

Our sustainable strategy plays an important role in all Eneco purchasing projects and we translate this into the selection criteria where possible and in agreements in contracts. We therefore want to see in the supplier's offer what he can concretely realize on the following sustainability topics in relation to our central question in the Request For Proposal (RFP):

Reduce CO₂ emissions

Eneco gives great value to the impact it has on the climate through its business activities. Eneco has therefore partly determined the content at the climate tables of the Dutch Climate Agreement. In the One Planet plan, Eneco has set out its ambition to be climate neutral by 2035 on scope 1, 2 and 3. The suppliers of Eneco are also expected to contribute in the field of CO₂ reduction. The supplier will therefore be encouraged to reduce its CO₂ emissions by thinking about sustainable alternatives in the field of:

- Transport of equipment and goods
- Energy supply on site or needed for the production process
- Staff mobility

Circularity

The Netherlands aims to achieve a fully circular economy by 2050. By signing 'The Raw Materials Agreement', Eneco has conformed to this objective. By contributing to the realization of a circular economy, we can reduce our environmental impact. In the ideal circular economy, there is no waste and raw materials are completely reused in the economic system. To achieve this, Eneco bases circularity on the R-ladder¹ with circularity strategies, whereby the higher a strategy is on the ladder of circularity strategies, the more circular the strategy is. The circularity strategies can be classified on the basis of principles along the following line of thought:

Design phase or purchase; make products smarter and use and consume less. This phase is also sets the foundation for circularity possibilities in the usage and disposal phase.

Usage phase; extending the life of products and parts

Disposal phase; recovery of materials when products can no longer fulfil the function for which they were intended.

Circular strategies in the R-ladder from high to low

Circularity strategies in the design and procurement phase:

- Refuse; make the product superfluous by abandoning its function, or supplying it with a radically different product.
- Rethink; intensify product use, for example by sharing products or make products multifunctional.
- Reduce; use raw materials more efficiently by reducing the consumption of raw materials during the production and/or use of products.

Circularity strategies in the usage phase:

- Re-use; reuse of discarded but still good product, in the same function by another user.
- Repair; Repair and maintenance of a broken product for use in its old function.
- Refurbish; Refurbishing and/or modernizing of an old product.
- Remanufacture; Use parts of discarded product in a new product with the same function.
- Repurpose; Use parts of discarded product in a new product with a different function.

Circularity strategies in the disposal phase

- Recycling; Processing of the materials in products into raw materials with the same (high-quality) or less (low-quality) quality than the original raw material to be used again.
- Recover; Burning materials with the aim of energy recovery.

¹ <https://www.pbl.nl/en/publications/circular-economy-measuring-innovation-in-product-chains>

Social

Eneco believes it is important to show interest in the context in which employees of the supplier perform work for Eneco and how the supplier stands in society. This topic therefore contains the following elements for Eneco:

- **Working Conditions;** the conditions under which the supplier's employees have to work. In other words, what is the situation regarding the safety, health and working hours of employees during their work.
- **Training and development;** is there a policy and implementation in the field of career opportunities for employees, the provision of training/education and guaranteeing a fair salary.
- **Social Return;** how does the supplier offer or create opportunities for people with a distance to the labor market to find work. Eneco is happy to investigate together with the supplier what kind of possibilities there are to employ people within this category² directly for Eneco. Another way is to spend a percentage of the turnover on actively offering work to people with a distance to the labor market.
- **Social involvement;** to what extent is the supplier involved in the community in the form of sponsorship and/or volunteering activities.
- **Diversity;** Scientific research states that diversity in the workplace leads to better decisions and thus the success of a company. It prevents a one-sided look at the challenges that a company faces. Diversity means that both men and women, people from different cultures, old and young, etc. have equal opportunities within the company.

Human Rights

Eneco subscribes to the OECD Guidelines, UN Guiding Principles and the ILO-IOE Guidance. This means that Eneco must exercise due care in the area of risks in the value chain in relation to international responsible business conduct. Human rights (and animal welfare) are the important pillars on which risks in the value chain must be identified, prioritized, addressed and/or compensated. Suppliers (and the suppliers' suppliers, etc.) are part of the Eneco value chain. For suppliers that have a supply chain that is active in so-called risk countries³, it is mandatory to carry out due diligence on Human Rights. In other cases, Human Rights are largely governed by existing laws and regulations. However, it is also important here that respect for Human Rights can be guaranteed. For example, to what extent does the supplier have an active anti-discrimination policy, is (modern) slavery counteracted, can employees unite in a trade union, is there an opportunity to express religion, etc.

Fair Business Practices

Fair Business Practices refers to the supplier's ethical business practices. For example, how does the supplier prevent people in his company from being sensitive to bribes (in addition to money in the form of gifts, outings, trips, expensive dinners, etc.), or from applying or undergoing intimidation or manipulation. Another form of fair business practices is the opportunity for employees to report abuses to an integrity/or confidential adviser.

Consumer Issues

Consumer Issues applies in particular to those suppliers who supply products/components or services that are used by Eneco's customers or with which local residents have to deal with. This applies to, for example:

- maintenance or installation of the central heating boiler or hybrid heat pump that is installed in people's homes
- promotional gifts that we give to people
- the installation of the heating pipe in the street
- marketing & sales activities on behalf of Eneco.

Consumer issues relate to: safe use of products, application of products that is not harmful to health, safeguarding privacy rights, fair and complete information provision, clear instructions or explanations and customer service in the broadest sense of the word.

Biodiversity

Biodiversity is the term used to denote the variety of plants, animals and ecosystems on our planet. Unfortunately, biodiversity worldwide is under great pressure. Eneco's goal is to have a net positive effect on biodiversity for all our new sustainable sources, such as wind and solar parks by 2025 at the latest. This means that we increase biodiversity more than we burden it. We therefore ask the suppliers, who also make our sustainable energy sources possible, how they will contribute to increasing that biodiversity and how they will preserve it. What measures can they take on site in the event of, for example, the realization of a wind farm, when carrying out maintenance work or during and after dismantling. This concerns measures during, among other things, the transport of parts, excavation or drilling activities, building and construction or testing.

Other types of suppliers can also make a positive contribution to biodiversity by giving more space to nature in the vicinity of office buildings and warehouses by, for example, sowing flower beds, creating green roofs and walls or contributing to initiatives that support nature.

² <https://www.uvw.nl/werkgevers/Images/wat-is-het-doelgroepregister.pdf>

³ <https://www.mvorisicochecker.nl/en>