



Sustainability at Swissgrid

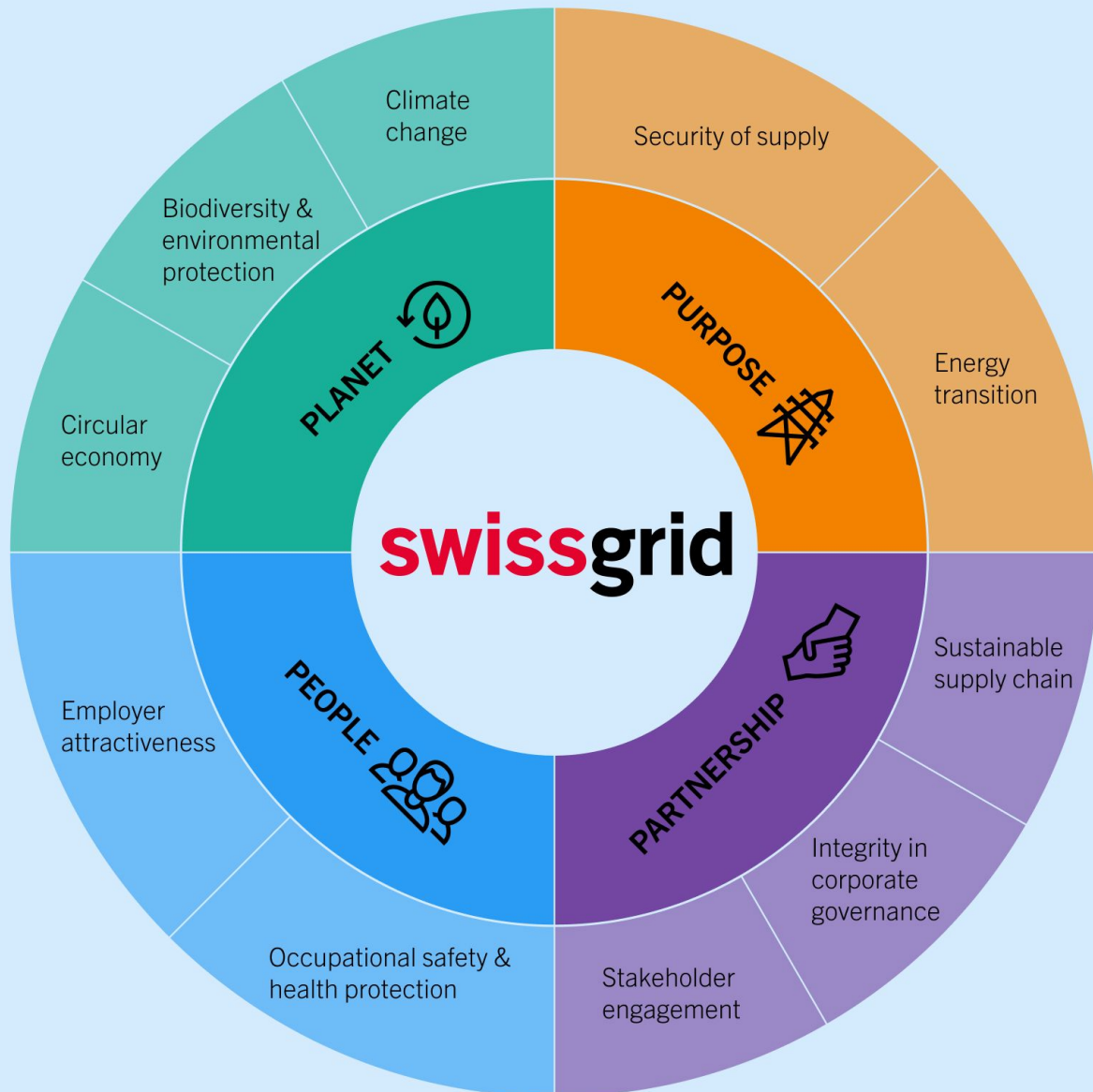
Swissgrid is helping to shape the future of energy in Switzerland – safely, innovatively and sustainably. As the transmission system operator, Swissgrid is the backbone of a reliable, stable and efficient supply of energy and is playing a key role in the transformation of the energy system on the grid side. Responsible behaviour towards people and the environment is an integral part of Swissgrid's corporate strategy. By firmly establishing ecological, social and economic aspects as part of its core mandate, Swissgrid is not only strengthening the sustainability of the company, but also making a vital contribution to the resilience and future viability of the supply of electricity in Switzerland.

GRI 3-3

Priorities of Swissgrid's commitment to sustainability

Swissgrid's Board of Directors has firmly established the company's commitment to sustainability in its Strategy 2027 as the «Corporate Social & Environmental Responsibility» (CSER) strategic focus area. The aim of the CSER approach is to enable Swissgrid to fulfil its social responsibility for people and the environment by actively and naturally implementing sustainable actions in all activities and areas of the company. Swissgrid divides its commitment to sustainability into four strategic areas of action: Purpose, Planet, People and Partnership. In January 2025, the Board of Directors defined ten priorities in these four strategic areas of action using the company's updated dual materiality analysis. These priorities form the basis for the strategic focus on CSER and for non-financial reporting.

Swissgrid's areas of action and priorities related to sustainability



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

Swissgrid's sustainability goals

In the 2024 reporting year, the Executive Board approved Swissgrid's guiding principles for sustainability and the CSER management concept. The guiding principles provide a framework for the further development of the company's commitment to sustainability. Detailed information on the objectives, the management approaches for handling social and environmental impacts, the measures being taken and the progress being made is given for all the priorities in the corresponding sections of the Annual Report. The following table provides an overview of Swissgrid's ambition and selected key figures for each of the ten priorities.

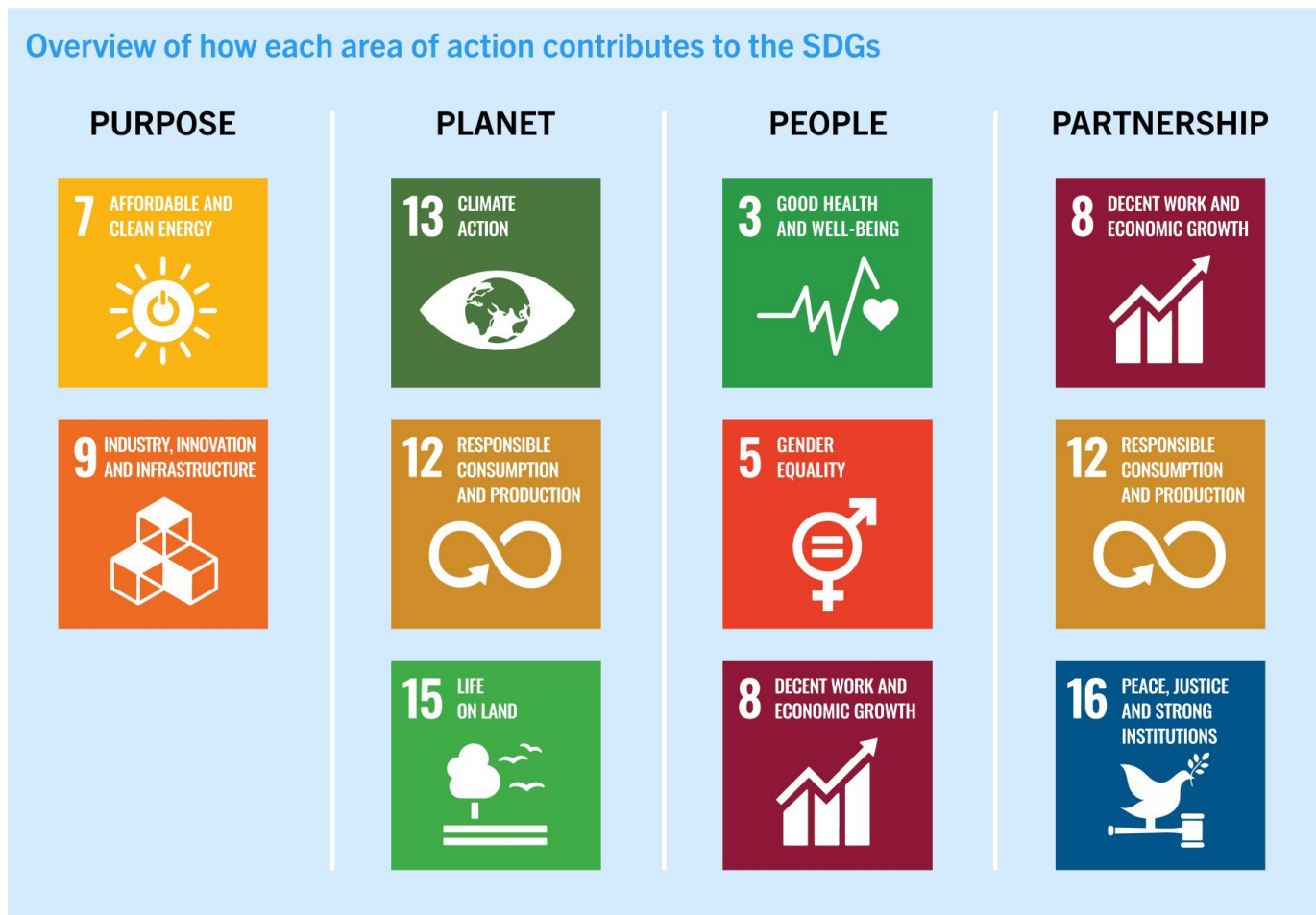
Priority	Ambition	Key figures for 2024
Purpose Security of supply Energy transition	Swissgrid guarantees grid-related security of supply. Swissgrid is supporting the transformation of the energy system on the grid side.	• Availability of the transmission grid > 99.9% • «Energy not supplied» of 0.002 GWh in the meshed grid • Use of positive control energy (944 GWh) and negative control energy (550 GWh) • Exported energy (39,175 GWh) and imported energy (25,262 GWh)

Planet	<u>Climate change</u>	Swissgrid intends to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2030 and by 90% by 2040 (in relation to 2023).	• Increase in Scope 1 and Scope 2 greenhouse gas emissions by 8.5% (compared with 2023)
	<u>Environmental protection and biodiversity</u>	Swissgrid is committed to preserving biodiversity and minimising harmful effects on land, air and water.	• 24 substations with small structures to preserve biodiversity • 3 events of environmental relevance in grid operations
	<u>Circular economy</u>	Swissgrid integrates the principles of the circular economy along its value chain.	• 58% of waste from grid projects is reused or recycled
People	<u>Occupational health and safety</u>	Swissgrid has set itself the goal of protecting the health and safety of employees, service providers and neighbours.	• 14 occupational accidents involving employees and service providers
	<u>Employer attractiveness</u>	Swissgrid is striving to establish its position as one of the best employers in Switzerland in order to successfully attract and retain new talent.	• Departure rate of 6.2% • Proportion of women of 22%
Partnership	<u>Sustainable supply chain</u>	Swissgrid fulfils its environmental, social and economic responsibility along the value chain.	• > 98% of tenders in open and invitation procedures take sustainability criteria into account
	<u>Integrity in corporate governance</u>	Swissgrid and its employees always act responsibly, professionally and credibly to ensure a secure and sustainable supply of electricity, both now and in the future.	• No material compliance violations of legal principles related to sustainability or the principles of Swissgrid's Code of Conduct
	<u>Stakeholder engagement</u>	Swissgrid creates a common basis for finding sustainable solutions by engaging in transparent dialogue and constructive cooperation with stakeholders.	

Contribution to the Sustainable Development Goals (SDGs)

Swissgrid is helping Switzerland to achieve the SDGs thanks to its commitment to sustainability. As the link between generation and consumption, Swissgrid is making a significant contribution to the energy transition (SDG 7), to climate protection (SDG 13) and to the provision of a resilient and innovative infrastructure (SDG 9). In addition, Swissgrid's commitment to sustainability contributes to the achievement of six other SDGs (see overview below). As a member of the UN Global Compact (UNGC), Swissgrid is also committed to integrating the ten principles of sustainability into its strategy, its activities and its culture.

Overview of how each area of action contributes to the SDGs



Principles and guidelines

The ambitions of Swissgrid's guiding principles for sustainability and the principles of the UNGC are supplemented by further sustainability-related declarations of commitment and internal directives:

- Swissgrid's Code of Conduct and Whistleblowing Policy approved by the Board of Directors (see the «Integrity in corporate governance» section)
- Sustainability Charter for Suppliers approved by the Executive Board (see the «Sustainable supply chain» section)
- Supply chain policy for exercising due diligence approved by the Board of Directors (see the «Sustainable supply chain» section)
- Occupational health and safety policy approved by the Executive Board (see the «Occupational health and safety» section)
- The organisational regulations (approved by the Board of Directors) and internal directives and regulations (approved by the Executive Board) in the areas of HR policy, anti-corruption, human rights, procurement, fair conduct and transparency in the wholesale energy market and the financial market, data protection, information security and cybersecurity, compliance, risk management, occupational safety, health protection and the environment
- Guidelines and handbooks for suppliers in areas including occupational safety, health protection, environmental protection and the safety culture

GRI 3-3

Sustainability management system

Swissgrid strengthened its cross-departmental management system in the 2024 financial year in order to integrate sustainable and responsible behaviour into all its activities and to continuously improve its commitment to sustainability. The sustainability management system is based on the specifications of ISO 26000 and the PDCA («Plan-Do-Check-Adjust») model. The guiding principles for sustainability establish the basis for putting the management model into practice in operations. In particular, this includes integrating sustainability into all relevant corporate processes, exercising due diligence with regard to environmental and social impacts along the value chain, actively involving employees and stakeholders by providing information, training and dialogue, and ensuring transparent and comprehensive reporting.

Sustainability management model



GRI 2-19

Sustainability targets for variable remuneration

Variable remuneration at Swissgrid is measured according to an individual performance assessment and the achievement of the strategic corporate objectives defined for the financial year. The Executive Board reviews target achievement on a quarterly basis and initiates measures if targets are not met. As part of its Strategy 2027, Swissgrid has also defined CSER targets and performance criteria. The extent of their achievement has an impact on the variable remuneration of members of the Executive Board and senior and specialist managers. For the 2024 financial year, progress in the following sustainability areas was relevant for variable remuneration: greenhouse gas emissions, occupational safety, sustainable procurement, the enhancement of employee skills and the further development of the sustainability strategy. Progress in these five areas

accounted for a total of 23% of the variable remuneration component linked to corporate objectives.

GRI 2-29

Collaboration with external stakeholders

Swissgrid works closely with external stakeholders in relation to sustainability, including authorities, industry partners, organisations, environmental protection associations, European transmission system operators and other groups. The objectives range from exchanging experience and developing and piloting joint sustainability projects to preparing industry-wide standards. Partnerships with stakeholders and the integration of the knowledge gained as a result provide Swissgrid with an important basis for continuously improving its management approaches in various areas of sustainability. For example, Swissgrid continued to work closely with other transmission system operators in Europe in the 2024 financial year to harmonise the environmental and social requirements for suppliers with regard to procurement. The aim is to increase the effectiveness and feasibility of the criteria used (see the [«Sustainable supply chain»](#) section). Swissgrid also incorporates the concerns and interests of the public, authorities and other interest groups into its grid projects. Their involvement and influence are described in detail in the [«Stakeholder engagement»](#) section.

GRI 2-14, 3-1, 3-2

Dual materiality analysis

Swissgrid identified its ten priorities using the dual materiality analysis. The materiality analysis is approved by the Board of Directors, reviewed once a year across all departments, and modified if necessary with the approval of the Board of Directors. When conducting its materiality analysis, Swissgrid refers to the guidelines of the Global Reporting Initiative (GRI) and the general requirements of the European Sustainability Reporting Standards (ESRS 1). In the 2024 financial year, Swissgrid carried out a two-stage evaluation and update of its materiality analysis.

Validation of the sustainability topics identified during the analysis

In an initial step, Swissgrid validated the list of relevant sustainability topics to be evaluated according to the following procedure:

- **Collection of possible sustainability topics:** Swissgrid compiled a list of potentially relevant topics. This was based on the corporate strategy, the 2022 materiality matrix, a benchmarking comparison with European and Swiss companies, relevant international and national standards, and the risk categories of Swissgrid's Enterprise Risk Management (ERM) system. National and international trends and developments in the electricity and sustainability sector were also taken into account.
- **Analysis of the corporate context:** Swissgrid's corporate context was analysed in order to validate the collection of topics. To do so, Swissgrid took into account its corporate activities, business relationships and impact chains, as well as the concerns of relevant stakeholders.
- **Internal and external consultations:** external (industry, investors, NGOs, academia and service providers) and internal stakeholders were consulted for further validation.

Evaluation of the identified sustainability topics according to the dual materiality principle

In a second step, Swissgrid evaluated the sustainability topics identified, including those listed in Art. 964b of the Swiss Code of Obligations, according to the dual materiality principle:

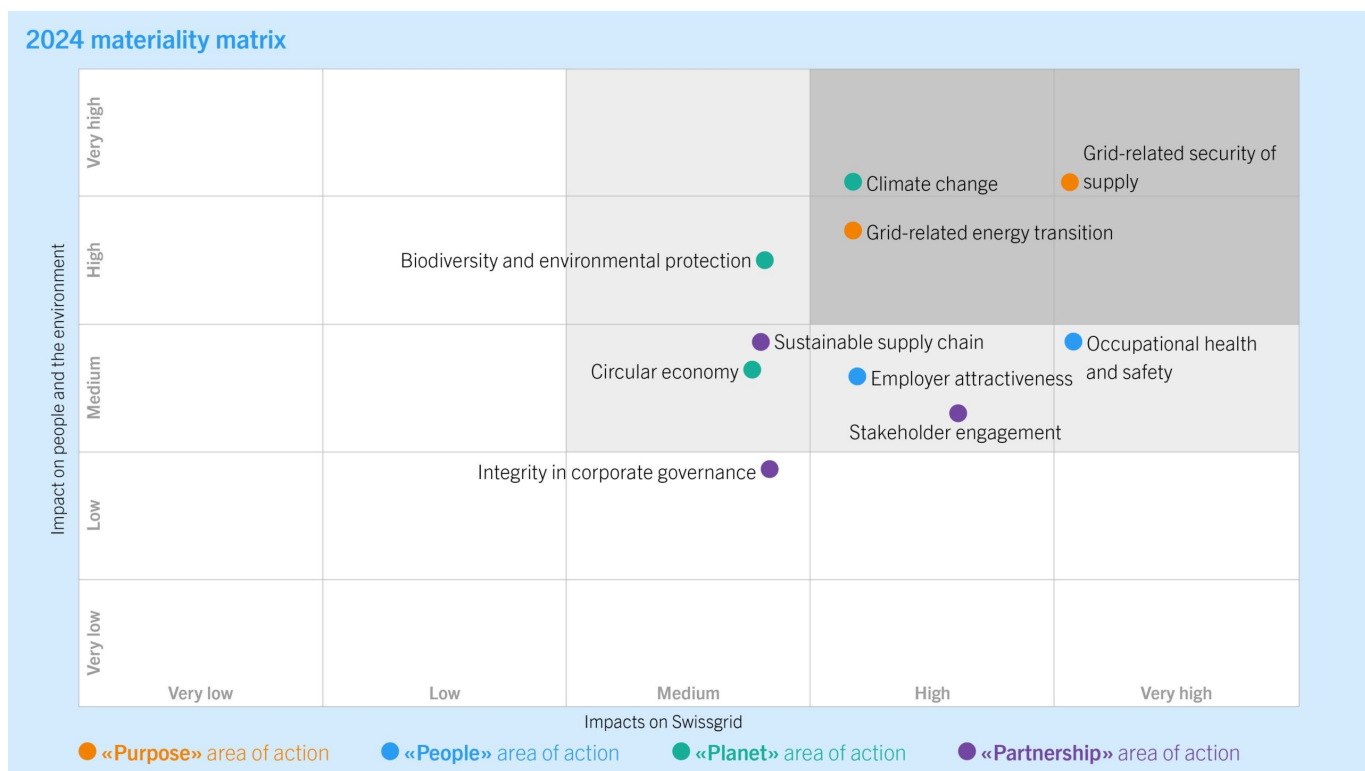
- **External impacts («inside-out» perspective):** Swissgrid evaluated the external negative and positive impacts of its business activities on people and the environment along the value chain. To do so,

assessment scenarios were defined for each topic in order to evaluate the extent, scope, irreversibility and probability of occurrence of the identified potential external impacts on people and the environment. Short, medium and long-term effects were taken into account.

- Impact on the inside («outside-in» perspective):** Swissgrid also evaluated the actual and potential sustainability-related risks and opportunities for the company. The corporate risks recorded in the ERM served as a basis for ensuring the consistency of the risk assessment. In accordance with the ERM, identified risks are evaluated on the basis of assessment scenarios to establish the probability of occurrence and the potential extent of damage. The extent of damage is determined in relation to nine risk categories: personal safety, security of supply, efficiency of the transmission system, financial situation, compliance, reputation, environmental and landscape protection, innovation and digitalisation and/or information security. Swissgrid adopted the highest-rated ERM risk or the highest-rated opportunity as a benchmark to evaluate (financial) materiality from an «outside-in» perspective.

Updated 2024 materiality matrix

The materiality matrix provides an overview of the ten material topics identified by Swissgrid. The company has set the following threshold value for defining the materiality of the topics analysed: Swissgrid considers an issue to be material if either the impact on people and the environment or the opportunities and risks for Swissgrid are assessed as «medium» (on a five-point scale, this corresponds to a threshold value of 2.6 points). Issues that were not considered material from a sustainability perspective (e.g. water or marine resources) are not listed in the materiality matrix.



These methodological changes have resulted in the further development of the analysis, the presentation and the main topics. The materiality matrix now shows ten instead of 14 areas that are of particular relevance to Swissgrid from a sustainability perspective. The most important changes were made for the following reasons:

- Methodological changes:** «Grid-related energy transition» is now identified as a material topic due to its

relevance for a climate-friendly energy transition, grid stability and Swissgrid's core business. «Healthy financial strength» remains an important basis for financing sustainable investments, and «transparency» is part of Swissgrid's sustainability reporting principles. However, in line with the dual materiality methodology, these issues are no longer managed as separate material topics.

- **Consolidation of topics:** «Diversity and inclusion» and «Attracting, retaining and developing skilled workers» have been consolidated under «Employer attractiveness», and «Innovation and digitalisation» has been integrated into «Grid-related energy transition» and «Grid-related security of supply».
- **Changes in terminology:** «Integrity in corporate governance» is now used instead of «Governance, compliance, anti-corruption and risk minimisation».

Governance and organisation

The responsibilities and organisation in relation to sustainability are part of Swissgrid's corporate governance structure. The responsibilities of the Board of Directors, the Executive Board and the operational business area are defined in the legal requirements, the Articles of Incorporation and the organisational regulations approved by the Board of Directors. The 2024 Corporate Governance Report gives details of the composition of the Board of Directors and the Executive Board, of provisions and processes relevant to corporate governance and of the corresponding areas of responsibility.

GRI 2-5, 2-9, 2-12, 2-13, 2-14, 2-17, 2-24

The role of the Board of Directors with regard to sustainability

As Swissgrid's highest supervisory body, the Board of Directors is responsible for the sustainability strategy (including long-term objectives), for annual non-financial reporting and for the due diligence and management processes for identifying and managing positive and negative impacts, risks and opportunities in relation to sustainability (sustainability issues).

The Board of Directors has various monitoring, control and audit functions, and can access tools to help it to fulfil its responsibilities:

- The Finance and Audit Committee (FPA) helps the Board of Directors to monitor the management of environmental and social impacts and risks that may arise from Swissgrid's business activities. In addition, the FPA reviews and approves the non-financial reporting for the attention of the Board of Directors.
- Internal Audit reports directly to the Board of Directors and carries out risk-oriented, independent audits and provides advisory services on its behalf. In particular, its tasks include regular auditing of internal supervision, control and risk management processes. In the 2024 financial year, Internal Audit validated and confirmed the implementation of two measures related to sustainability.
- The monitoring of sustainability issues represents an integral part of the ERM system. In the course of semi-annual risk assessments and regular risk updates, the FPA and the Board of Directors are informed about the main risks and their management.
- When submitting proposals, the Board of Directors considers the impact of Swissgrid's planned activities on the four areas of action Purpose, Planet, People and Partnership. This last area of action includes taking into account the concerns and interests of external stakeholders. Since 2023, the positive and/or negative effects must be presented in all proposals. This applies to strategic and operational activities, as well as to investments that are submitted to the Board of Directors for approval, acknowledgement or resolution.
- In order to ensure the integrity and credibility of sustainability reporting, the Board of Directors has instructed Swissgrid's Executive Board to implement an appropriate internal control system for non-

financial reporting and to have an annual audit of key figures carried out by an external auditor. The external auditor presents the results of the audit to the FPA and the Chairman of the Board of Directors. The measures implemented to strengthen the internal reporting processes were validated by Internal Audit in February 2024.

- In addition, the Board of Directors discusses current topics of relevance to the company in greater depth at ordinary meetings or at extraordinary events such as workshops and visits. It regularly consults with both internal and external experts for this purpose. New members of the Board of Directors are familiarised with company-specific topics in an onboarding session. All members of the Board of Directors completed training on the prevention of corruption in the 2024 financial year to enhance their knowledge of sustainability.

As part of Strategy 2027, the Board of Directors has delegated responsibility for the operational implementation of the sustainability strategy and cross-departmental management to the Executive Board.

GRI 2-12, 2-13, 2-23, 2-24, 3-3

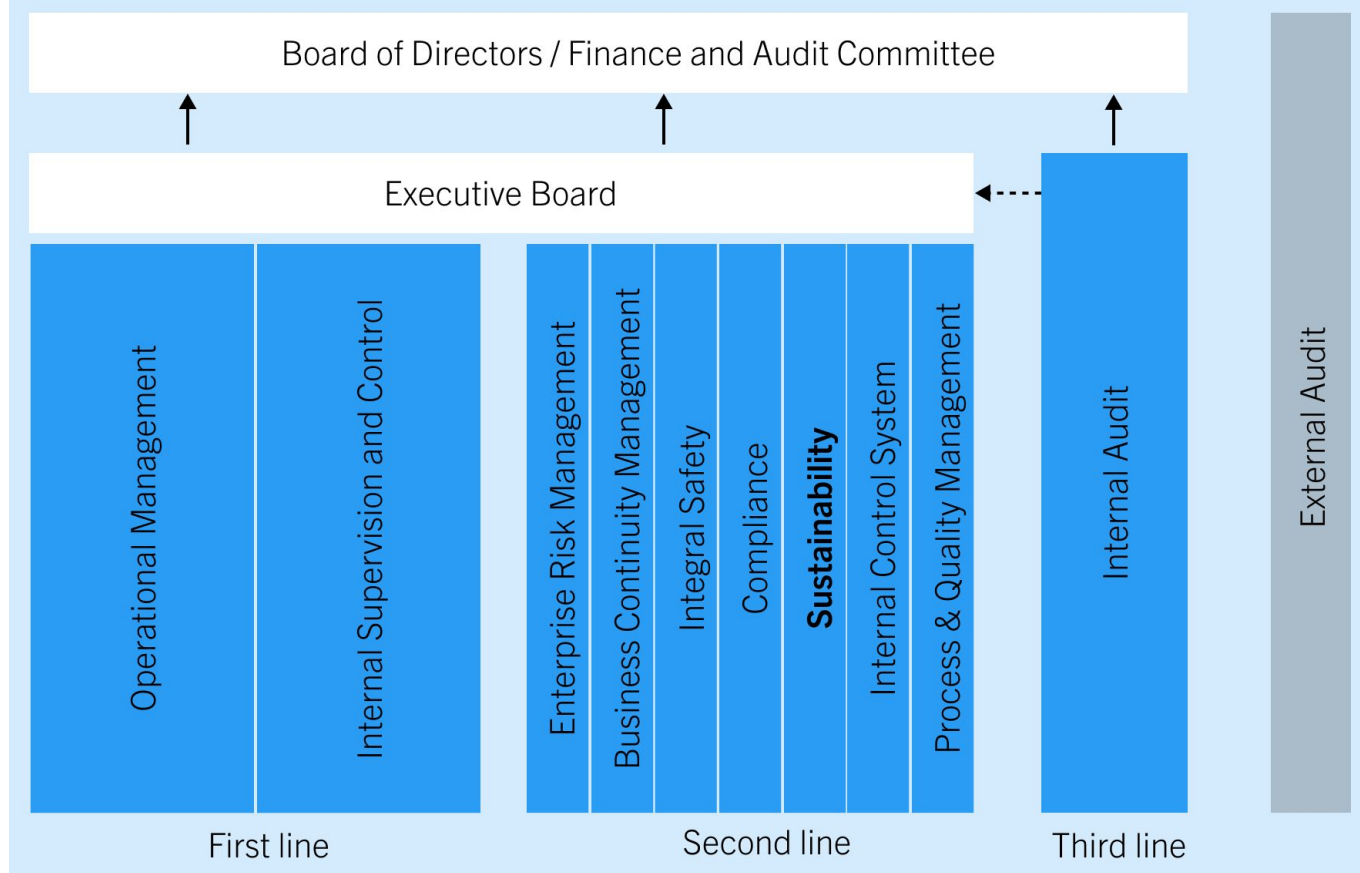
The role of the Executive Board with regard to sustainability

The Executive Board is responsible for Swissgrid's operational business activities. This includes implementing the sustainability strategy, achieving targets by drawing up and implementing action plans, and managing sustainability issues effectively along the value chain by means of suitable processes and control mechanisms. The Executive Board also encourages the integration of sustainability into the company's business and decision-making processes and ensures that a sustainable corporate culture is firmly established within Swissgrid. In order to fulfil this role, the Executive Board organises regular reviews of effectiveness and progress in the priority areas and defines responsibilities and competencies related to sustainability. The Executive Board uses established reporting processes to inform the Board of Directors at least once a year about risks, opportunities and implementation progress as far as sustainability is concerned.

The three-line governance model

Operational responsibilities in the area of sustainability are allocated based on the three-line governance model. This model serves as a framework for systematically managing sustainability issues and taking them into account in decision-making, ensuring the control of high-risk areas of responsibility, verifying compliance with legal and internal regulations, driving forward strategic development, and identifying, rectifying and learning from errors or irregularities. Sustainability is one of the second-line governance domains.

Swissgrid's three-line governance model



First-line responsibilities: the operating business units are responsible for the further development and implementation of sustainability measures and targets in their business areas, for compliance with accountability (for instance by means of controls and reporting) and for identifying and managing potential and actual risks to people and the environment arising from operating activities.

Second-line responsibilities: the Sustainability governance domain supports the operating business units, the Executive Board and the Board of Directors by performing the following tasks:

- Helping the Board of Directors and the Executive Board to identify, mitigate and manage sustainability issues;
- Developing and operating a cross-departmental sustainability and environmental management system;
- Driving the operational development of the sustainability strategy and the implementation of company-wide sustainability initiatives;
- Advising and helping the business units to conceptualise and implement strategies, measures and training in relation to sustainability.

Other second-line governance domains that are relevant to sustainability issues are ERM, compliance and integral security. These domains support the Board of Directors and the Executive Board by means of effective management systems to mitigate and control potential impacts and risks, to ensure compliance with the applicable legal framework and ethical principles, and to protect Swissgrid's employees, installations, systems and information from adverse effects.

Third-line responsibilities: Internal Audit supports the Board of Directors, its committees and the Executive

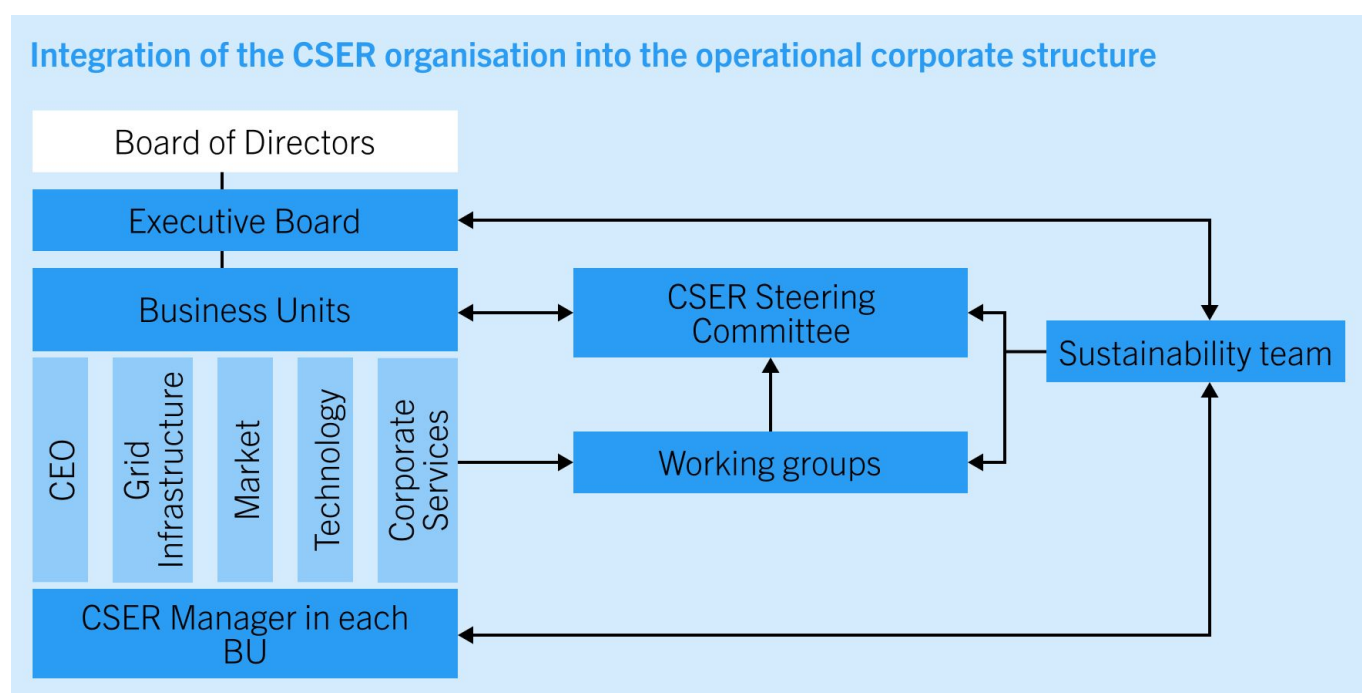
Board by providing independent and objective auditing and advisory services. Internal Audit gives these bodies the assurance that corporate supervision is guaranteed and processes are adhered to. The aim is to identify potential weak points and risks, thereby avoiding damage, optimising processes and creating added value.

GRI 2-13, 3-3

Cross-departmental CSER organisation

In October 2023, the Swissgrid Executive Board created a dedicated Sustainability team that reports directly to the CFO and Head of Corporate Services at Swissgrid. In the 2024 financial year, the Executive Board also approved the following CSER organisations in an effort to drive forward cross-departmental management and establish sustainability within all business areas:

- CSER Steering Committee, consisting of members of senior management, to support the further development of the sustainability commitment in an advisory and steering capacity;
- CSER managers, consisting of employees from each business unit, to coordinate and establish sustainability activities within the operational business units;
- CSER working groups, consisting of employees with expertise in the relevant priority subjects, to provide technical support for the development of strategies targeting specific topics.



GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-14

Context of non-financial reporting

The Board of Directors of Swissgrid Ltd approved the integrated Annual and Sustainability Report on 14 April 2025 for publication on 16 April 2025, and submitted it to the General Assembly on 20 May 2025 for acceptance. The integrated Annual Report is published electronically on the [Swissgrid website](#).

Non-financial reporting takes place once a year. This report covers the period from January to December 2024 and comprises the business activities of Swissgrid Ltd. The activities of Pronovo AG were excluded from

the financial and non-financial consolidation in accordance with Art. 64 Para. 5 of the Energy Act.

Swissgrid's non-financial reporting was prepared in accordance with the requirements set out in Article 964 of the Swiss Code of Obligations (CO) and the Ordinance on Climate Disclosures. This report therefore provides an account of sustainability issues in accordance with Art. 964b CO (environmental concerns, including climate concerns, social concerns, employee concerns, respect for human rights and combating corruption).

The Sustainability Report is structured according to the material topics identified in Swissgrid's materiality analysis. For transparent reporting purposes, Swissgrid reports in accordance with the standards of the Global Reporting Initiative (GRI), the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). Swissgrid does not import or process any conflict minerals or metals as defined in the law and the ordinance and is therefore exempt from the reporting obligations regarding minerals and metals. Reporting on the exercise of due diligence with regard to child labour is integrated into the «Sustainable supply chain» section.

Swissgrid made methodological changes to selected key figures in the 2024 financial year to improve the quality and accuracy of the data collected. Where relevant and possible, the key figures for 2022 and 2023 were adjusted accordingly to ensure comparability. Any material adjustments (i.e. with an impact of +/- 5%) are shown for the relevant key figures in the corresponding sections of the Sustainability Report. The most important methodological change affecting the key figures for the financial years 2022 to 2024 concerns the limitation of Scope 2 and Scope 3 emissions in relation to the emission factors used for electricity, heating and cooling consumption. As a result of this adjustment, the greenhouse gas emissions reported for the 2022 and 2023 financial years have been reduced for Scope 2 emissions and increased for Scope 3 emissions.

Swissgrid has tasked PricewaterhouseCoopers with conducting a limited assurance audit of selected key figures in accordance with the «Independent Auditor's Report» in order to ensure the reliability of the most important key figures on greenhouse gas emissions, energy consumption, occupational safety, employees and diversity. The externally audited key figures are labelled accordingly in the report (✓) and relate to the 2024 financial year.

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