

Stedin ESG Strategy



CO₂ reduction

Reduction of CO₂ emissions from materials produced or services provided.

Target: 42% CO₂ reduction in 2030 compared to 2021 in line with the Paris agreement.



Circularity

Increasing the use of recycled or biotic material in assets.

Target: 40% reduction in primary abiotic raw materials by 2030.



Biodiversity

Improving human rights and biodiversity in the value chain.

Target: Net positive impact in the chain in 2030.



Good employment practices

Ensuring good working conditions and Social Return on Investment (SROI).

Target: Safe working conditions.



Business ethics, integrity & good governance

Transparent supplier operations.

Target: In line with legislation and regulations and 100% insight into the value chain.

% CO₂ reduction

Setting a CO₂ reduction target for the supplier / purchased asset over a certain period.

Example: 7% CO₂ reduction compared to 2024 annually until 2030.

Example: 42% reduction in 2030 compared to 2020.

KG CO₂ intensity per asset

Setting a CO₂ intensity target for the production of assets, measured in kilograms of CO₂ equivalent per asset or euros.

Example: 8000 kilograms of CO₂ emissions per 1800 kilogram transformer produced.

Example: 8 kilograms of CO₂ emissions per euro for a produced transformer.

% emission-free material contracting

Drawing up a roadmap with annual targets for contractors per equipment type, such as excavators, drills, cranes, etc., on the ratio of electrical equipment up to and including 2030.

Example: Vibratory plate: 2024 – 0%, 2025 – 15%, 2026 – 30%, 2027 – 45%, 2028 – 60%, 2029 – 75%, 2030 – 100%.

KG / % recycled material

Possibilities for recycled material use within the specifications, coordinate with AM (Asset Management) and the supplier.

Example: Transformer contains at least 300KG of recycled steel.

KG / % biotic material

Possibilities for biotic material use within the specifications, coordinate with AM (Asset Management) and the supplier.

Example: A cable contains at least 10% PLA or PHA material in insulation.

% waste flows reduction

Reducing the amount of waste going to landfills through improved waste separation and recycling.

Example: 4% reduction in waste of materials.

% insight into value chain

Amount of insight into human rights and biodiversity impact on climate change, land use, water pollution and land pollution.

Example: 50% insight and reporting on the impact of biodiversity due to work.

Net-positive impact

A target for the minimum positive impact on biodiversity when carrying out projects or producing assets.

Example: Net positive impact of 0-5% on the environment.

% Social Return On Investment

A minimum percentage of the profit from contract purchases must be invested in society.

Example: Investing 3% profit in SROI.

DEI maturity score

A target for a minimum score on diversity, equality and inclusion frameworks, such as Cupa-HR, or ACC.

Example: Score 3.5 out of 5 on Cupa-HR.

Employee contentment score

A target for a minimum employee satisfaction score that must be achieved, such as employee Net Promoter Score, Employee Satisfaction Index, etc.

Example: Score 55 on eNPS.

Safe working environment

A target for a minimum score on safety certification, such as the Safety Culture Ladder, or internal audits.

Example: Score 4 on the Safety Culture Ladder.

Number of reports per year

A target for a number of reports per year on sustainability, the topics included in the report must be coordinated with the supplier.

Example: 1 report per quarter.

Compliance with conditions

A target to remain within a certain percentage / gradation for compliance with the Stedin code of conduct, requested certification, etc.

Example: Above 80% compliance.

Environment

Social

Governance

KPI Card

The purpose of the KPI card is to achieve a standardized approach within Vendor Management regarding the request for tenders and the inclusion of sustainability criteria in tenders and supplier management linked to the Stedin strategy.

The KPI card can be applied within the tender process by category managers and purchasing advisors (steps 1 to 3), and the management of suppliers by supplier managers (step 4).



Definitions

Below are the definitions for certain words within the Stedin context.

-  **CO₂ reduction**

All emissions released when obtaining materials, carrying out the production process and delivering assets or services via transport to Stedin.
-  **Equipment**

All transport equipment and vehicles used by a contractor during a project, such as excavators, wheel loaders, bulldozers, vans, trucks and tractors.
-  **Circularity**

Reducing primary material use in assets by replacing primary materials with secondary and biotic materials, reducing raw material consumption or extending their lifespan.

AM is in the lead for determining the specifications for non-primary material use, the purchasing advisor is responsible for including them in the contracts so that supplier managers can monitor and manage the agreements made on material use.
-  **Primary materials**

Raw materials extracted or produced directly from natural sources without prior processing, such as minerals and metals.
-  **Secondary materials**

Material produced from recycled or repurposed raw materials, such as recycled paper, recycled metals and recycled plastic.
-  **Biotic material**

Organic materials derived from living organisms or plant sources, this includes biodegradable materials such as plant fibers, wood, organic polymers and biomass.
-  **Biodiversity**

The variety of living organisms for a diverse ecosystem, such as plants, animals and micro-organisms, Stedin is responsible for biodiversity throughout the entire value chain.
-  **Value Chain**

Activities associated with the production of goods or the provision of services by an enterprise, including the development of the product or service and the use and disposal of the product, as well as the related activities of both upstream and downstream established business relationships of the company.