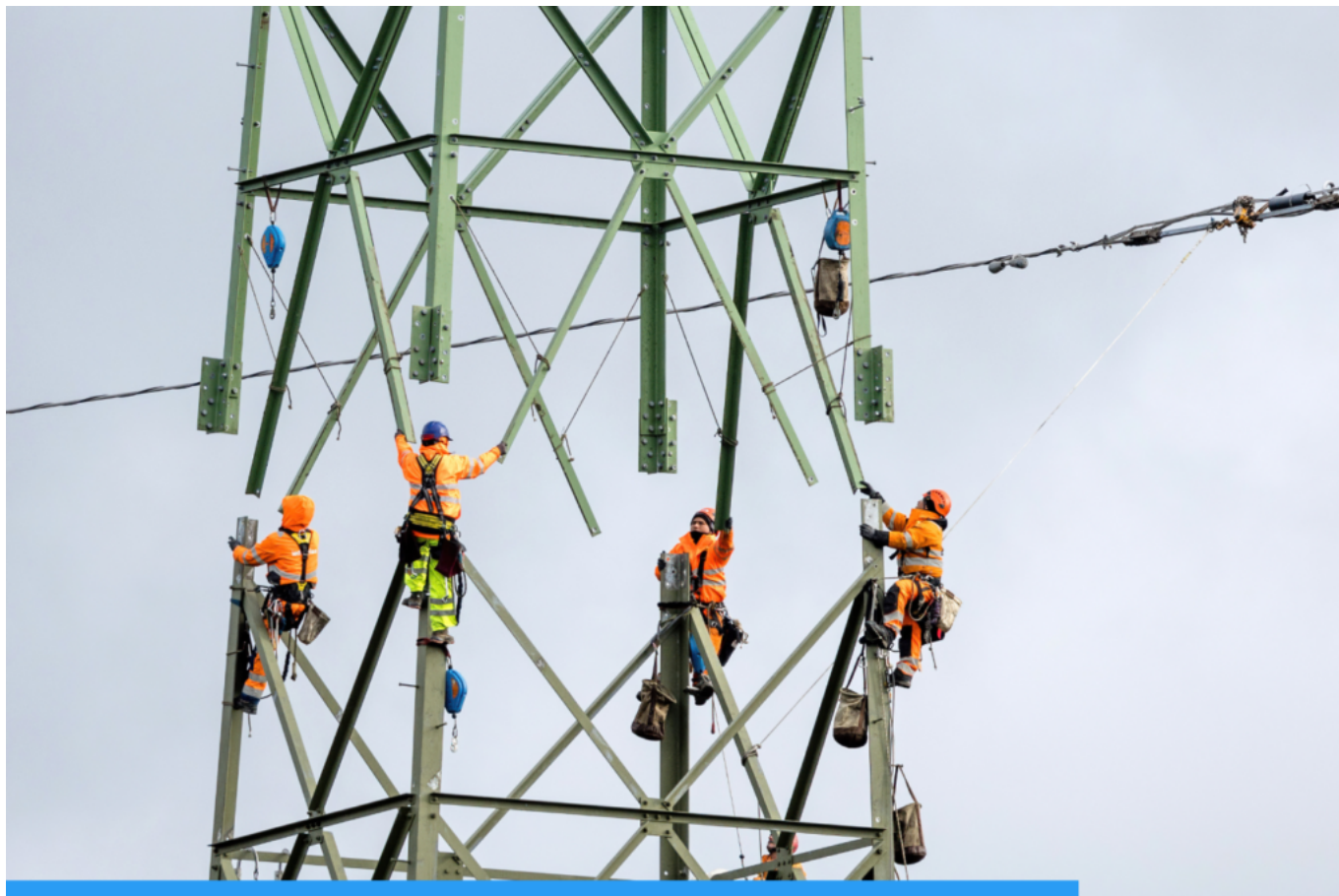




Partnership

This section covers the topics of sustainable supply chain, integrity in corporate governance and stakeholder engagement.

Integrity in corporate governance

The operation of the transmission grid is of great social and economic importance. Ensuring responsible corporate governance, acting in accordance with ethical business practices and complying with legal obligations and internal standards are key concerns for Swissgrid. Behaving with integrity and fairness is the basis for dialogue between Swissgrid and its employees, business partners and the public.

GRI 3-3

Ambition and goals

The Code of Conduct sets out Swissgrid's ambition and principles of integrity in corporate governance. The aim is to ensure that Swissgrid and its employees always act responsibly, professionally and credibly to guarantee a secure and sustainable supply of electricity both now and in the future. To put this ambition into practice in operations, compliance with the Code of Conduct, the statutory provisions and the Articles of Incorporation, internal regulations and directives is crucial. Swissgrid has therefore set itself the goal of ensuring that all employees are familiar with and act according to the relevant principles, and that no significant compliance violations occur.

GRI 2-16, 2-24, 2-25, 2-26, 2-27, 3-3, 205-1

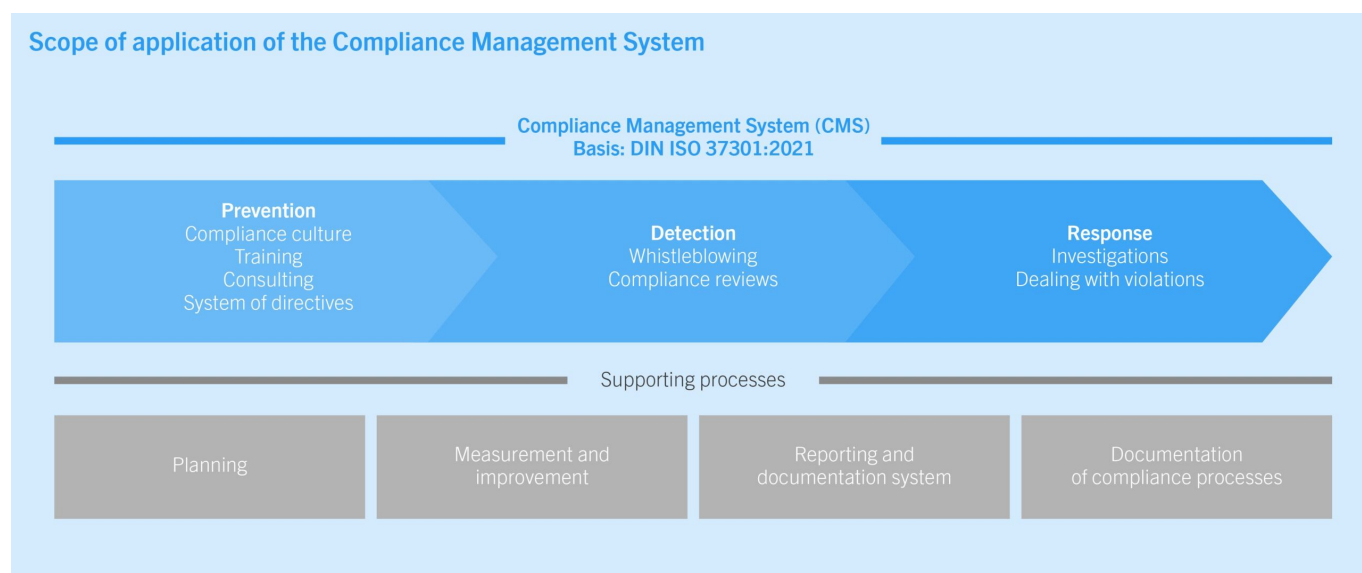
Management approach

As part of Swissgrid's dual materiality analysis, the following subtopics were considered and analysed within integrity in corporate governance: corporate governance, corruption and conflicts of interest, compliance, and political commitment and lobbying. The effects and risks associated with non-compliance with laws and corruption risks in the context of procurement were classified as material. This is due to the potential effects on the quality and costs of the grid infrastructure and ancillary services provided by Swissgrid, as well as to the legal, financial and/or reputational risks for the company.

Governance and responsibilities

Swissgrid's Board of Directors is responsible for overseeing integrity in corporate governance as part of its overall responsibility. As part of the corporate governance structure, it has various monitoring, control and audit functions to ensure compliance with regulatory and internal provisions (see the «[Sustainability at Swissgrid](#)» section). A functioning compliance system within the company is essential in order to monitor and ensure compliance with legal requirements, internal guidelines and ethical standards and to minimise the risks of legal or financial consequences and protect the company's reputation.

The responsibilities, structures and processes related to integrity in corporate governance and compliance are based on the «three-line model» (see the «[Sustainability at Swissgrid](#)» section). As a second-line governance domain, the Compliance function establishes and operates a compliance management system to help the Board of Directors and the Executive Board to ensure that the applicable legal framework is observed and ethical principles are adhered to. Swissgrid's compliance management system is based on ISO 37301:2021-11. It comprises activities and measures in the three main areas of prevention, detection and response. Based on a regular compliance risk assessment, the compliance concept defines the responsibilities and focal points (legal areas). The Compliance function also reports regularly on its activities and measures to the Executive Board and the Board of Directors' Finance and Audit Committee (FPA).



Swissgrid Code of Conduct

The [Code of Conduct](#) approved by the Board of Directors forms the basis for ethical corporate governance with integrity. It describes the key principles and values that guide the actions of Swissgrid and its employees in relation to the law. It also applies to the members of the Board of Directors and the Executive Board, as well

as to external employees of staff leasing companies.

The following principles and values set out in the Code of Conduct (current version dated 1 July 2023) form an integral part of Swissgrid's business culture:

- Ethical principles: protecting personal integrity, non-discrimination, fairness, professionalism and transparency to promote responsible and fair behaviour.
- Compliance with specifications: ensuring compliance with legal and internal regulations.
- Conflicts of interest: avoiding and dealing with conflicts between personal and business interests.
- Confidentiality of company information: protecting confidentiality and ensuring the responsible handling of sensitive and confidential data.
- Internal and external information: ensuring timely, transparent and responsible communication within the company and with external stakeholders.
- Professional and financial integrity: protecting and ensuring appropriate, professional use of company assets by employees.
- Bribery and corruption: adopting a clear position against any form of bribery, corrupt behaviour or incorrect handling of gifts and invitations, and an obligation to report breaches.
- Occupational health and safety: promoting a safe and healthy working environment, in particular by means of prevention, training and information.
- Sustainability and social responsibility: committing to energy efficiency and environmental protection, as well as social responsibility and dialogue with interest groups.
- Reporting and dealing with misconduct: applying processes for recognising, reporting and handling violations and protecting whistleblowers.

The Code of Conduct can be consulted by employees on a comprehensive information page that explains the importance of compliance and how it is organised at Swissgrid. All Swissgrid employees undergo training on the Code of Conduct and must confirm that they have read it. Violations of the principles of the Code of Conduct and the guidelines are not tolerated, are viewed as misconduct and are penalised by Swissgrid.

The Code of Conduct is supplemented by internal directives on specific topics, which are approved by the Swissgrid Executive Board. Directives relevant to integrity in corporate governance include the directive on gifts and invitations (see below), data protection (see below), procurement (see the [«Sustainable supply chain»](#) section), fair behaviour and transparency on the wholesale energy and financial markets (see below), protection of personal integrity in the workplace (see the [«Employer attractiveness»](#) section) and the internal control system for financial accounting (see the [«Corporate Governance Report»](#)).

Anti-corruption

As the owner of the Swiss transmission grid, Swissgrid awards significant contract volumes and attaches great importance to combating corruption. When assessing the risk of corruption, Swissgrid is guided by ISO 37001:2016 and takes into account the risks identified as part of the ERM process and risk-based reviews. The Executive Board has issued directives for all employees on «Gifts and invitations» and «Procurement of supplies, services and construction work» in order to reduce the risk of corruption. Compliance with anti-corruption requirements is verified annually by means of a compliance review. This was also the case in the 2024 financial year.

For the purposes of procurement, the awarding of high-value contracts (CHF 50,000 or more) is reviewed jointly by evaluation teams, and the parties involved must declare their impartiality. The members of the evaluation team must confirm that they are impartial, disclose any conflicts of interest and recuse themselves

if necessary. The awarding of high-value contracts is supervised by specially trained procurement managers, and support is provided by the internal legal service if required. In addition to price criteria, Swissgrid's tenders always include quality criteria. Price negotiations (bidding rounds) are not permitted under public procurement law. The signature regulations provide for the collective signature of the employees and also link the authority to sign to the order value. A dual control principle, at a minimum, applies to the placing of orders and the initiation of payments.

Insider trading and market manipulation

Swissgrid has access to sensitive business and market data from its own operations and from contractual partners. To prevent insider trading and market manipulation in the financial and electricity markets, Swissgrid has taken measures and regulated the handling of information and insider information in its Code of Conduct and in specific directives on the classification of information and on fair behaviour and transparency in the wholesale energy and financial markets. The employees concerned are trained in these requirements, and compliance controls are implemented. There are authorisation concepts, roles and information barriers in place. Swissgrid also reduces the amount of potential insider information by means of rapid publication and transparency.

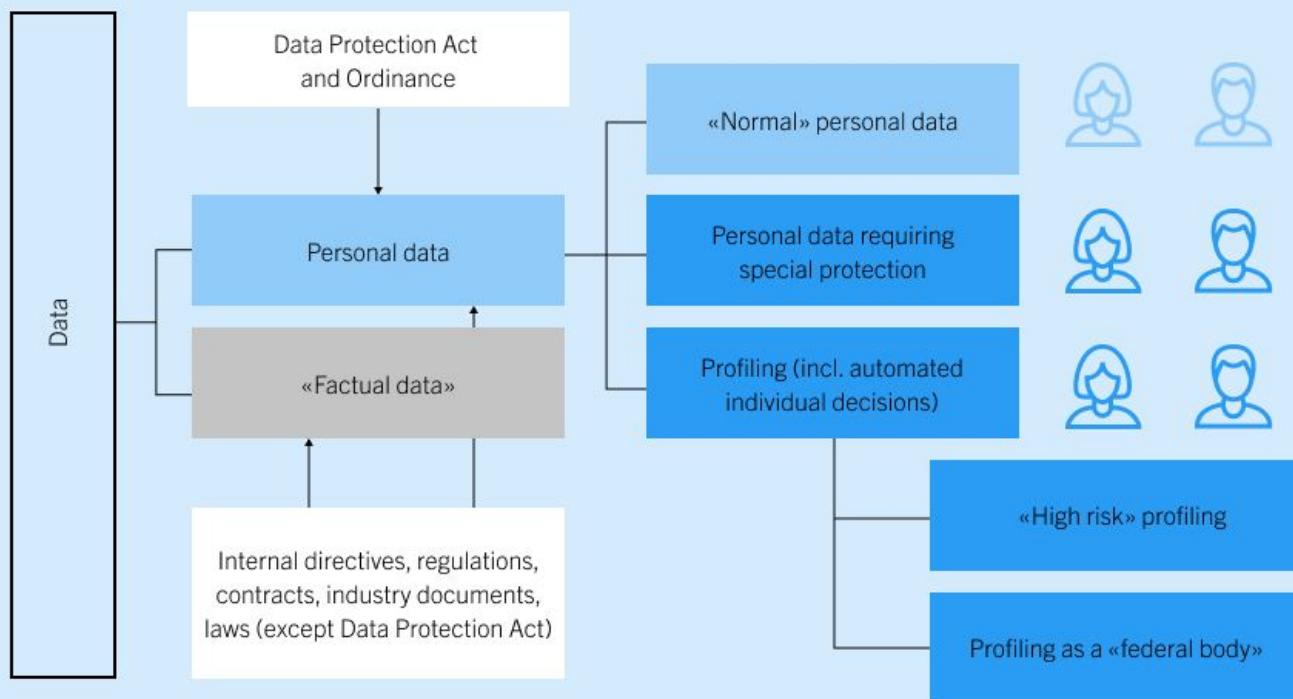
Furthermore, Swissgrid joined the FX Global Code in the 2024 financial year. The FX Global Code is an international code of conduct that sets principles for fairness, transparency and integrity in foreign exchange trading. Thanks to its membership, Swissgrid is undertaking to observe these standards and strengthening confidence in its trading practices. This will allow the company to contribute to a responsible and stable financial market.

Data protection

Swissgrid has various internal specifications on how to handle data (material and personal data), particularly the company directives on data governance, information security and cyber security, information classification and data protection. The directive on data protection forms the basis for the implementation of the new Federal Act on Data Protection (nFADP). The purpose of the nFADP is to protect the privacy and fundamental rights of natural persons whose personal data is processed. The following diagram gives an overview of the types of data and the applicable protection rules at Swissgrid.

Since August 2023, Swissgrid has had a dedicated data protection advisor who acts as a contact person for data protection issues and clarifications, and serves as a point of contact for data subjects (e.g. for requests for information, changes and deletion).

Data protection policy



Whistleblowing Policy

The Board of Directors of Swissgrid has issued a Whistleblowing Policy to enable reports of serious violations of external and internal regulations to be submitted. The Whistleblowing Policy is based on DIN ISO 37002:2021 in particular. The Whistleblowing Policy ensures that employees can report any serious offences to a confidential reporting office without fear of any negative consequences. It also stipulates that the investigative body that forms part of the Compliance department will follow up and investigate these leads in a structured and confidential manner. There is an external reporting channel that gives employees the opportunity to report violations anonymously. Since mid-2024, third parties/external persons have also been able to report misconduct via this [channel, which is available to the public](#).

Following up on reports or indications of breaches

The Compliance function is obliged to investigate all reports of serious breaches of internal or external regulations, including whistleblowing reports. It also examines indications of breaches obtained in the course of compliance reviews, which are conducted on an ongoing basis. Together with the Head of Legal, Regulatory & Compliance, it conducts a preliminary investigation to assess whether there is sufficient initial suspicion and whether the mandate for an investigation should be requested from the CEO or the Chairman of the Board of Directors. All information in connection with investigations must be treated confidentially, and the work carried out and the results of the investigation must be documented.

Processing of violations

Violations must be dealt with after an investigation. This encompasses two aspects:

- Violations have consequences that depend in particular on the seriousness of the offences and the degree of fault of the offender or the employee. The extent of the consequences is determined by the HR

department in consultation with the supervisor on a case-by-case basis.

- In order to prevent identical or similar violations, directives must be adapted, additional control measures introduced, processes revised and/or additional training carried out, depending on the case. In this way, compliance management is continuously developed and adapted to the latest needs and risks.

Reporting to the Board of Directors

Each year, the Compliance function prepares a comprehensive report for the CEO on its activities, significant observations and the resulting recommendations. The report also covers potentially critical matters that are brought to the attention of the Board of Directors' FPA in the annual compliance report.

The Head of Compliance is obliged to inform the CEO immediately if facts or circumstances are discovered that significantly jeopardise Swissgrid and/or the achievement of its objectives. The Head of Compliance reports to the CEO and the FPA on material misappropriations or cases of fraud. The Head of Compliance is also obliged to inform the Chairman of the Board of Directors immediately of any whistleblowing reports concerning the behaviour of the CEO and/or members of the Executive Board.

GRI 2-16, 2-27, 3-3, 205-1, 205-1, 205-2, 205-3, 206-1, 406-1, 416-2

Measures and key figures

Compliance review on corruption

A compliance review on corruption was carried out at Swissgrid's operating site (100%) again in the 2024 reporting year. There were no specific findings (i.e. no potential or confirmed incidents of corruption) and no follow-up measures, for example in the form of warnings or dismissals of employees or cancellations of contracts with business partners.

Directive on gifts

The revised directive on gifts and invitations, which has been adapted to current standards, came into force on 1 February 2024. A number of principles such as the value, timing and frequency of gifts must be taken into account. This directive represents a key measure for combating corruption.

Compliance training on corruption

In the 2024 financial year, all employees were given training on corruption prevention and the revised directive on gifts and invitations by means of a comprehensive e-learning programme. In addition, Swissgrid organised personal compliance training sessions for individual teams in which forms of corruption were discussed and the limits for gifts and invitations were explained using examples.

Awareness and training on corruption	2024		2023		2022	
	Number	%	Number	%	Number	%
Members of the Board of Directors and employees who have been informed of anti-corruption policies and procedures ¹	936	100%	862	100%	745	100%
Board of Directors	9	100%	9	100%	9	100%
Executive Board (EB)	5	100%	5	100%	5	100%
Managers excl. EB	114	100%	112	100%	93	100%
Employees without a management function	740	100%	681	100%	597	100%
Employees in training or paid by the hour	68	100%	55	100%	41	100%
Members of the Board of Directors and employees who have received anti-corruption training ²	925	99%	727	84%	119	16%
Board of Directors	9	100%	0	0%	2	22%
Executive Board (EB)	5	100%	0	0%	0	0%
Managers excl. EB	114	100%	97	87%	4	4%
Employees without a management function	740	100%	592	87%	106	18%
Employees in training or paid by the hour	57	84%	38	69%	7	17%

¹ This includes the total number of employees and members of the Board of Directors who were informed up to and including the reporting year. This means that the time of acknowledgement is not limited to the reporting year.

² The date of training relates to the reporting year; this is in contrast to the acknowledgement (see footnote ¹).

No reports or violations of corruption and data protection: in the 2024 financial year, there were no reports or judgements on cases of corruption at Swissgrid. Furthermore, no complaints about breaches of data protection or cases of data theft and loss in connection with customer data were reported to or identified by the data protection advisor.

No significant compliance violations: no significant judgements were brought against Swissgrid in the 2024 financial year for compliance violations. Nor were there any judgements in connection with violations due to negative environmental or social impacts or unfair business activities, including corruption. No significant monetary fines were paid out during this period. An amount of CHF 10,000 was defined as the materiality threshold for reporting. No critical matters due to legal judgements were identified in 2024 and therefore none were brought to the attention of the Board of Directors.

Compliance key figures	2024	2023	2022
Significant ¹ violations of laws and ordinances (including monetary and non-monetary sanctions)	0	0	0
Fines paid or deferred for significant ¹ violations committed in previous years	0	0	0
Whistleblowing reports	1	2	1

Compliance key figures	2024	2023	2022
Reports concerning discrimination	0	0	0
Reports concerning harassment	0	0	0
Reports concerning conflicts of interest	0	1	0
Reports concerning confidentiality of information	0	1	0
Reports concerning financial integrity	1	0	1
Reports concerning corruption	0	0	0
Reports concerning other issues	0	0	0
Number of cases in which an investigation was initiated	0 ²	0	0
Number of cases confirmed	0	0	0
Number of whistleblowing cases in which disciplinary measures were taken	0	0	0

¹ An amount of CHF 10,000 was defined as the materiality threshold for reporting. This includes significant violations in connection with environmental and social issues.

² Investigations were not initiated because it was a minor case without sufficient initial suspicion of a breach of the law by employees.

Sustainable supply chain

In today's globally networked economy, companies are increasingly obliged to ensure responsible treatment of people and the environment not only in their own operations, but along the entire value chain. The inclusion of social and ecological aspects in the procurement of goods and services is an important lever for fulfilling this responsibility. As a major issuer of contracts in Switzerland with a public mandate, Swissgrid is aware of its special economic and social responsibility and attaches great importance to a sustainable supply chain. Swissgrid therefore takes ecological and social criteria into account in its procurement process in addition to price and quality.

GRI 2-23, 2-24, 3-3

Ambition and goals

Establishment of sustainability in procurement

Swissgrid fulfils its environmental, social and economic responsibility along the value chain. To this end, Swissgrid integrates sustainability into its procurement processes and fulfils its duty of care to respect human rights and protect the environment along the supply chain. Swissgrid sets out this ambition in its annual corporate objectives: for the 2024 financial year, Swissgrid set itself the goal of incorporating sustainability into more than 80% of public procurement contracts for goods and services and developing new sourcing strategies that include greenhouse gas GHG reductions.

Respect for human rights at Swissgrid and along the supply chain

Swissgrid is committed to respecting human rights in all its business activities in accordance with Article 35 of the Swiss Federal Constitution and internationally recognised regulations. These include, in particular, the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the associated ILO core labour standards, as well as the ten principles of the UN Global Compact.

For Swissgrid, the obligation to respect human rights includes the following fundamental principles:

- Swissgrid rejects all forms of child labour, forced labour, human trafficking and illegal employment.
- Swissgrid recognises the right to freedom of assembly, collective bargaining and freedom of expression.
- Swissgrid is committed to fair and non-discriminatory remuneration. Swissgrid recognises the right to fair, healthy and safe working conditions.
- Swissgrid protects the personal integrity of its employees.
- Swissgrid rejects all forms of discrimination, bullying, sexual and non-sexual harassment.

Swissgrid expects this commitment to respect human rights to be upheld throughout the company and along the upstream value chain. It applies to all Swissgrid employees, members of the Executive Board and Board of Directors, external employees and suppliers. This means that Swissgrid also expects its suppliers to undertake to respect human rights and to fulfil their due diligence obligations along the upstream supply chain (see the [Swissgrid Sustainability Charter](#)).

Management approach

As the national grid company, Swissgrid is subject to the Federal Act and Ordinance on Public Procurement Law (PPA/PPO). The company therefore takes into account the objectives of public procurement in its tenders, and in particular the economically, environmentally and socially sustainable use of public funds. The legal provisions are put into practice in operations by means of internal directives and regulations on the implementation of procurement procedures, including specifications on avoiding conflicts of interest, unauthorised competition agreements and corruption (see the [«Integrity in corporate governance»](#) section).

Swissgrid has set out its sustainability expectations for suppliers and the management principles for the fulfilment of due diligence in the [Sustainability Charter](#), the supply chain policy for exercising due diligence in the area of [human rights](#) and the [guiding principles for sustainability](#).

GRI 2-23, 2-24, 205-2

Code of Conduct for Suppliers

Swissgrid requires providers in the qualification phase (i.e. prior to submitting an offer) to sign and commit to the principles set out in the Swissgrid Sustainability Charter. This is a prerequisite for being allowed to take part in a tender for contracts worth over CHF 150,000. This means that Swissgrid's suppliers undertake to respect human rights, protect health and safety, fairly compensate their employees, combat corruption and protect the environment. Suppliers also agree to reduce their GHG emissions and waste, and to strive to preserve biodiversity and natural resources. In addition, Swissgrid requires its suppliers to oblige their subcontractors to comply with the 13 sustainability principles set out in the charter. In the 2024 financial year, 97% of the 119 suppliers who entered into a contract during the reporting period signed the Sustainability Charter with binding effect. The remaining 3% of suppliers are expected to sign the charter at the beginning of the 2025 financial year.

The Sustainability Charter also stipulates that suppliers must report any incidents, behaviour or other circumstances that constitute, could be regarded as or could lead to a breach of the sustainability principles. Accidents, near-accidents and environmental incidents in connection with service fulfilment etc. must be reported to Swissgrid. Compliance with the Sustainability Charter can be verified by Swissgrid or by third parties commissioned by Swissgrid by various means, including on-site inspections. In the event of a breach of the principles of the Sustainability Charter, Swissgrid may also take steps as outlined in the contractual provisions.

GRI 2-23, 2-24, 406-1, 407-1, 408-1, 409-1

Due diligence in the area of human rights

To supplement the Sustainability Charter, the Board of Directors approved the supply chain policy for exercising due diligence in the area of human rights at the beginning of the 2025 financial year. The aim of the supply chain policy is to identify, assess, avoid and minimise potential and actual risks in relation to human rights along the value chain. The supply chain policy applies to Swissgrid and its main suppliers and will be introduced and made binding during the 2025 financial year.

The supply chain policy meets the requirements of the Swiss «Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)». In accordance with Art. 11 para. 3 DDTrO, the supply chain policy is based on ILO Conventions 138 and 182, the ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015, the OECD Due Diligence Guidance for Responsible Business Conduct of 30 May 2018 and the UN Guiding Principles on Business and Human Rights.

Swissgrid exercises due diligence in the area of human rights by following a risk-based management system with the following core elements:

Risk analysis

In accordance with the supply chain policy, Swissgrid conducts regular and ad hoc risk analyses to identify, assess, prioritise and review potential and actual human rights risks along its supply chain. Swissgrid assesses potential risks based on the severity of the potential extent of damage and the probability of occurrence. Risks are analysed and monitored taking into account several sources of information, including databases with relevant indicators, such as the UNICEF Children's Right in the Workplace Index, information from suppliers, independent assessments of commitment to sustainable supply chains by experts, internal or external indications or reports as part of the reporting process, specialist literature and information from the authorities, international organisations and civil society.

Risk-based measures for prevention and mitigation

Swissgrid implements risk-based measures to prevent, avoid or minimise negative impacts on human rights along its supply chain. These measures are designed based on the risk analysis, taking into account the effectiveness, efficiency, potential influence and level of involvement. Swissgrid focuses on both preventive and remedial measures. The tools that Swissgrid can use for eliminating or minimising potential risks include certifications, training, active supplier management, collaboration with suppliers, and partnerships with relevant stakeholders and technical experts. If human rights violations are identified along the supply chain, the business relationship in question may be suspended or terminated prematurely.

Reporting procedure

Suppliers, business partners, employees and other external persons have the opportunity to report concerns or suspicions relating to human rights, including child labour, within the supply chain via the publicly accessible «Swissgrid whistleblower system». Further information on the reporting procedure can be found in the [«Integrity in corporate governance»](#) section.

Regular review

The effectiveness of the management system will be regularly reviewed in the future and adapted if necessary. This includes documenting and checking the effectiveness of the measures implemented and incorporating empirical values into the regular risk analyses.

GRI 3-3, 308-2, 407-1, 408-1, 409-1

Potential impacts and risks identified along the supply chain

In the 2024 financial year, Swissgrid reviewed and updated the analysis of the potential direct and indirect impacts on people and the environment along its supply chain and the resulting risks for Swissgrid in its dual materiality analysis, the ERM process, and an analysis focussing on compliance with human rights. Although Swissgrid has identified various social and environmental risk areas along its supply chain, based on the due diligence checks carried out and the evaluation of the reports received by Swissgrid's whistleblower system, there is no reasonable suspicion of a violation of human rights (including child labour) in connection with

products or services procured by Swissgrid.

Potential negative impacts on the environment: as part of the dual materiality analysis (see the section on «Sustainability at Swissgrid»), the material flow analysis (see the section on the «Circular economy») and the survey of Scope 3 GHG emissions, Swissgrid has identified the most important product groups with regard to their environmental footprint along the entire life cycle. They include transformers, conductors, cables, switchgears, concrete and steel. In addition, Swissgrid has identified and evaluated potential negative externalities in relation to the upstream production process of the purchased products and services. The risk of inadequate environmental management systems of direct and indirect suppliers, which can lead to negative environmental externalities, was identified as material. Examples include the release of environmentally hazardous substances into the air, water or soil, high GHG emissions or energy consumption from non-renewable sources, the improper disposal of waste and the extraction of abiotic and biotic raw materials.

Potential negative impacts on people and society: as part of the ERM process, Swissgrid has classed the risk of personal accidents on installations as a very high business risk. This applies to employees of Swissgrid and of external service providers (see the «Occupational health and safety» section).

In the 2024 financial year, Swissgrid also updated its risk analysis with regard to compliance with human rights along its supply chain. This was based on the country risks of the production sites for Swissgrid's most important grid components and the major export countries for critical raw materials used in these components, including copper, aluminium, steel, zinc, nickel and cobalt. The risk analysis focused on child labour, forced labour, freedom of association, occupational health and safety, discrimination, remuneration and working hours, and was carried out using qualitative expert assessment and quantitative data.

The result shows that the potential risks in relation to Swissgrid's direct suppliers are low for the majority of grid components, with the exception of one production site in Latin America for one of the subcomponents. As part of the country risk analysis, potential risks in relation to working conditions (remuneration and working hours) were rated highest. Other sector-agnostic country risks were found relating to child labour, forced labour, freedom of association and occupational safety. The UNICEF Children's Rights Index recommends increased due diligence for the country concerned in order to analyse and mitigate the risks in greater depth. The potential risks are at least partially mitigated by the fact that the results of an external assessment showed that the supplier in question has advanced sustainability systems in place in various areas, including labour and human rights. Swissgrid is also planning to conduct a detailed risk analysis of its supply chain for the 2025 financial year in order to define further risk-based measures.

Overall, the environmental and social risks in relation to Swissgrid's direct suppliers were deemed to be lower than the potential risks from upstream, indirect suppliers. This is primarily due to the prevalence of suppliers from Switzerland and neighbouring EU countries with a high level of protection, strict regulatory framework and correspondingly lower country risks.

Measures and key figures

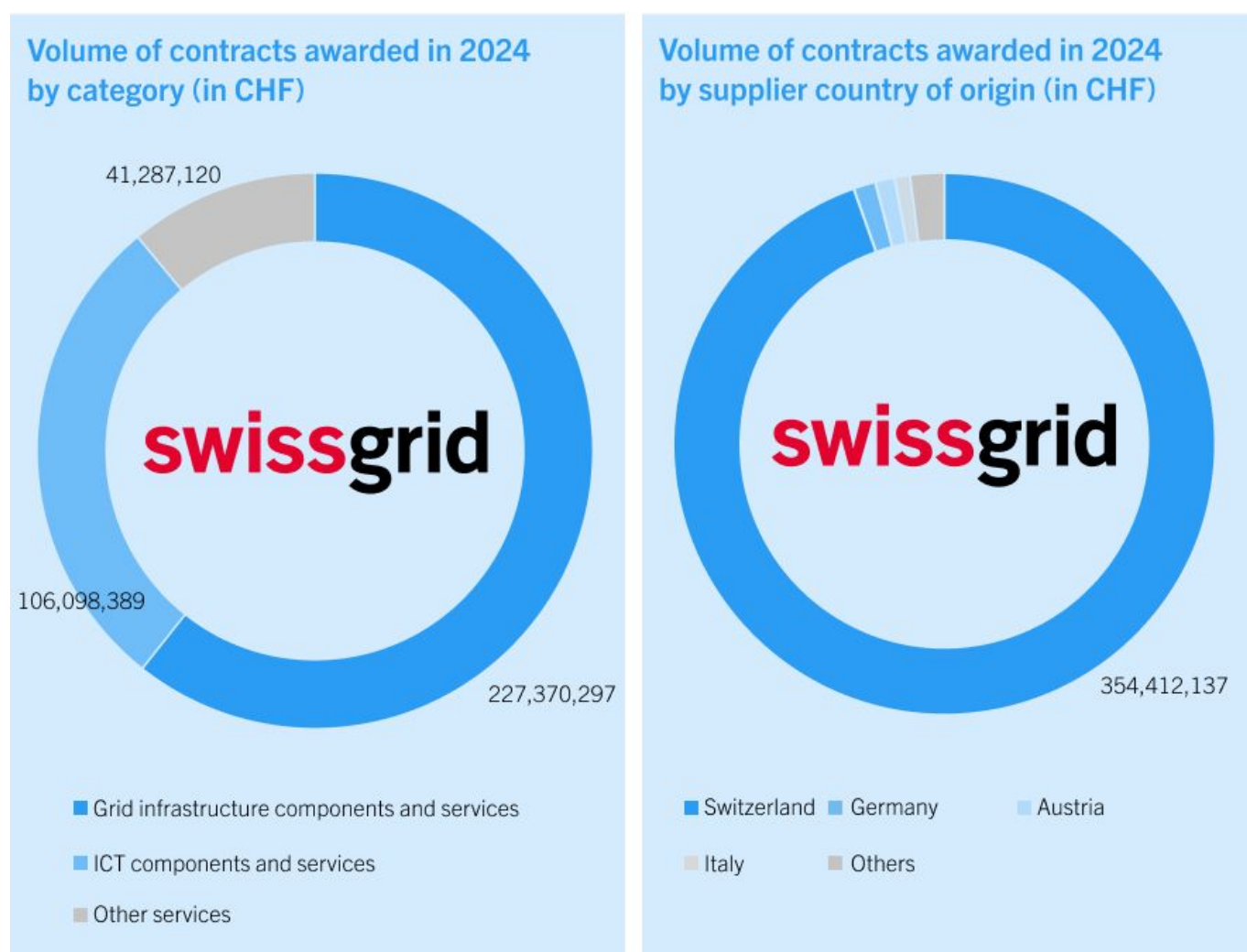
Swissgrid implements risk-based measures to prevent, avoid or minimise negative social and environmental impacts along its supply chain, with a focus on suppliers with a contract value of CHF 150,000 or more. These measures are designed based on the results of the risk analyses, taking into account the effectiveness, efficiency, potential influence and level of involvement of Swissgrid. Swissgrid implements risk-based preventive and remedial measures as well as measures to reduce the environmental footprint of the products purchased.

GRI 2-6, 203-1, 204-1, 308-1, 414-1

Swissgrid's supplier portfolio

To fulfil its statutory mandate, Swissgrid procured goods and services representing a contract volume of CHF 375 million in the 2024 financial year. New contracts were awarded to 119 suppliers, 22 of whom are working with Swissgrid for the first time. Services and components for the grid infrastructure accounted for around 61% of the volume of contracts awarded in 2024. Innovations in connection with the digitalisation and automation of processes and data are essential in order to meet the growing demands in relation to secure grid operation in an increasingly complex and volatile environment,. Consequently, contracts for services and components in the ICT sector accounted for around 28% of the procurement volume awarded in 2024. The remaining contracts concerned the various services necessary for the performance of Swissgrid's legal mandate.

Around 95% of the volume of contracts awarded, i.e. CHF 354 million, was accounted for by 105 local suppliers based in Switzerland, followed by suppliers from Germany, Austria and Italy (3% of the volume of contracts awarded).



Swissgrid has a qualification process in place to carry out an initial assessment of new suppliers. Swissgrid also carries out risk-based checks to ensure the availability of relevant certifications in the areas of quality management, environmental management, occupational health and safety and/or energy management (ISO 9001, ISO 14001, ISO 45001, ISO 50001, Safety Culture Ladder). The necessary certification depends on the

product group and may be a prerequisite for participation in Swissgrid's open tenders.

Audits of new suppliers according to environmental and/or social criteria in the 2024 financial year	Number	Proportion
Total new suppliers*	119	100%
of which were audited according to environmental criteria	65	55%
of which were audited according to social criteria	46	39%

* New suppliers are suppliers who concluded a contract with Swissgrid during the 2024 financial year.

GRI 308-2, 414-2

Screening of suppliers for potential negative environmental and social impacts

As part of its risk analysis, Swissgrid has tasked an independent, specialised agency with assessing the sustainability performance of its suppliers and providers since the beginning of 2023. Four areas are evaluated: the environment, labour and human rights, ethics, and sustainable procurement. Participation in this assessment process is voluntary, but is partly taken into account in the open selection procedure for suppliers. As of December 2024, a total of 127 suppliers have been subjected to a current sustainability assessment by Swissgrid. In the 2024 financial year, orders totalling CHF 153 million were placed with 98 of the 127 suppliers with a sustainability rating. This corresponds to around a third of the total order value from the 2024 financial year.

Of the 98 evaluated suppliers with whom orders were placed in the 2024 financial year, 56% have a good, advanced or above-average sustainability rating, while 35% have a partially satisfactory and 9% an unsatisfactory rating. The number and proportion of suppliers with an unsatisfactory environmental rating is higher than in relation to labour and human rights. An unsatisfactory rating does not mean that significant negative effects materialise. However, the risk of potential negative effects is significantly higher for these companies.

Examples of the identified environmental aspects that need to be addressed include the implementation of measures to reduce energy consumption and GHG emissions, reporting and/or documentation with regard to the management system for waste, materials and/or chemicals, or the preparation of environmental guidelines. Aspects that need to be improved on in labour and human rights include the publication of documented guidelines, measures and/or key figures on working conditions, human rights and/or diversity, equality and inclusion.

Key figures on environmental assessments carried out in the 2024 financial year:

Assessment of potential environmental impacts	Number of suppliers*	Proportion of suppliers evaluated
Suppliers assessed for environmental impacts	98	100%
of whom obtained a good, progressive or above-average environmental rating	76	78%
of whom obtained a partially satisfactory environmental rating	10	10%
of whom obtained an unsatisfactory environmental rating	12	12%
Suppliers identified as having significant actual negative environmental impacts	0	0%
Suppliers identified as having significant potential negative environmental impacts	12	12%
Suppliers asked to make improvements as a result of the evaluations	0	0%
Suppliers whose business relationship was terminated due to negative evaluations	0	0%

* Suppliers who received an order from Swissgrid in the 2024 financial year and have a current sustainability assessment.

Key figures on assessments carried out in the area of labour and human rights in the 2024 financial year

Assessment of potential social impacts	Number of suppliers*	Proportion of suppliers evaluated
Suppliers assessed for impacts with regard to labour and human rights	98	100%
of whom obtained a good, progressive or above-average labour and human rights rating	84	86%
of whom obtained a partially satisfactory assessment labour and human rights rating	11	11%
of whom obtained an unsatisfactory labour and human rights rating	3	3%
Suppliers identified as having significant actual negative impacts with regard to labour and human rights	0	0%
Suppliers identified as having significant potential negative impacts with regard to labour and human rights	3	3%
Suppliers asked to make improvements as a result of the evaluations	0	0%
Suppliers whose business relationship was terminated due to negative evaluations	0	0%

*Suppliers who received an order from Swissgrid in the 2024 financial year and have a current sustainability assessment.

GRI 308-2, 414-2

Risk-based inspections of supplier activities in the area of occupational safety and environmental protection

For contract management purposes, Swissgrid also carries out risk-based inspections of service providers who carry out work on Swissgrid systems. These inspections focus on compliance with occupational safety and environmental protection requirements in order to identify and eliminate the relevant risks. In addition, Swissgrid organises annual training courses on occupational safety for its external grid system operators.

HSE inspections and training of service providers on Swissgrid systems in the 2024 financial year	Number
HSE inspections of work carried out by suppliers/service providers	370
Service providers whose work was audited	103
Service providers with identified HSE violations	32
Service providers with whom corrective measures were agreed upon	32
Service providers whose contracts were cancelled due to violations	0

Dedicated training courses on occupational safety
carried out with external grid system operators
(service providers) of Swissgrid

3

Inclusion of sustainability criteria to improve the environmental and social footprint

In line with its ambition and goals, Swissgrid integrates environmental and social aspects as suitability and/or award criteria into tenders for the procurement of products and services. The specific criteria and their weighting are defined depending on the product group and taking into account the market situation, volume and potential risks. Examples of the criteria applied include:

Energy efficiency criteria

Swissgrid applies energy efficiency criteria in the procurement of selected components and operating equipment. These criteria include the capitalisation of active power losses in the selection of transformers, including the application of a bonus/malus incentive system, the assessment of losses in the procurement of overhead lines, the establishment of maximum loss rates for equipment with SF6 and of maximum permissible energy consumption values for SAS devices, as well as the availability of energy efficiency certificates when procuring IT products (e.g. Energy Star or Blue Angel). Wherever possible, compliance with the calculated energy efficiency specifications for grid components is checked on site by Swissgrid as part of factory acceptance tests.

Criteria with reference to GHG emissions

When assessing selected grid components, Swissgrid takes into account the availability of life cycle assessment calculations in accordance with recognised international standards. The aim is to systematically request the CO₂ footprint of the products offered by suppliers for key products in the future and to take this into account using a comparable assessment methodology. Other award criteria used by Swissgrid that are relevant to the GHG emissions along the supply chain include the proportion of renewable energy used in the manufacture of the product to be procured (conductors, underground cables or high-voltage cables); the existence of measures to reduce emissions; and the existence of calculations of GHG emissions and/or reduction targets.

Social criteria

Swissgrid took the following social criteria into account in procurements concluded in the 2024 financial year: number and severity of occupational accidents with lost working days, existence of guiding principles and risk assessments on occupational safety, and the implementation of measures to fulfil social responsibility and support employees. Copper Mark certification is also required as an additional criterion for the procurement of selected conductors. The aim of the certification is to ensure that suppliers of end products containing copper encourage and demand responsible social and environmental operating practices along their value chain.

Swissgrid has exceeded its corporate goal with regard to sustainable procurement: in the 2024 financial year,

Swissgrid took at least one sustainability criterion into account in more than 98% of open and invitation tender procedures in accordance with public procurement law. In 150 tenders, providers were evaluated according to environmental sustainability criteria, while social sustainability criteria were applied in 144 tenders. In several tenders, both environmental and social requirements were demanded as suitability and/or award criteria.

Use of sustainability criteria in tenders	Number
Total tenders carried out (contract value > CHF 150,000)	153
of which tenders* with environmental sustainability criteria	150
of which tenders* with social sustainability criteria	144

* Invitations to tender in open and invitation procedures.

Partnership with other transmission system operators

Along with nine European transmission system operators, Swissgrid is a member of an initiative to support the industrial strategy for a green and digital Europe. One of the strategic objectives of this partnership is to strengthen sustainable procurement practices and methods by adopting a harmonised approach. In this context, Swissgrid worked with the members of the initiative in the 2024 financial year to develop possible approaches for promoting the circular economy in procurements for critical grid components. To improve the effectiveness of sustainability criteria, several workshops were organised to share lessons learned, experience and recommendations.

Stakeholder engagement

Swissgrid endeavours to obtain broad acceptance of its construction projects for the Swiss transmission grid. To do so, Swissgrid engages in close dialogue not only with the authorities at federal, cantonal and municipal level, but also with the affected population, interest groups, associations and the media.

Swissgrid’s stakeholder engagement includes the management of industry stakeholders (see Swissgrid website: Stakeholder Management) and its stakeholder engagement as described above. The related ambitions, objectives and measures are explained in this section.

GRI 2-29

Ambition and goals

Swissgrid adopts an approach to the planning and implementation of grid expansion that involves comprehensive dialogue and participation. The involvement of the relevant stakeholder groups plays an important role in sustainable grid expansion, as construction projects can have an impact on the population, municipalities and cantons, as well as on the landscape, nature and biodiversity. Thanks to proactive grid project communication, Swissgrid ensures that the concerns of these stakeholders are incorporated into its planning processes. In this way, it can develop grid projects that minimise the impact on the environment and the population.

Swissgrid has set itself the following goals:

- Transparent communication of all relevant factors that influence the progress and dimension of the grid project, such as:
 - Technical limits and principles
 - Federal, cantonal and municipal requirements
 - Necessity of the project from the perspective of grid operations
- Active involvement of the population in order to recognise their needs and concerns, include them in communication measures and, as far as possible, consider them in the planning process.

GRI 2-12, 2-25, 2-29, 413-1

Management approach

Operational responsibility for the implementation of stakeholder management and stakeholder engagement lies with the Executive Board. The relevant framework is provided by Swissgrid's Strategy 2027, which was approved by the Board of Directors.

Public involvement: political participation

Swissgrid's business model is politically regulated. Swissgrid is therefore sometimes directly affected by political proposals. One example of this is the Federal Council's «Grid express» bill. Its aim is to shorten the planning procedures for grid projects. Another example is the electricity agreement with the EU, which is due to enter the parliamentary process in mid-2025. This approach ensures that the Swiss public is involved in the legislative process via parliament and the instruments of direct democracy.

Public involvement: Swissgrid's stakeholder engagement

Swissgrid has defined specific guidelines for stakeholder engagement, i.e. the involvement of the public in grid projects and grid project communication to ensure the systematic implementation of measures. Swissgrid places credible and active relationship management at the heart of its stakeholder engagement. This requires continuous communication to inform the public and other relevant stakeholders about upcoming grid projects as early as possible. In the vast majority of cases, this happens long before there is a real need for the technical project management to communicate any information.

Grid expansion follows a strict statutory procedure that consists of several phases (link to [Approval processes](#)). The requirements of grid projects are determined upstream in a separate process. Grid project communication is essential whenever an extra-high-voltage line is built or replaced. The authorities and the public are informed and involved in the process at every stage.

The decisive factor for stakeholder engagement activities is not the technical milestones of a project, but regular communication measures. This is primarily because the planning procedures (especially the transmission lines sectoral plan) often take several years. Swissgrid considers regular dialogue with the affected stakeholders to be crucial, particularly in planning phases in which only a few decisions are made with a mandatory need for communication. Generally Swissgrid implements a stakeholder engagement measure at least once a year.

The details of stakeholder involvement in all the different planning phases are summarised [here](#).

Swissgrid carries out a range of construction projects with different degrees of strategic importance, resource requirements, costs and complexity. From a technical point of view, a distinction is made between line and substation projects, as well as between new construction, enhancement and renovation projects. To ensure

that Swissgrid can reach the relevant stakeholders as effectively as possible with the available resources, it divides projects into the following categories: high, medium, low.

Measures and key figures

Swissgrid's measures for involving the public are based on the project classification described above. Possible measures are divided between the various project phases as follows:

«High» project category

The most important measures in the various project phases include:

- Preliminary project: prior notification of affected municipalities, stakeholder discussions, media releases, information brochures and information events.
- Construction project and approval process: project website, Infopoint, social media activities, media releases, project advisory council and trade fairs.
- Implementation: ground-breaking ceremony, inaugurations, pictures/videos, information boards and information events. Throughout all the phases: stakeholder meetings and media work to ensure transparent communication.

Low-category projects are not systematically integrated into the stakeholder engagement process. The necessary measures, such as construction site information or discussions with the authorities and landowners, are carried out independently by the project managers. However, situations or developments can also occur in low-category projects that increase the need for communication and make temporary involvement in the process necessary.

«Medium» project category

Measures include discussions with stakeholders in all project phases, as well as regular media releases/web news and information brochures. The affected municipalities are informed at an early stage of the preliminary project. During implementation, the focus is on information meetings, events and visual content such as images/videos and social media activities in order to ensure comprehensive and transparent communication.

Communication measure: project flyers

Project information brochures are used to provide all households and companies in the area close to a grid project with information. In the 2024 financial year, the public was informed about grid projects such as Niederwil – Obfelden, Marmorera – Tinizong, Nant de Drance, Oberwallis, Obfelden – Samstageren and Mörel – Ernen thanks to specific project flyers.

Communication measure: media information

As well as providing the population with direct information (e.g. via project flyers), communication with the national and local media is crucial for successful stakeholder engagement and continuous project communication. Swissgrid maintains active media relations. This means that direct contact with journalists (referred to here as media information) is used to supplement traditional media releases.

In the reporting year, Swissgrid sent out the following media releases on grid projects for stakeholder engagement purposes: Chamoson – Chippis grid project, Mörel – Ernen grid project, Thalwil – Sihlhalden grid project (line dismantling) and Morcote – Brusino grid project (Lago di Lugano underwater cable).

Project advisory council: direct involvement of the population in grid projects

The project advisory council is a voluntary body that Swissgrid appoints for certain projects during the construction project phase. The aim is to promote dialogue between the public, the authorities and Swissgrid. Swissgrid may invite representatives of municipalities, environmental organisations and interest groups to participate in project advisory councils, for example. Three meetings of the Niederwil – Obfelden project advisory council were held in the reporting year (more information can be found [here](#)). As no other grid project was in the construction phase in 2024, all meetings focussed on this grid project.