

A red excavator is shown in a field of tall grasses, with its bucket raised. In the background, a water channel or canal runs through the field. The sky is clear and blue.

Sustainability strategy 2023

Foreword

Femern A/S is the client on 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.

Femern A/S is a subsidiary of the state-owned Sund & Bælt Holding A/S. As such, Femern A/S is subject to the sustainability policy as well as the overall strategic priorities and goals for sustainability in the Sund & Bælt Group. Femern A/S' sustainability strategy describes how these are implemented specifically on the Fehmarnbelt project and constitutes the overall framework for how Femern A/S' works with sustainability.

Overall, Femern A/S strives to be a responsible client and to implement the Fehmarnbelt project with a special focus on environmental and social sustainability as well as sustainable governance. The ambition is to be an inspiration for future construction projects, by developing,

gathering and passing on experience and learnings to other future infrastructure projects. Femern A/S' approach to environmental as well as social sustainability is based on a life cycle perspective, taking into account the impact of the project during the construction phase, as well as the long-term effects throughout the lifetime of the tunnel and on a broader societal level.



Sund & Bælt Holding A/S and Femern A/S are participating in the UN Global Compact, which is the world's largest voluntary initiative for sustainable companies. As part of the basis for the overall approach to sustainability in Sund & Bælt, Femern A/S is thus committed to working the Global Compact's ten principles and the relevant Sustainable Development 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.



A handwritten signature in black ink that reads "Henrik Vincentsen".

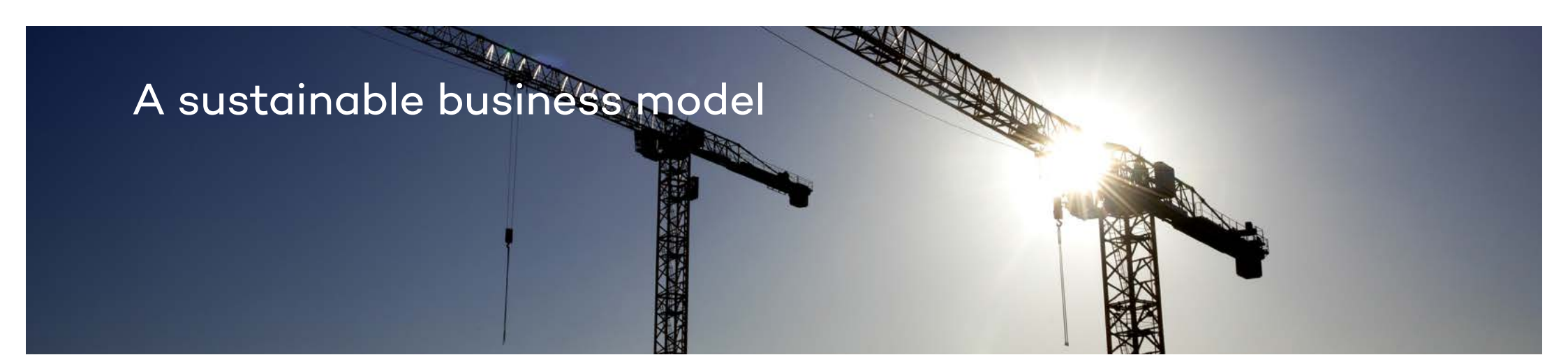
Henrik Vincentsen
CEO, Femern A/S



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A sustainable business model

As a subsidiary of Sund & Bælt Holding A/S, Femern A/S follows the Group's sustainable business model, which lays down the overall principles for how the company works with sustainability. All work in Sund & Bælt is thus structured around three main principles, including the company's core task (relating to SDG 9 regarding Industry, Innovation and Infrastructure), collaboration (SDG 17 on partnerships), and responsibility (SDG 16 on peace, justice and strong institutions).

The intention of the business model is to ensure that sustainability is an integrated part of the company's activities and that efforts are focused where the greatest benefit can be achieved in light of the strengths and opportunities presented by the specific project. Sund & Bælt's full sustainability policy can be found here <https://publications.sundogbaelt.dk/sundogbaelt.dk/sund-baelt-sustainability-policy-2023>

Applied to the Femern A/S and the Fehmarnbelt project, the core task is to construct and operate the Fehmarnbelt Fixed Link in a sustainable manner, to the agreed timetable, finance and quality. To do so, Femern A/S depends on collaboration with a number of parties, including contractors, operators, regulatory authorities, trade unions, consultants and other stakeholders. Finally, as a

responsible client, Femern A/S must ensure that the company and its partners always follow the applicable principles and legislation for corporate governance, including applicable law and guidelines nationally and internationally.



Strategic priorities

Against the background of the overall approach described above, Sund & Bælt Holding A/S has selected eight strategic priorities within environmental and social sustainability, as well as sustainable governance. For each strategic priority, Sund & Bælt has formulated the overall ambitions and goals which the Group pursues in the execution of its core business. All underlying projects in Sund & Bælt shall contribute to the fulfilment of these goals (see next page).

Femern A/S' sustainability strategy describes Femern A/S' approach to the strategic priorities and how the Fehmarnbelt project will contribute to the overall goals in Sund & Bælt within environmental and social sustainability as well as sustainable governance. Across all its activities, Femern A/S operates within three spheres of influence which determine the company's opportunities for action. These include the company's own operations, the contractors and project partners tasked with carrying out the construction works on the project, as well as the industry and society in general. Because Femern A/S is dependent on collaboration with suppliers and contractors to perform its core business, it is essential that the company works with the various aspects of sustainability 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.

To ensure the strategic ambitions are achieved, Femern A/S continuously develops concrete strategies and initiatives within the relevant areas and reports on progress annually.

Overall Sustainability Goals for the Group



CORE BUSINESS

Sund & Bælt Holding A/S designs, constructs and operates infrastructure which covers the needs of the future in a sustainable way for people and nature



Femern A/S' sustainability goals



ENVIRONMENTAL SUSTAINABILITY



Climate

It is Femern A/S' ambition to ensure that the Fehmarnbelt Fixed Link is built in a climate friendly way within the general framework for the project. As the client on the project, Femern A/S closely monitors the contractors' emissions and carries out climate accounting. In close cooperation with the contractors, Femern A/S will continuously seek to reduce the climate footprint from construction compared to the baseline of 2.25 m tonnes CO₂e.

Femern A/S will ensure that the operation and maintenance of the Fehmarnbelt Fixed Link is climate-neutral from the opening in 2029.

Finally, it is Femern A/S' ambition that the Fehmarnbelt project serves as an inspiration for future infrastructure projects and contributes to the green transition of the construction sector. The company therefore has a continuous focus on participating in activities that promote the green transition and contributing to research and dissemination of knowledge about climate-friendly solutions, within the Sund & Bælt value chain and beyond.



Technology and materials

Femern A/S will construct the Fehmarnbelt Fixed Link as a long-term investment, with a lifetime of at least 120 years.

The ambition is to use the best available technology and focus 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.

Femern A/S will enable research 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 part of the construction materials in the tunnel, are among those that have the largest impact and on which Femern A/S has a particular focus.

The strong focus on building a highly durable tunnel will contribute to minimising the resource pressure in relation to maintenance and the use of temporary structures.



Nature and biodiversity

The Fehmarnbelt Fixed Link is designed, planned and constructed in such a way that the construction work and the completed tunnel will cause as little permanent environmental deterioration within the framework of what is technically possible and economically reasonable. Femern A/S will closely monitor the contractors to ensure that all environmental requirements are complied with throughout the construction phase.

Unavoidable impacts on nature will be compensated with the creation of new nature areas, so that both human and other life on land and in the sea will benefit from the upcoming tunnel. It is Femern A/S' ambition that the Fehmarnbelt Fixed Link will leave a positive footprint on nature and biodiversity in the long run. Therefore, in addition to the required compensation measures, Femern A/S will continuously seek to implement nature- and biodiversity enhancing solutions as part of its overall activities on the project.

As a responsible and transparent client, Femern A/S will ensure that the company's environmental data is publicly available.



SOCIAL SUSTAINABILITY



Pay and work conditions

Femern A/S will ensure decent wages and working conditions and promote the Danish model across the entire Fehmarnbelt project.

Work performed on the Fehmarnbelt project must be in accordance with applicable national and international laws and agreements that regulate wages and working conditions. Femern A/S has therefore incorporated clauses on wages and working conditions applicable to working in Denmark and Germany in the construction contracts, covering minimum wages, overtime pay, holiday pay and pensions. Contractors are continuously monitored to ensure compliance.

Femern A/S also demands and monitors that the contractors offer proper housing to those employees who cannot reasonably commute between their home and the workplace, including in the "tunnel village" established by the contractors near the construction site in Rødbyhavn.

Femern A/S actively promotes the Danish model on the Fehmarnbelt project through continuous dialogue with contractors and unions.



Apprentices and training

Femern A/S will contribute to increasing the number of skilled workers in Denmark and Germany by ensuring high-quality training of apprentices on the Fehmarnbelt project. Femern A/S has therefore included requirements for the training of a total of 500 apprentice FTEs during the construction phase in the major construction contracts. Progress is monitored continuously.

Femern A/S will support the contractors in reaching the target by implementing initiatives aimed at creating the best possible learning environment and at broadening the recruitment base for apprentices.

Femern A/S aims to be an inspirational example for other construction sites and increase interest in a vocational education to ensure a supply of apprentices for future construction projects. To this effect, Femern A/S also 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.



Working environment

Femern A/S' ambition is for the Fehmarnbelt project to be among the world's safest construction sites. Under the heading "Target Zero – A State of Mind", Femern A/S aims to achieve a strong health and safety environment on the project, ensuring that everyone returns from work safely every day. This includes Femern A/S' own employees as well as everyone employed on the project through contractors and partners.

Internally, Femern A/S aims to create a strong health and safety culture that supports personal ownership for the safety of all employees in Femern A/S.

As client on the project, Femern A/S monitors the contractors to ensure that the workplace and processes are run so that the working environment and safety are paramount. Femern A/S contractually obliges contractors to train employees in HSE and has established a follow-up and penalty system to reduce inappropriate behaviour in the workplace. Throughout the construction phase, Femern A/S will also carry out targeted safety campaigns in cooperation with the contractors.

Femern A/S aims to contribute to improving safety in the construction industry in general e.g. by developing a strong data-based approach to safety and exchanging experience with other construction projects and relevant authorities.



SUSTAINABLE GOVERNANCE



Diversity and human rights

Femern A/S will continually focus on ensuring an inclusive and non-discriminatory working environment. This includes having 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 also has as an ambition to contribute to increased gender equality on the Fehmarnbelt project and in the construction industry in general and will therefore support initiatives to ensure conditions that promote an increased proportion of women in construction.

Femern A/S will not tolerate breaches of human rights in its own organisation or in its value chain. All suppliers must therefore sign a Code of Conduct for responsible supplier management, requiring them to respect the ten principles of the UN Global Compact. Femern A/S has established a whistleblower scheme that gives employees and others connected to the project the opportunity to anonymously voice their concerns about any irregularities or rule violations.



Citizen involvement

The construction of the Fehmarnbelt tunnel extends over a large area, where citizens in the local areas of both Rødbyhavn and Puttgarden will have an active construction site as a neighbour for several years.

Femern A/S aims to be an open and accessible client in and for the local area, who is perceived by the local population and business community as an engaged and trusted partner that contributes to local development. This includes ensuring a continuous dialogue and taking into account local concerns, e.g. by supporting that as many local businesses as possible are engaged as suppliers to the project's contractors.

Femern A/S will involve local authorities, affected citizens and relevant NGOs at an early stage when planning initiatives in connection with the tunnel construction, keeping everyone well informed about our work and possible inconveniences throughout the construction phase.