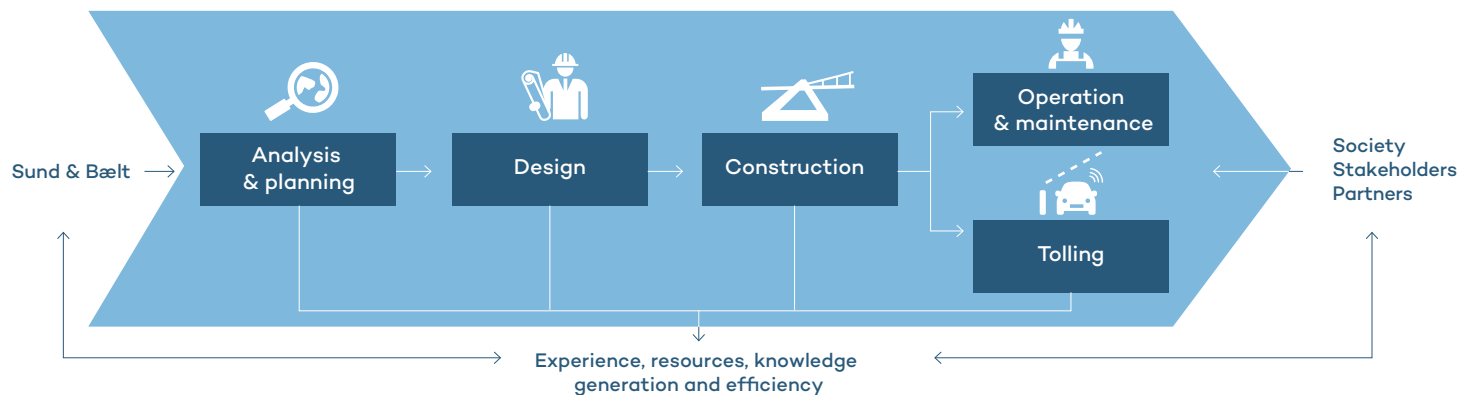
Femern A/S' business model

Femern A/S is a 100 pct state-owned company, with the Danish Ministry for Transport as owner on behalf of the Danish state. The Construction Act from 2015 gave Femern A/S the responsibility for the planning, construction and operation of the Fehmarnbelt Fixed Link. Femern A/S is a subsidiary of Sund & Bælt Holding A/S, which is a state-owned enterprise with the Danish government as sole shareholder.

The Fehmarnbelt project follows the design and build model, meaning that the design and construction itself is delegated to professional contractors, while Femern A/S as the owner oversees the execution and monitors the contractors' compliance with all applicable requirements. The construction is thus carried out by contractor consortia based on a number of large and minor contracts.

The Fehmarnbelt Fixed Link is financed with loans guaranteed by the Danish state and with support from the EU. Once completed, it will be financed by its users, at no cost to Danish taxpayers.

As an integral part of the Sund & Bælt Group, Femern A/S is part of the Group's value chain, which has been developed to ensure efficient use of experience and skills in all phases of the Group's projects. Experience gained on the Fehmarnbelt project in terms of sustainable implementation of construction works, as well as further sustainability initiatives carried out by Femern A/S, thus serve the purpose of the entire value chain for several mega infrastructure projects, from planning and design through to construction and operation and maintenance.





Femern A/S' approach to sustainability

Femern A/S has always considered sustainability an integral part of the company's core business, both in terms of impacts on the environment and with regard to social responsibility. Work on these issues has been continuously ongoing, from the initial studies in the planning phase over the full environmental impact assessment to the extensive processes of having the project approved in both Denmark and Germany, making sure it is planned and implemented in accordance with all relevant environmental legislation and applicable standards.

A plan for the implementation of environmental mitigation and compensation measures on Lolland was developed in 2011 and the realisation of this has been underway ever since. By the end of 2022, the majority of the measures had been implemented, with monitoring and other follow-up activities continuously ongoing. On the German side, measures to mitigate and compensate for the project's impact on the natural environment

have been implemented in accordance with the German Plan Approval decision from 2019.

In order to ensure decent salary and working conditions as well as health and safety for the workers on site, specific requirements to the contractors on the project were included in the construction contracts. Furthermore, since the start of the construction works, Femern A/S has had a great focus on collaborating with relevant construction sector stakeholders such as the unions 3F, Dansk Metal and BAT Kartellet, as well as the Confederation of Danish Industry, etc.

Femern A/S also has a focus on local engagement and maintains a close contact with the project's neighbours both on Lolland and on Fehmarn, ensuring access to relevant information via newsletters, website and local notices, as well as a 24-hour telephone and neighbour email to deal with any enquiries and complaints. Furthermore, Femern A/S arranges visits and open site events, and has exhibition and information facilities on both sides of the Fehmarnbelt.

Strict environmental requirements

The Fehmarnbelt project has been subject to an extensive approval procedure in Germany as well as in Denmark, involving numerous environmental studies and expert assessments. As a result, it is not only the most thoroughly documented mega project in Denmark, but the environmental requirements to which the project must adhere are also the strictest in the history of Danish mega projects. This also entails a very high level of monitoring and reporting activities in the construction phase in order to make sure all the requirements are met. For transparency, the environmental data collected on the project are made publicly available via the online environmental portal "Aegir"

aegir.femern.com/en

Femern A/S' sustainability strategy



In 2022, sustainability was officially added to the company's stated core management objectives and is thereby continuously followed up upon alongside time, economy, quality and organisation in the governance of the project.

On a more longterm strategic level, based on the wish to continue improving on all relevant sustainability areas, a new sustainability strategy for Femern A/S was developed in 2021 in order to structure and set the direction for the company's efforts going forward.

At the center of the strategy is Femern A/S' core task – to construct the Fehmarnbelt Fixed Link – thereby supporting UN Sustainable Development Goal no 9 (Industry, Innovation and Infrastructure) by creating a reliable, sustainable and robust infrastructure of high quality. In doing so, Femern A/S must ensure that the company

itself, its suppliers and partners comply with the applicable rules and guidelines covering all of its activities. Finally, collaboration within the organisation as well as with external stakeholders, including suppliers, contractors, operators, public authorities, unions and consultants is crucial in order to fulfil the company's core tasks.

Against the background of this core business model for sustainability, Femern A/S' sustainability strategy is structured around ten strategic priorities.

Femern A/S core objectives



Business model for sustainability

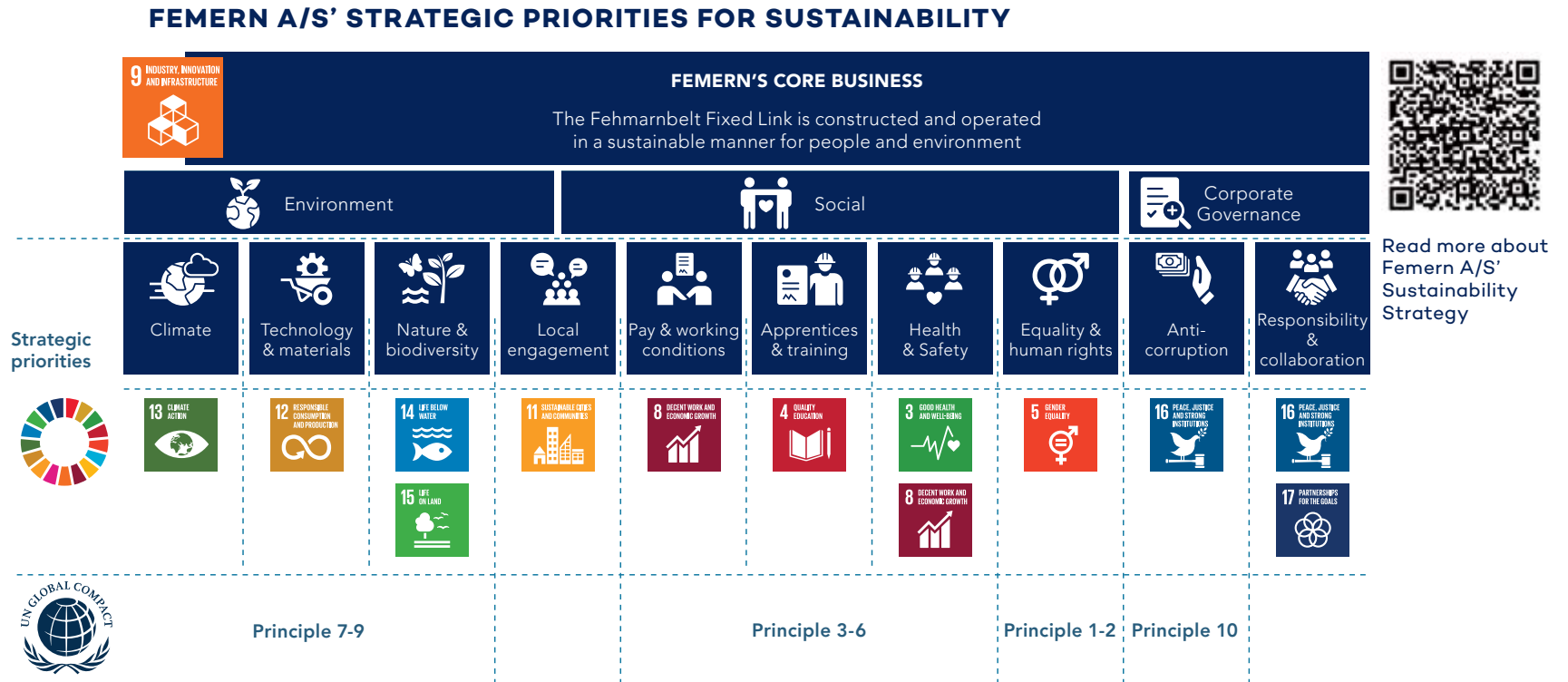


Femern A/S' business model for sustainability forms the overall structure and principles for how the company works with sustainability.

Strategic priorities based on core business

Based on a materiality assessment, Sund & Bælt Holding A/S has identified ten strategic priorities within environmental and social sustainability and governance (with underlying SDGs), which are applicable to all projects within the Group's value chain. Femern A/S

has defined the company's ambition levels and success criteria within each of the ten priorities, as described in the company's sustainability strategy, and is developing individual strategies to map out how Femern A/S will work within the different sustainability areas over the coming years of the construction phase.



Concrete strategic tracks containing a number of specific initiatives will be defined within all ten priorities.



Sustainability highlights from 2022



Social sustainability highlights



Overall, 2022 has been a highly satisfactory year for Femern A/S in relation to securing a high level of sustainability within Femern A/S' own organisation as well as the company's contractors and business partners. As a client organisation, many of the following highlights are achieved in cooperation with Femern A/S' contractors and business partners.

Within social sustainability, Femern A/S has a particular focus on wages and working conditions, apprentices and education, safety as well as equality and human rights. The construction contracts contain specific clauses and requirements regarding social sustainability, which the contractors are obliged to comply with. The main areas of wages and working conditions, apprentices and training as well as the working environment have subsequently been expanded with Femern A/S' initiatives within the areas.

Wages and working conditions

The contractors are obligated to conduct monthly reporting to Femern A/S on contractors' and sub-contractors' compliance with the contract requirements on wages and working conditions. The contractors have a third party auditor monitoring contractor compliance and as a supplement, Femern A/S conducts risk-based sample monitoring. In 2022, Femern A/S conducted more than 20 monitoring actions, and only found minor irregularities. In all such cases, the contractors immediately implemented mitigating actions.

In June 2022, 400 tunnel workers stopped work for five consecutive days. The strike was in breach of the collective agreement entered into by the contractor and the relevant workers' unions, and it was settled with an agreement to discuss salaries, change the frequency of salary payments

and to establish a mutual working committee to improve cooperation and prevent conflict between employers and employees in the future. Femern A/S supports the "Danish Model" and is therefore content that the conflict was eventually solved via the appropriate channels.

Appropriate and decent accommodation

The contractors are obliged to provide proper accommodation to workers who cannot within reason travel between home and work on a daily basis. The establishment of a "Tunnel Village" for workers who need accommodation has been ongoing throughout 2022. By the end of 2022, 768 rooms were in full use and when the Village is fully established in 2023, 1,344 housing units will be available. It is optional for workers to stay in the Village or in other private accommodation, as long as it lives up to the contractual requirements. In order to ensure this, Femern A/S conducts

monitoring on accommodation facilities. In 2022, Femern A/S monitored 1,237 housing units of a total of 1,450 units, equivalent to 85 pct, without finding deviations from the contractual requirements.

Hiring of apprentices on the project

In 2022, Femern A/S' contractors engaged a total of 56 apprenticeship full time equivalents (FTEs), amounting to a total of 73 FTEs on the project to date.

Femern A/S has set the goal of 500 apprenticeship FTEs and the contractors have developed a plan to achieve this goal during the construction phase. The prognosis for this is updated annually. In 2022, Femern A/S has been highly involved in updating the prognosis, as Femern A/S is in parallel working on a number of initiatives to support the contractors' work by broadening the recruitment base of future apprentices.

A safe working environment

On the Femern project, there were 18 work related accidents with absence in 2022, with an overall lost time incident frequency of 3.9 from project start until end of 2022. That means 3.9 accidents per 1 million working hours. For comparison, the Danish construction industry's rate in 2020 was recorded at 24.5 for all employees. The Danish Work Environment Authority conducted 79 inspections of the project in 2022 and gave 59 notifications. Femern A/S conducted two campaigns on Health and Safety aimed at contractor's employees, to address important issues within HSE aligned with the challenges related to the current construction phase.

Work hours

6,823,386

Participation in safety training

+700 

27

Accidents to date

3.9

Lost time incident frequency as of December 2022



Environmental sustainability highlights



The construction of the Fehmarn Belt Fixed Link takes place within the framework of the project's plan approvals in Denmark and in Germany. These set out a wide range of requirements for the execution of the construction work, including for sediment spill and noise, etc. It is the contractors' responsibility to comply with these environmental requirements and to document this to Femern A/S.

Femern A/S' role as client organisation consists mainly of:

- Establishment of compensation nature
- Monitoring contractors' compliance with environmental requirements
- Cooperation with the contractors on climate measures in the construction phase
- Environmental monitoring

Environmental monitoring and establishment of compensation nature

Femern A/S establishes compensation nature in Denmark and in Germany, as compensation for the nature areas that are affected by the project. By the end of 2022, 20 ponds had been established and 80.7 ha compensation nature out of a total of 116.9 ha, which must be established on Lolland by the end of the construction phase. In Germany, preparations for the establishment of around

42 ha of reefs as compensation for the project's impact in the marine area are ongoing.

Femern A/S has established a control- and monitoring program which is used to assess the project's impact on nature around the construction area on land and at sea, as well as the state and quality of the established compensation nature. In 2022, Femern A/S conducted 46 environmental inspections and identified that all compensation nature is of high ecological functionality, and 10 out of the 20 ponds have already developed high functionality.

On the German side, additional environmental inspection of the construction works is carried out by an external expert unit in accordance with the requirements from the German Plan Approval, ensuring that any environmental issues are continuously followed up upon and remedial actions taken if necessary.

Marine activities

Femern A/S pays special attention to the marine environment and ensures that sediment spill related to the dredging of the tunnel trench is kept within the required threshold limits. This was fulfilled for 2022.

Underwater noise is another parameter that Femern A/S follows closely, as it has great impact on marine life. Femern A/S detected six breaches of the allowed limit in 2022, which were all mitigated as soon as they were detected.

In 2022 a bomb from the Second World War was removed from the project area by a controlled explosion. The bomb, which was the last known Unexploded Ordnance (UXO) in the area, was detonated under the highest safety measures. A double bubble curtain was used to minimise the underwater noise from the detonation, as well as pingers and “seal-scarers” to keep marine mammals away from the affected area.

CO₂ reduction measures

Femern A/S and the contractors aim to reduce the project’s climate impact during the construction phase, in particular from building materials, transportation and construction methods. In 2022, a reduction of 11,850 tons CO₂e was achieved on the footprint from materials due to green procurement. Overall, however, total emissions were 10,150 tons CO₂e higher than expected for the activities carried out in 2022, mainly due to technical challenges resulting in an increased fuel use on dredging during the last half of the year. In addition, deteriorating market conditions due to the war in Ukraine, among other things, have contributed to lower reductions on e.g. materials such as structural steel than could previously be achieved. Femern A/S and the contractors are in continuous dialogue in order to identify and implement feasible solutions to improve the project’s overall climate performance.

Second World War bomb removed by controlled explosion in the Fehmarnbelt





Focus areas in 2022

Within the framework of the company's sustainability strategy, Femern A/S chose four strategic priorities to focus on in 2022.

Social sustainability has taken up a particular focus, since a large and growing number of people have started working on the project. It is therefore of utmost importance to maintain a high focus on ensuring that the right framework and conditions are in place for everyone to carry out their work in a safe and orderly manner.

In addition, in recognition of the importance of immediate action in face of the global nature and biodiversity crisis, the strategic track regarding nature and biodiversity was brought forward. The work on the development of a targeted strategy to further develop the company's efforts within this area was started up in the fall of 2022 and is planned to be finalised in 2023.

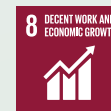
The workforce of the future



A safe workplace



Orderly working conditions



Responsible resource utilisation



Nature and biodiversity



The workforce of the future



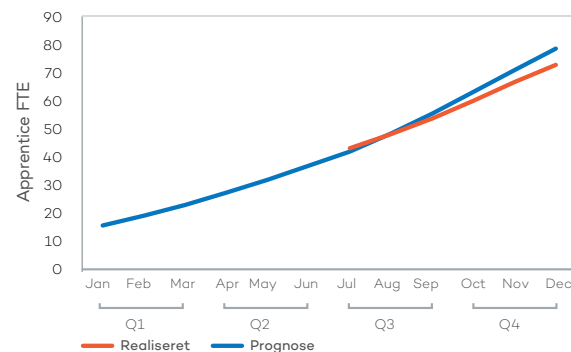
Target for apprenticeships

Femern A/S sees it as an important task as the client to ensure that the project contributes to development and knowledge sharing for the benefit of future construction projects.

A major structural challenge in Denmark consists in meeting the future demand for skilled labour. Femern A/S sees it as part of its responsibility to help solving this problem by contributing to training the workforce of the future and increasing the number of people with vocational education and training in the generations to come. Femern A/S has therefore set an ambitious target, contractually obliging the contractors to provide a minimum of 500 apprenticeship FTEs (full time equivalents) during the construction phase.

By the end of 2022, a total of 73 apprenticeship FTEs had been realised on the project to date, out of a projected goal of 76. The lag is mainly attributed to the state of progression of the construction phase, and the prognosis for apprenticeships has been adjusted accordingly. Femern A/S will continuously follow up on the development.

MAIN CONTRACTS



Difference between FTE and head count

The number of apprentices at the Fehmarnbelt project is measured in full time equivalents instead of head counts.

1 FTE = 1,924 work hours

FTE's is a broadly acknowledged unit for measuring the educational efforts of a project.

FTE's gives a more accurate illustration of the level of the educational output of a project than a simple headcount.

Supporting initiatives

The ambition to recruit and train a minimum of 500 apprenticeship FTEs is the biggest contractual obligation on this area ever implemented in a Danish infrastructure project. Reaching the target will require extensive efforts from contractors, client organisation and sector stakeholders. Therefore, Femern A/S has had as a strategic priority in 2022 to develop and initiate supporting initiatives.

The initiatives are very ambitious and target two different agendas, which will contribute to mitigating the structural issue on educating the workforce of tomorrow. The initiatives aim in part to create a sufficient recruitment base, and in part to ensure that the apprentices on the Fehmarnbelt project are offered the best possible learning environment to ensure the highest quality training.

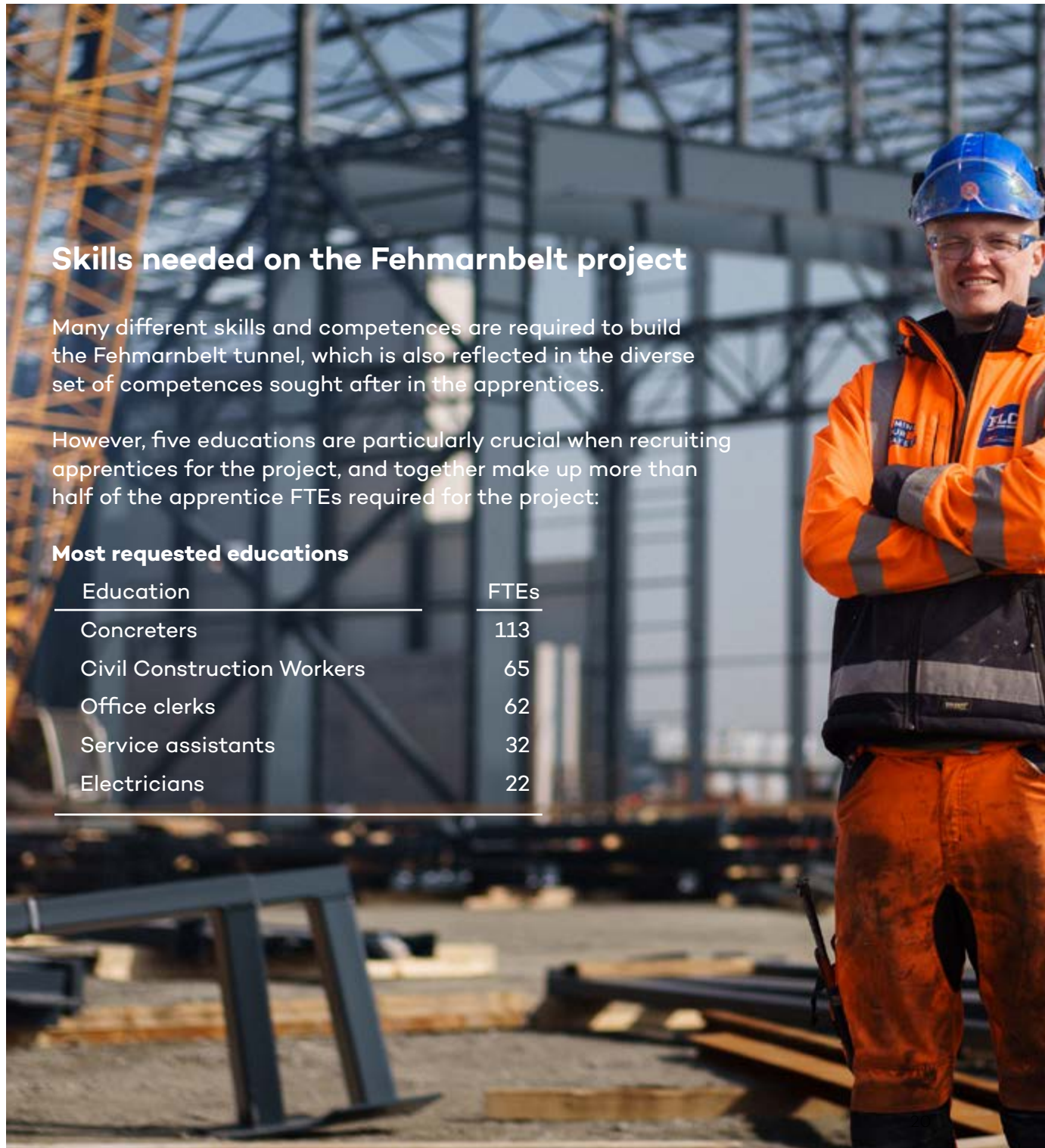
Skills needed on the Fehmarnbelt project

Many different skills and competences are required to build the Fehmarnbelt tunnel, which is also reflected in the diverse set of competences sought after in the apprentices.

However, five educations are particularly crucial when recruiting apprentices for the project, and together make up more than half of the apprentice FTEs required for the project:

Most requested educations

Education	FTEs
Concreters	113
Civil Construction Workers	65
Office clerks	62
Service assistants	32
Electricians	22



Goals for 2022

Femern A/S will draw up a strategy for apprenticeships and training

Femern A/S will support the recruitment and retention of apprentices by providing good accommodation and an attractive environment for young people on the Fehmarnbelt project

Femern A/S will implement a 'Construction box' concept to improve the recruitment base for apprentices

Femern A/S will develop at least four additional programmes for apprentices on the Fehmarnbelt project

Result



The strategy has been developed and approved and now forms the basis upon which the subsequent initiatives should be measured.



The initiative is under development and is projected to be implemented in 2023. It entails the establishment of a campus environment that is both socially and educationally inspiring.



The concept is under preparation and the development and pilot testing of the concept is planned to take place in the school year 2024/2025. As the envisaged concept targets secondary school pupils, its objective is to improve the recruitment base for apprentices on future construction projects rather than on the Fehmarnbelt project itself.



The development of concepts for supplementary competence courses has been postponed to 2024, following the completion of the planned campus.

Campus

As one of the supporting initiatives with the objective to recruit and retain young apprentices who do not live in the vicinity of the project, Femern A/S is planning to establish a campus near the construction site on Lolland.

The aim is to create a thriving and stimulating accommodation and learning environment for apprentices on the project, alongside other user groups such as students and scientists. Furthermore, the campus will be established with a focus on the longterm sustainability of the facilities, which can be taken over by the future tunnel Operation and Maintenance team alongside the Emergency team.

By inviting several user groups to use the campus, multiple synergies will be obtained. Creating an inclusive environment and welcoming pupils of different ages and educational backgrounds is conducive to interdisciplinary collaboration and social interaction. Furthermore, it will be both economically and environmentally feasible to create the facilities with a focus on their longterm utility.

By developing and establishing the campus, Femern A/S aims to show the way for future infrastructure projects in relation to attracting and retaining apprentices and show the wider society the many interesting and developing possibilities of a vocational education.



Visualisations of the planned Campus environment.



Campaign to support the recruitment of apprentices

In order to support the contractors on the Fehmarnbelt project in finding young people to fill the hundreds of apprenticeships during the construction of the world's longest immersed tunnel, Sund & Bælt and Femern A/S in 2022 launched a "patronage" initiative with former Prime Minister Poul Nyrup Rasmussen, a long-time advocate of education and youth employment.

The distance of the main construction site from the big cities, as well as a generally declining interest among young people in vocational education, present a big challenge in terms of the available apprentices for the project and for the construction sector as a whole.

The campaign is therefore aimed at raising awareness of the great job and training opportunities offered by the construction of the Fehmarnbelt tunnel. With Poul Nyrup Rasmussen as patron, the project has an ambassador and coordinator with a broad network in the trade union movement, the business community and youth organisations, who can help tackle the common task of getting more young people into vocational education.

"The Fehmarnbelt has it all, for our young people who are looking for the right and most future-proof vocational training. It is my ambition that Femern will become a beacon and role model for modern, attractive, quality vocational education in Denmark,"

Poul Nyrup Rasmussen.



As part of the new apprenticeship initiative, Sund & Bælt has also signed a cooperation agreement with the Social Network, which works to increase young people's well-being and mental health under the auspices of the association's largest initiative, Headspace. This gives the Fehmarnbelt project a partner with a large network and good contacts with young people and educational institutions, who can provide concrete knowledge, activities and workshops for young people.

"As a state-owned company, we feel a special responsibility to contribute to the work being done in a sustainable and responsible way. At the same time, we are helping to train our own future workforce, so for us every apprentice is a double win,"

Mikkel Hemmingsen, CEO of Sund & Bælt.



Safety is a top priority

A safe working environment is of highest priority to Femern A/S. As the client, Femern A/S bears the overall accountability 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 its contractors to train their workers in health and safety and has established a follow-up and sanction system to reduce unsafe activity on the sites.

The year 2022 has been an intense year on the construction sites with a wide range of activities taking place in parallel on several main contracts and across different professions. Up to 1,800 employees have been employed on site working simultaneously. Working with this intensity requires a strong focus on the works being carried out in a safe manner.

Close collaboration with contractors

Throughout the year, Femern A/S has maintained a very close collaboration with the main contractors on all issues related to health and safety and has performed nearly 500 recorded HSE witnessing tasks, attended various inspections, meetings and other specific HSE events. Safety campaigns have been carried out for the workers on site, and Femern A/S has also focused on internal competence development within health and safety.

Femern A/S' HSE strategy

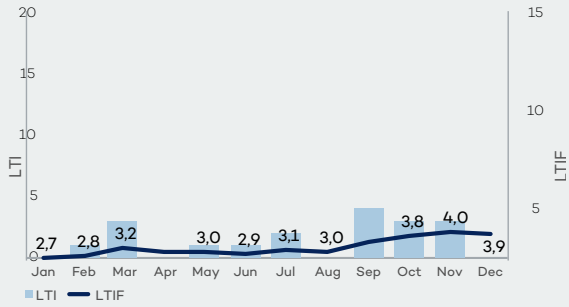
In 2022, Femern A/S developed an HSE strategy setting the framework for the future ambitions related to HSE leadership in Femern A/S. The strategy outlines which focus areas and actions Femern A/S should prioritise to ensure that the high level of ambition in the contracts is met, and how further initiatives can raise the bar even higher, so the Fehmarnbelt project remains a frontrunner on HSE and an example for other

construction projects. The strategy covers the period 2022-2026 and supplements the extensive ongoing efforts by the contractors as well as Femern A/S. The ambitious strategy focuses on three main initiatives:

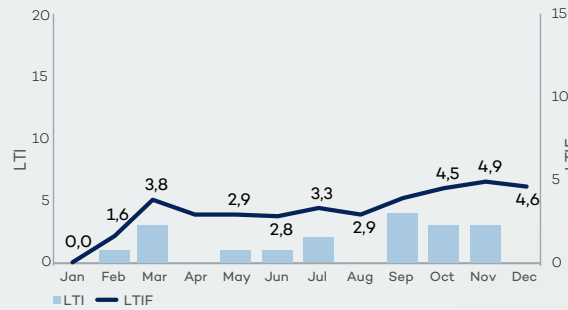
- Creating a strong safety organisation within Femern A/S
- In collaboration with the contractors, securing a common safety culture through training
- Securing strong data analysis to forecast and accommodate future high potential areas.

Further detailing and implementation of the initiatives will commence in 2023, where dedicated working groups will manage implementation activities.

LTIF DEVELOPMENT PROJECT TO DATE



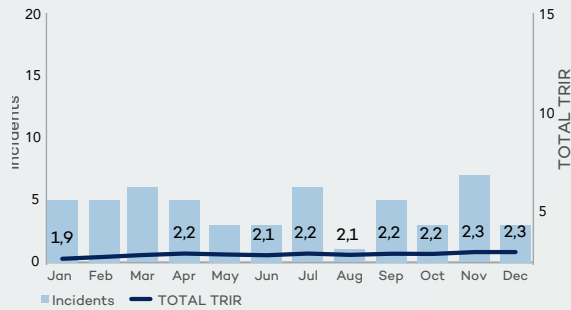
LTIF DEVELOPEMENT RUNNING 12 MONTHS



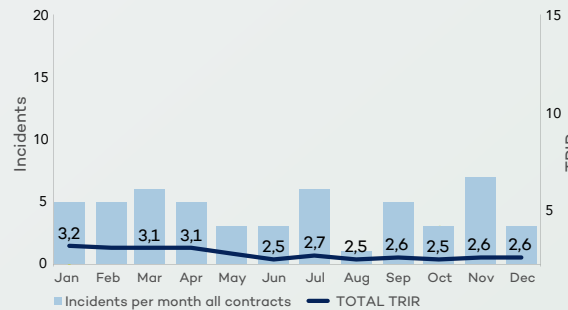
“LTIF” (Lost Time Injury frequency)

Expresses the number of workplace accidents serious enough to result in absence from work per 1 million hours worked. This includes fractures, concussion, internal injuries, flail or crushing injuries, burns (excluding friction burns), severe cuts or severe general shock which require medical treatment, even if this does not result in hospitalisation; or an accident that results in more than one day off work.

TRIR DEVELOPMENT PROJECT TO DATE



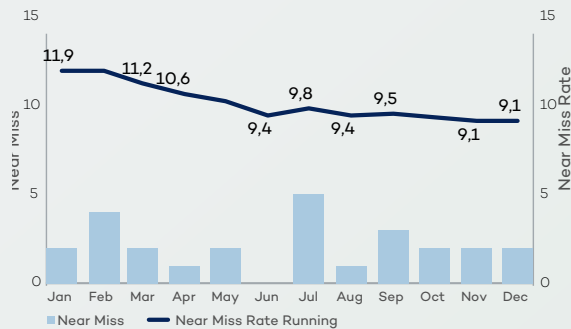
TRIR DEVELOPMENT RUNNING 12 MONTHS



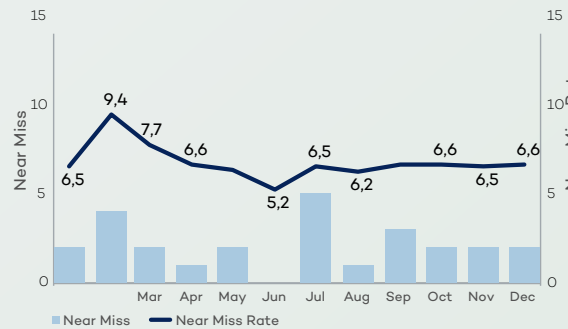
“TRIR” (Total recordable incident rate)

Measure of occupational health and safety based on the number of safety incidents reported against the number of workers present and the number of hours worked (Incidents* 200.000/Work Hours). TRIR covers all reportable HSE incidents on the project (Fatalities, Lost Time Injuries, Restricted Work Cases, Medical Treatment Cases, and Occupational Health).

NEAR MISS RATE DEVELOPMENT PROJECT TO DATE



NEAR MISS RATE DEVELOPMENT RUNNING 12 MONTHS



Near misses:

Expresses the number of workplace incidents not resulting in an accident. Near misses are incidents which can potentially cause harm and can be categorised as “high-potential near misses”. Femern A/S is making an ongoing effort to improve the reporting culture across the Fehmarbelt project, which is why the number of recorded near misses is expected to increase going forward. This is desirable, as these incident reports are important in order to draw learnings and prevent accidents from occurring.

Goals for 2022

Femern will revise the company's health and safety strategy.

Femern A/S will run three targeted campaigns focusing on the biggest risks in any given construction period

Femern A/S will extend the Target Zero Academy with a course on incident investigation to ensure that incidents are thoroughly followed up

Femern A/S will run a 24-hour HSE seminar for its management

Result



The strategy was approved in January 2023.



In 2022, Femern A/S developed and executed two large and highly successful HSE campaigns for the workers onsite, with the attendance of more than 700 people per campaign. Two campaigns were deemed sufficient and more effective in light of the combined HSE initiatives, also including the contractors' own efforts.



15 people in Femern A/S' own organization were trained in incident investigation using Tripod Beta investigation method*. After the external training was successfully completed, an internal training procedure has been set up to continue the competence development.



A 24-hour HSE workshop was conducted for top management.

* Tripod Beta is an internationally recognised incident analysis method. It is designed to help an accident investigator analyse the causes of an incident or accident in conjunction with conducting the investigation. Tripod Beta method helps to actively find the direct causes and the underlying organisational causes for the incident.

Target Zero safety initiative – “Falling from low height”

Health and safety-improving initiatives based on systematic analysis of data

Since the beginning of the construction activities on the project, the main contractors have been gathering HSE data related to any incidents and accidents on site. As per Femern A/S' procedure, all incidents are investigated, with extra focus on High Potential incidents.

In 2022, Femern A/S continued the systematic analysis of the HSE data collected by the main contractors and own HSE professionals via regular witnessing. The purpose was to identify focus areas and potential topics for HSE campaigns, in order to ensure optimal resource allocation. As a result, two interactive campaigns functioning as mini training sessions for the participants were planned and executed: “Falling from low height” and “Get Ready for Winter”.

Through practical training and safety campaigns, Femern A/S works in collaboration with the contractors on the tunnel project towards creating one of the safest construction sites in Denmark and Germany.

As part of the safety initiative “Target Zero - a State of Mind”, Femern A/S and the contractors have carried out the second in a series of campaigns that educate employees on some of the most important safety aspects on a construction site. The focus of the first campaign was on vehicle and pedestrian traffic on the construction site. In the second campaign, the topic was “Falling from low height”.

Numbers show that 7 out of 10 accidents when working at height occur when falling from a low height. The aim of the campaign was to increase safety awareness, improve the workers' ability to recognize hazards and improve the safety culture on the Fehmarnbelt project.

As part of the campaign, four safety events were carried out at a dedicated campaign area established for the



purpose near the construction site with participation of around 800 client and contractors' employees. Femern A/S had developed a campaign film highlighting the main risks when working in low heights. Three interactive stations were set up where the participants could test their knowledge on fall arrest equipment, accessing heavy machinery or working on scaffolding.

A strong safety culture, however, does not come by itself, and it requires constant attention and training to achieve our goal of becoming one of the safest workplaces in Denmark and Germany. One accident is one too many, which is why Femern A/S' safety mantra is “Target Zero – a State of Mind”.

Falck opens health clinic at the construction site

Continuous focus on safety culture

Research shows that top management commitment is the main driver and a prerequisite for establishing a safety culture that prevents accidents and saves lives. In 2022, Femern A/S therefore conducted an internal 24-hour HSE culture and engagement workshop, as well as a 3-hour follow-up workshop, in order to strengthen management dedication in leading the implementation of the Target Zero safety culture in the organisation, as envisaged in the HSE strategy. The focus was to establish a common understanding of Femern A/S' safety mantra 'Target Zero – a State of Mind', discuss barriers and dilemmas to overcome, identify initiatives and resources required to deliver on the safety culture, and establish common language and behaviour for the leadership.



In January 2022, healthcare provider Falck opened a health clinic at the construction site of the Fehmarnbelt tunnel east of Rødbyhavn. The clinic supports the joint focus of the contractor consortium Femern Link Contractors (FLC) and Femern A/S on preventing injuries and illnesses among the many workers on the construction project. It is staffed with a nurse practitioner and a nurse anaesthetist who is also a paramedic. The clinic is open Monday-Saturday.

The health clinic is meant to complement the public health system and provide site workers with easier access to healthcare and injury and illness prevention, knowing that prevention and early action on symptoms are crucial in anticipating or completely avoiding a longer and more serious course of illness. At the same time, the clinic enhances safety on the tunnel construction site itself, with health professionals able to treat minor injuries on the spot and provide first aid on site.



Responsible resource utilisation



CO₂-neutral operation

It is the objective for the operation of the Fehmarnbelt tunnel to be CO₂e neutral. This will be achieved through the use of energy efficient solutions, the procurement of 100 pct green energy for the operation of the link and by planting new CO₂-absorbing forests in order to offset remaining emissions from maintenance. The tunnel is built to last at least 120 years and, once finished and open to traffic in 2029, it will be a major contribution to the sustainable European transport network of the future.

Climate performance during construction

During the construction phase, Femern A/S carries out climate accounting, including review and validation of the contractors' monitoring and monthly reports on greenhouse gas emissions, in order to compare the project's performance with the expected emissions from the various activities. This constitutes the basis for a continuous dialogue with the contractors in

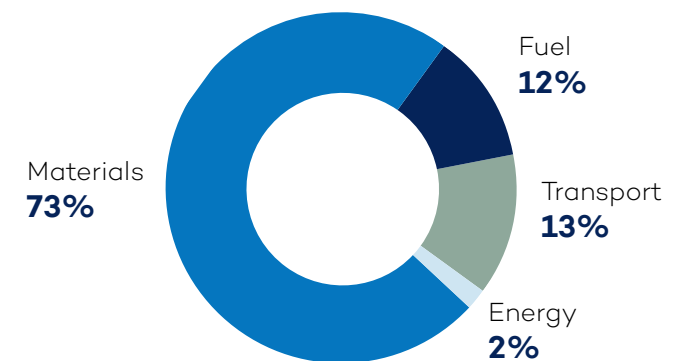
order to identify possible areas of improvement, e.g. with regard to optimisation of construction methods or use of materials.

The performance depends on a variety of factors and has in 2022 been particularly influenced by a combination of technical challenges – resulting in higher than expected requirements to machinery and fuel use – as well as the internationally deteriorating market conditions affecting the availability of materials such as steel. For 2022 seen in isolation, these factors have contributed to higher than expected total emissions for the activities carried out.

Femern A/S and the contractors are continuously working on identifying possible initiatives for improving the project's overall climate performance. Especially low-carbon solutions for materials such as concrete constitute a main challenge and will be in high focus going forward.

CO₂e emissions for the Fehmarnbelt Project

Distribution of the total CO₂e emissions



Building materials are the main source of the project's climate footprint. More than half of the emissions from materials come from the concrete to be used for the tunnel elements and portal buildings.

Goals for 2022

Femern A/S will draw up a strategy for climate, technology and materials

Femern A/S will reduce its CO₂ footprint from technology and materials

Femern A/S will work to ensure that the tunnel element factory can be as energy efficient as possible

Femern A/S will ensure that a larger proportion of local transport runs on non-fossil fuels and prioritise the use of green electricity on the project

Result



The direction of Femern A/S' current climate efforts is set by a work paper from 2020, which is planned to be updated in a more elaborate strategy. Preparation of the foundation for the strategy was carried out in 2022 and the strategy will be developed in 2023.



In 2022, reductions have been challenged by a combination of technical and market conditions. Femern A/S and the contractors are in a continuous dialogue in order to identify and implement feasible measures to improve the project's overall climate performance.



Initiatives have been implemented to ensure that the factory can run 100 pct on electrical power and operate energy efficiently.



Femern A/S has established local charging facilities for electric cars at operating facilities. More are planned for e.g. Femern A/S service cars to prepare for the carbon neutral operation of the tunnel.

Climate in design and procurement

In cooperation with its consultants and contractors, Femern A/S has introduced methods to ensure the integration of climate in design, so carbon footprint and utilisation of materials and natural resources are considered continuously during design and construction. Knowledge from the climate accounting and the design process has been used to develop ambitious functional requirements for new tenders. For contracts entered in 2022 (for the tunnel power station and electrical and mechanical installations), good results on energy efficiency were achieved. The knowledge gained will also benefit future tenders in the Sund & Bælt value chain.

Optimised design of tunnel factory

In cooperation with the contractors, climate initiatives are continuously identified, investigated and implemented if feasible. An example of this is the tunnel element factory on Lolland, where the 89 concrete elements of the Fehmarnbelt tunnel will be produced.

The footprint of the factory was reduced during the design process, as the number of production lines – as part of an overall optimisation of the tunnel construction

process – was reduced. During the construction of the factory, which has progressed considerably in 2022, a lot of effort has been put into identifying and implementing further initiatives in order to ensure that the factory will be able to run completely on (renewable) electrical power and operate energy efficiently. This includes e.g. the installation of industrial heat pumps for heating the tunnel element production halls, conveyor belts for an efficient bulk material transport system and electric pumps for concrete casting.

Low footprint of materials

The contractors have procedures for green procurement and consider low carbon solutions for materials available on the market for construction. Environmental product declarations (EPDs) are considered before procurement to ensure low carbon footprint of all main materials.

Recycling and re-use of steel materials



The project uses steel sheet-pile walls for the tunnel portals, work harbours and basins from which to launch the tunnel elements. The steel profiles of the sheet-pile walls are made from 100 pct recycled scrap. They have the smallest climate footprint of any building material of this type on the market. Some of the steel profiles will be recovered directly from other construction sites where they have been used on a temporary basis, having the lowest possible footprint as no re-melting is required. By the end of 2022, the overall climate footprint from the project's steel profiles was approximately 60 pct lower than assumed in the Environmental Impact Analysis for the project, which is based on an average for the industry.

Contributing to the green transformation of the construction industry

The scale of the Fehmarnbelt project offers an opportunity to contribute to and help accelerate the green transformation of the construction industry via research and knowledge-sharing on climate-friendly solutions for future infrastructure projects.

The climate accounting on the Fehmarnbelt project has already been a source of new knowledge on GHG emission factors of e.g. dredging and reclamation methods at sea. Results have been shared at international conferences in Copenhagen in 2022, such as the World Dredging Conference in May and the World Tunnel Conference in September.

Furthermore, Femern A/S contributes data to the development of the Infra LCA model created by the Danish Road Directorate – a tool to more accurately predict the carbon footprint for the construction of large infrastructure projects.

"Being Europe's largest construction project comes with a responsibility to leave as small an environmental and carbon footprint as possible. We therefore have a great focus on recycling and we invest in building a strong waste management culture among the workers on the Fehmarnbelt project"

Environmental manager at FLC, Kjartan Butzbach.

Waste sorting at the construction site

Femern A/S as well as the contractors on the project have a great focus on waste management and on creating a culture where construction waste is recycled in circular production.

Almost 90 pct of the total amount of waste from the Fehmarnbelt project was sorted for the first seven months of 2022. More than 250 tons of iron, steel, aluminium, food waste, plastic and other waste have been sorted to be processed for recycling into new products.

As part of the efforts, the contractors also focus on building a strong recycling culture among the workers on the project. To this effect, a three weeks long environmental campaign was carried out at the construction site at Rødbyhavn in the autumn of 2022, involving workshops, competitions and communication about environmental initiatives on various platforms. Going forward, several workshops on the fundamental science behind climate change are intended to be held with Femern A/S and partners in order to spread the message about the importance of focusing on sustainable solutions.



Orderly working conditions



Requirements to wages and working conditions

All work on the Fehmarnbelt project must adhere to current national and international legislation and agreements regulating wages and working conditions. Femern A/S will not accept social dumping in any form and monitors its contractors to ensure that they provide orderly conditions for their employees on the project. Femern A/S has therefore incorporated clauses on wages and working conditions applicable to work in both Denmark and Germany, covering minimum wages, overtime pay, holiday pay and pensions. Femern A/S also requires its contractors to provide proper accommodation for the employees who cannot reasonably be expected to commute from their homes to the workplace.

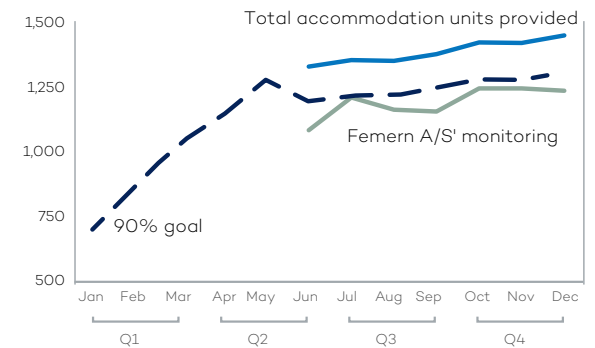
A “working paper” for salary monitoring was developed in 2022 to structure and support

the monitoring process. This takes into account both the contractors’ reporting on self-monitoring and Femern A/S’ own monitoring. The goals set in the strategy were all achieved in 2022.

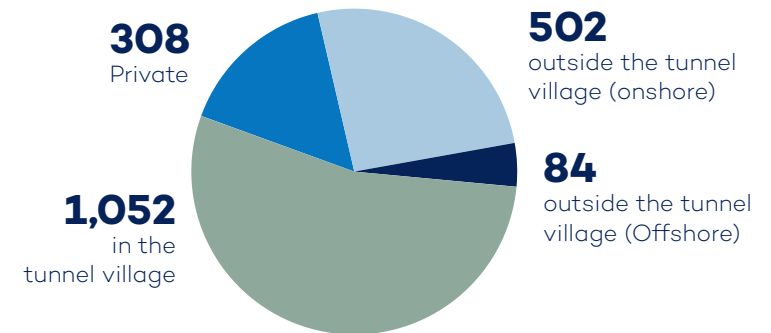
Securing proper accommodation

In 2022, construction activities in the project have increased significantly. This is accompanied by a growth in the number of project staff on site from 1120 workers in December 2021 to 1,946 workers in December 2022. As of December 2022, 1,638 of these workers were living in 1,450 accommodation units provided by the contractors (the higher number of workers than accommodation units is due to two weeks shift work. There is never more than one occupant per accommodation unit at a time). More than 85 pct of these units were monitored without finding any significant deviation from the minimum contractual requirements.

Monitoring Accommodation



Number of workers living in different types of accommodation (December 2022)



Goals for 2022

Femern A/S will draw up a strategy for wages and working conditions

On behalf of Femern A/S, an external consultancy will carry out at least four additional spot-checks on wages

Femern A/S will revise the company's model for monitoring wages.

Femern A/S will regularly inspect at least 90 pct of all accommodation units.

Result



A “working paper” for salary monitoring was developed. The strategy will be further developed in the future.



The inspections so far have shown no significant and systematic deviations from the minimum requirements.



Based on the results of the monitoring, Femern A/S aims to establish a risk-based monitoring model in 2023.



The goal was adjusted in the third quarter of 2022, as monitoring showed no significant or frequent discrepancies. More than 85 pct of all units provided by the contractors were inspected.



The Tunnel Village

The Tunnel Village on Lolland is established by the contractor FLC on an area provided by Femern A/S. The purpose is to provide accommodation and associated services for all contractor's personnel who cannot reasonably commute between the site and their private home. The contractor is required to offer and provide accommodation at attractive terms in the Tunnel Village, or, where this offer is refused, ensure that the accommodation used is of a standard equivalent or better.

At the end of 2022, 768 housing units were available in the Tunnel Village. By the beginning of the second quarter of 2023, all 1,344 planned units are expected to be completed.

Each unit is occupied by only one person at a time and includes the following features, among others:

- Individual bathroom with toilet, shower and sink
- Window (opening), with black-out curtains
- Mini refrigerator
- Bed 90×200, mattress, pillow, duvet
- Adequate furniture and lighting
- Broadband internet

Furthermore, the Contractors are responsible to provide i.a. the following services in the Tunnel Village:

- Infrastructure and security service
- Housekeeping and amenities service
- Recreational service and social activities
- Environmental service
- Transportation and parking area for Contractor's
- Cafeteria serving three healthy meals a day

A robust and adaptable monitoring set-up

In line with the corporate Sund & Bælt Sustainability Policy, Femern A/S wishes to be a responsible and transparent client. Monitoring of contractors and their subcontractors therefore takes place on the basis of a standardised monitoring model.

In order to achieve the monitoring goals for 2022, Femern A/S engaged the advisory firm EY. Monitoring procedures were jointly developed in order to ensure a uniform and robust monitoring set-up, and spot checks and ad hoc inspections of the main contractors and their subcontractors were carried out in addition to the evidence of self-monitoring provided by the contractors in the form of reports.

The results of the monitoring will be used to review and improve Femern A/S' model for monitoring wages and to adapt the strategy to the project circumstances.

Ensuring adequate wages

In 2022, Femern A/S reviewed all 12 monthly reports from the contractors and commented on any discrepancies. Any points of concern were discussed in regular meetings between Femern A/S and the

respective contractors in order to continually ensure that all minimum requirements are met and that corrections are made where necessary. Femern A/S regularly checks on the implementation and the clarification of open issues.

In addition, Femern A/S has carried out monitoring activities on wages. Both thematic and risk-based audits were carried out on the contractors and their subcontractors. Due to the more advanced stage of construction activities in Denmark compared to the German side, and the associated higher number of subcontractors as well as employees, the verifications mainly referred to Danish (sub)-contractors.

The results of the investigations showed that there are no significant and systematic deviations with regards to wages and the minimum requirements to be met.





Building with nature

In line with Sund & Bælt’s overall construction philosophy of “Building with Nature”, respect for nature and the environment is paramount in the construction and operation of the Fehmarnbelt tunnel.

On behalf of Femern A/S, international experts have studied how the tunnel will impact the environment. As the project is cross-border in nature, German, Danish and European environmental legislation has to be taken into account. Investigations have shown that neither the construction work nor the finished tunnel will lead to significant deterioration in plant and animal life.

The planning of the Fehmarnbelt tunnel draws on the experiences from other mega projects in Sund & Bælt – i.e. the fixed links across Storebælt and Øresund – which have shown that negative environmental impacts can be avoided through careful planning and execution of construction work. Unavoidable impacts in areas where permanent structures are established will be offset by the creation of new nature areas elsewhere. This is done in accordance with the ambition of leaving behind more nature than what is impacted by the project it-self. This has been an integral part of the project from the beginning, and the work has been continuously ongoing based on the project’s strategy for implementation of environmental mitigation and compensation measures.

Compensation nature established on Lolland by the end of 2022

Type	Affected nature	New nature to be established - total	New nature established by end of 2022
Ponds	10	37-42	20
Beach/meadow / meadow/overdrive	29.2 ha	116.9 ha	80.7 ha
Marsh	0.5 ha	1.5 ha	1.5 ha
Strandholm lake	8.2 ha	16.4 ha	16.4 ha
Watercourses	3.3 km	3.3 km	3.3 km

Compensation measures on Lolland

On Lolland alone, the affected natural landscape will be replaced by areas at least double the size during the construction phase and after the tunnel has opened. The 8-hectare replacement for the old Strandholm Lake, for example, is surrounded by a further 8 hectares of new nature. New green corridors will be created, which will form the basis for robust insect populations and protected plants and animals.

Compensation measures on Fehmarn

On Fehmarn, new habitats for endangered bird species have been created, protective measures such as amphibian fences have been established and a large number of so-called “eco-points” have been procured as a further compensation measure. Eco-points are investments in areas where habitats have been upgraded or which have been taken out of agricultural use, for example, to allow nature to be restored and create better conditions for biodiversity and to reduce nutrient release to the Baltic Sea.

Establishment of new reefs

In the marine area, Femern A/S is reconstructing stone reefs. A new reef covering an area of around 42 hectares is planned south of the island of Fehmarn. In addition, stone protection will be installed at both ends of the immersed tunnel. Over time, they will perform the same function as natural stone reefs and provide a good habitat for many of the Fehmarnbelt’s animal and plant species.

Strategy for nature and biodiversity

Based on the wish to continue improving the project’s footprint on nature and biodiversity, work on a strategy for nature and biodiversity in order to supplement Femern A/S’ ongoing efforts was initiated in 2022. The strategy is expected to be finalised in the first half of 2023.



Femern A/S's environmental portal "Ægir"

During the construction of the Fehmarnbelt tunnel, the environment on land and at sea is closely monitored. Key historical and current environmental data from the Fehmarnbelt project can be accessed online via Femern A/S' environmental portal "Ægir - named after the giant sea god from Nordic mythology. The data is regularly updated by means of live data from special measuring stations in the Fehmarnbelt and on land in both Denmark and Germany.

This makes it possible to follow the development of parameters such as currents, water temperature and the amount of sediment spill, all of which must comply with limit values set by the authorities. Furthermore, the portal offers access to a wealth of information on harbour porpoise populations, water birds and plant communities on the seabed, among other things. It is also possible to follow the development of the many new ponds, beach meadows and wetlands that have been established as part of the project's nature compensation scheme.

Ægir went live in 2020 and was expanded during 2022. It is a one-stop shop for all relevant environmental information during the construction of the Fehmarnbelt tunnel. Femern A/S is proud to have a high level of transparency regarding its environmental data, which is published online for the benefit of researchers, environmental organisations and anyone else who might be curious.



- Data from monitoring stations, the Fehmarnbelt and on land are transmitted to Ægir.
- Biologists and other environmental experts can follow developments minute by minute.
- Live data is analysed along with vast amount of historical data from environmental surveys stored on Ægir.



Read more about Ægir



Focus areas and goals for 2023

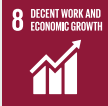


In 2023, Femern A/S will continue its efforts within all areas of sustainability, with a special focus on the following strategic priorities.

The workforce of the future



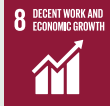
A safe workplace



Environmental sustainability and responsible resource utilisation



Orderly working conditions





The workforce of the future

Femern A/S is supporting the contractors in meeting the requirement of providing a minimum of 500 apprenticeship FTEs on the project via a number of initiatives.

The structural challenge of meeting the future demand for skilled labour in Denmark is of direct relevance to the project, as well as to all future projects in the Sund & Bælt value chain and to society as a whole, and it therefore remains among the prioritised areas of focus within the company's sustainability activities for 2023.

Goals for 2023

In 2023 Femern A/S will:

1. Begin the construction of housing units for apprentices and other students in a campus-like environment that is both socially and educationally inspiring

The campus will support the recruitment and retention of apprentices by providing good accommodation and an attractive learning environment for young apprentices on the Fehmarnbelt project.

2. Develop an educational concept for school children based on knowledge, competences and data from the Fehmarnbelt project

The learning concept will aim to strengthen the awareness of the possibilities within vocational educations in secondary schools based on data and tasks from the Fehmarnbelt project. In 2023, the tender process for the concept will be finalised and the assigned contractor is expected to be able to show-case the first draft concept. The concept is expected to be ready for pilot testing in the school year 24/25.

3. Develop and implement a job-learning concept

Femern A/S will in collaboration with the civil society organisation "Det Sociale Netværk - Headspace" develop and implement a job-learning concept, which will engage young people not currently in either education, employment or training (NEET). The concept will match young people in this group with locally based subcontractors in order to help them gain an attachment to the job market and potentially later become apprentices on the Fehmarnbelt project.



A safe workplace

A safe working environment is of the highest priority to Femern A/S, and the company believes that a constant focus on ensuring that the highest safety standards are upheld and continuously improving safety culture both within the client organisation and on the construction site is paramount.

Femern A/S has been developing an HSE strategy with concrete initiatives, which are expected to be further matured and implemented in 2023.

Goals for 2023

In 2023 Femern A/S will:

1. Develop a training concept that educates Femern A/S' and selected contractors' employees in extended safety and risk understanding

The training concept will focus on creating a strong HSE culture on the Fehmarnbelt project by making safety a personal matter. With a focus on the cultural aspect, Femern A/S expects, in cooperation with the contractors, to further enhance the strong focus on safety that is already an integrated part of the project.

2. Conduct a safety culture analysis

The analysis is aimed at Femern A/S' employees with the aim of creating a baseline for further development of the safety culture within the organisation.

3. Conduct a refresher course in "incident investigation", including training additional relevant employee groups

Incident investigation is a central part of securing learning from accidents and incidents to prevent similar incidents from repetition. Femern A/S therefore wants to further emphasise the already existing system of incident investigation.

4. Femern A/S will participate in all high potential accident and incident investigations conducted by the contractors

Femern A/S wants to take on a more active role in contractors' incident investigations in order to further enhance a good collaboration on safety.



Orderly working conditions

Femern A/S is the client for the largest construction project ever carried out in Denmark, which will employ up to 2,500 people a year on the construction itself up to the planned opening in 2029. If it is to be a responsible client organisation, Femern A/S believes it is vital to have proper wages and working conditions on the Fehmarnbelt project, which is why this is a continuous area of focus for the company.

Goals for 2023

In 2023 Femern A/S will:

1. Further develop the company's strategy on wages and working conditions

In 2022, Femern A/S prepared a working paper on salary and working conditions monitoring, which is a preparatory step to developing a formal strategy on this matter. Femern A/S has as an ambition to emphasise decent salary and working conditions on the project, among other things, by supporting the Danish model.

2. Develop and implement improvements in the monitoring model for wages and working conditions

Femern A/S has a standardised monitoring model in place covering all areas of sustainability clauses with the contractors. This model needs to be further developed in relations to wages and working conditions, in order to make sure that Femern A/S' monitoring scheme is fit for purpose.

3. Ensure and monitor Contractors' due diligence processes for the procurement of sub-contractors in relation to compliance with labour clause

The objective of monitoring contractor self-control when subcontracting is to obtain a risk-based assessment of the contractors' subcontractors in relation to social responsibility. The risk based assessment will help Femern A/S forecast potential risks before they arise, and Femern A/S will be able to initiate mitigating measures at an early stage.



Environmental sustainability and responsible resource utilisation

Femern A/S sees it as a responsibility to ensure that its activities have the least possible impact on the climate and the environment and, therefore, has as a strategic priority to continuously work on improving the project's climate performance in cooperation with the contractors. This involves a particular focus on technology and materials, as these are determining factors not only for the quality and operation of the finished infrastructure, but also for the project's impact on the climate and the environment throughout the lifetime of the tunnel.

Furthermore, it is Femern A/S' ambition that the project should have the least possible impact on plants and animals and their habitats, both in the construction phase and when the tunnel is finished. The aim is to avoid, mitigate or, where the former is not possible, compensate for nature that is impacted by the project and leave behind more good nature than was the case before construction began.

Goals for 2023

In 2023 Femern A/S will:

1. Develop an updated climate strategy for the project

Femern A/S developed a working paper on climate in 2020, which in 2023 will be replaced by a more elaborate strategy outlining areas of focus for the project's climate efforts within the scope of the contracts. This will include technology and materials in particular, as these are inextricably linked with the climate performance of the project. Among other things, this involves a focus on developing more sustainable solutions for materials such as concrete, as well as new technologies for lifetime extension of the infrastructure.

2. Develop a nature and biodiversity strategy for the project

Femern A/S follows the philosophy of "building with nature", aiming to leave behind more good nature than what is impacted by the project. The strategy will set the direction for the nature and biodiversity improving initiatives to be implemented on the project going forward, in addition to the company's ongoing efforts with regard to the establishment and monitoring of compensation nature.

An aerial photograph of a coastline, showing waves crashing against a dark, rocky shore. The water is a deep blue, and the white foam of the waves is prominent. The text is overlaid on the lower left portion of the image.

Femern A/S' policy
on human rights, labour
rights, environment
and anti-corruption

Femern A/S' overall policies on equality and human rights, labour rights, environment and anti-corruption are based on the ten principles of the UN Global Compact. They are comprised by the company's sustainability strategy and contain the following core elements:



Equality and human rights

Femern A/S wants to be an attractive workplace for everyone, with a diverse staff composition with room for everyone regardless of gender, sexual orientation, ethnic background, religion, disability and age, reflected at all levels of the organisation. Femern A/S' also aims to support initiatives which can contribute to a more equal gender distribution on the Fehmarnbelt project as a whole, as well as to create awareness of equality in the industry by ensuring exchange of knowledge and experience with other construction projects and relevant stakeholders.



Labour rights

Femern A/S' ambition is to ensure that national and international labour market models are implemented on the Fehmarnbelt project, thereby ensuring the framework and basis for decent wages and working

conditions for everyone working on the project. Femern A/S makes use of tight social clauses in the contracts and monitors compliance by the contractors in order to make sure that the rights of suppliers' employees to proper wages and working conditions are respected. Femern A/S focuses especially on not engaging in or tolerating the use of child labour, avoiding complicity in forced labour, providing a safe and healthy working environment, respecting employees' right to form and join unions as they choose and taking active steps to avoid breaches of employees' rights.



Environment

Femern A/S has particular focus on climate, technology and materials, as well as nature and biodiversity, the general approach to which has been described in the previous sections of this report. Construction is taking place within the framework of the project's environmental permits in Denmark and Germany, which lay down extensive environmental requirements for the construction work. The contractors must comply with these requirements and document their own supervision of the construction activities to Femern A/S. As the client, Femern A/S' is mainly responsible

for the supervision of contractors' compliance with the environmental requirements, establishment of replacement nature to compensate for the nature affected by the project, and environmental monitoring.



Anti-corruption

Femern A/S does not tolerate any form of corruption and complies with the provisions in the UN Convention against Corruption. Femern A/S also takes active steps to avoid being complicit in corruption. Internally, Femern A/S has implemented guidelines on the use of company funds, a gift policy and travel policies etc., and established an anonymous whistleblower scheme. Femern A/S aims to make sure that all employees are always familiar with the current rules and guidelines, that the whistleblower scheme is easily accessible for everyone and that all referrals under it are submitted to the company's board of directors. Towards the contractors, Femern A/S' ambition is that they, too – as well as their sub-contractors – develop and enforce zero tolerance towards corruption. All suppliers must sign Femern A/S' code of conduct for responsible supplier management when entering into a contract.

Femern A/S reports each year on corporate social responsibility in accordance with Section 99a of the Danish Financial Statements Act and the reporting obligation following from the accession to the UN Global Compact.

Code of conduct for responsible supplier management

In line with the Sund & Bælt sustainability policy, Femern A/S has produced a code of conduct for responsible supplier management, which requires the company's suppliers to comply with the ten principles in the Global Compact. The suppliers must draw up policies and guidelines focusing on the topics that are particularly relevant to their specific industry. The suppliers must also make systematic efforts to continuously improve their social engagement. The suppliers must be able to demonstrate, when asked to do so by Femern A/S that the requirements in the code of conduct have been met, and the company may audit the supplier if the documentation provided is considered insufficient.

A new and expanded code of conduct is currently under development in Sund & Bælt Holding A/S, which will be implemented for all future contracts across the Sund & Bælt Group and thereby also on the Fehmarnbelt project.



Charter for Corporate Social Responsibility in Real Estate, Construction and Public Works

As a member of the Danish Association for Responsible Construction ("Foreningen for Byggeriets Samfundsansvar"), Femern A/S has also committed itself to the association's CSR charter ("Charter for samfundsansvar i ejendoms-, bygge- og anlægsbranchen"), which is based on the UN Global Compact's Ten Principles, as well as the UN's 17 Sustainable Development Goals, specifically in relation to real estate, construction and construction projects in Denmark.



Read more about The Charter

An aerial photograph of a large industrial complex, possibly a refinery or chemical plant, situated along a coastline. The facility features numerous large storage tanks, processing units, and buildings. In the foreground, there are green agricultural fields. The sky is filled with soft, white clouds, and the water in the background is calm. The text "ESG key figures" is overlaid in white on the lower-left portion of the image.

ESG key figures

ESG indicators

For 2022, Femern A/S has for the first time chosen to separately report on selected ESG key figures. Femern A/S intends to further develop this reporting in the future, following the implementation of the EU's new Corporate Sustainability Reporting Directive (CSRD).



	Unit	2022
Environment		
CO ₂ e emissions		
- Scope 1	tons	21
- Scope 2	tons	306
- Scope 3	tons	170,030
Energy consumption , client organisation		
- Electricity*	kWh	412,458
- Natural gas	m ³	515
- Petrol	litres	6,245
- Diesel	litres	2,635
- District heating	kWh	2,038,122
- District cooling	kWh	935,291
Energy consumption, contractors		
- Electricity	kWh	5,688,000
- MGO/Diesel:	litres	31,632,707
Water consumption		
- Client organisation, all locations	m ³	1,257
- On the project	m ³	62,194

* Electrical power for all Femern A/S locations in Denmark is purchased via green certificates and is therefore registered as 100 pct renewable energy. Emissions from production of the energy are included in the company's scope 3 emissions.



	Unit	2022	2021
Social			
Full time workforce **	pax	158	167
Gender diversity	pct	62/38 (♂/♀)	62/38 (♂/♀)
Gender diversity management	pct	75/25 (♂/♀)	100/0 (♂/♀)
Employee turnover	pct	8.9	2.8
Illness absence	pct	0.9	1

**Total number of employees working full time on the Fehmarnbelt project, whether they are formally employed by Femern A/S or Sund & Bælt Holding A/S. The number of people employed directly by Femern A/S as reflected in the annual report 2022 is 11.



	Unit	2022	2021
Governance			
Gender diversity of the board	pct	66/33 (♀/♂)	66/33 (♀/♂)
Presence at board meetings	pct	83.3	100