

## One Planet

Living within the natural limits of the planet is what Eneco believes in and strives for. Driven by our mission 'everyone's sustainable energy', we are at the heart of society and help many consumers and businesses to switch to sustainable energy. We do this with smart, sustainable and affordable products and services. In our One Planet plan, we have laid down our sustainability objectives. The plan contains measurable objectives in the field of climate (Eneco and our customers carbon neutral by 2035), biodiversity (Eneco makes a net positive contribution at our asset locations by 2025), circularity (Eneco is a circular company by 2050) and society (Eneco is best in class on community engagement by 2025). In the One Planet Plan we challenge ourselves, our suppliers and customers to realize more sustainable value together and therefore want to work with suppliers with whom we share the same values in the field of corporate social responsibility (CSR).

## Supplier Code of Conduct

We request suppliers to comply with CSR by signing our Supplier Code of Conduct<sup>1</sup> (SCoC), which lays down the principles for sustainable and corporate social responsibility. Each Eneco supplier must accept the content of the SCoC as part of the agreement. In some cases, the supplier's code of conduct can be considered an acceptable alternative to the Eneco SCoC if the content complies with what Eneco expects from the supplier's CSR policy. In other cases, the content of the SCoC may be adjusted, depending on the context of the supplier, the delivered product/ service and after alignment with and approval from with the Procurement Sustainability Officer.

## MVO assessment

In order to further map the level of sustainability of our supplier portfolio, we ask a selection of our suppliers to do the CSR assessment. This selection is based on:

- spend, and
- role of the supplier in achieving Eneco's business goals, and/or
- CSR risk profile of the supplier, and/or
- CSR risk profile of the procurement categories the supplier facilitates.

Based on the results of the CSR assessment, the suppliers are assigned one of the following statuses:

1. Leader:

This supplier is seen as a forerunner in the field of sustainability. We would like to join forces with this supplier and investigate whether further cooperation in the area of sustainability and innovation is possible.

2. Performer:

This supplier is doing well in the field of sustainability. In any case, we would like to stick to the achieved level and, in consultation, look into whether further opportunities for improvement can be used.

3. Starter:

This supplier has made a start in the area of sustainability. We will expect this supplier to work on improving its sustainable character. Where possible and necessary, Eneco will actively support the supplier. We expect this supplier to be able to demonstrate within a reasonable period of time that he scores at the level of Performer.

4. Laggard:

This supplier does not do well in the area of sustainability. Eneco will expect concrete improvement plans and action, as a result of which this supplier will undertake corporate social responsibility. If no improvement is visible within a reasonable period of time, Eneco will weigh the consequences for further cooperation with this supplier.

Eneco strives for a level of CSR within its selection of suppliers of at least 40% Leaders as from 2022, followed by more than 50% Performers. Up to 10% Starters, Laggards and others are considered acceptable.

## CSR criteria in supplier selection

In all procurement projects of Eneco, our sustainable strategy plays an important role and we translate this, where possible and relevant, into the selection criteria. In it, we challenge ourselves and our suppliers whether we can meet the purchasing

<sup>1</sup> <https://www.eneco.com/general-conditions/>

needs in a more sustainable manner. Considerations when selecting a supplier are therefore not only based on price and quality, but also on the following social and ecological criteria:

- Reduction of CO<sup>2</sup> emissions
- Circularity
- Social conditions
- Human Rights
- Fair Trading Practices
- Consumer Issues

Which sustainability criteria should lead to the selection of the supplier and agreements in the contract depend on the characteristics of Eneco's Request For Proposal (RFP). These sustainability criteria are explained in more detail in the document 'CSR criteria'<sup>2</sup>:

The purchaser has the following tools at his disposal that enable him to decide which CSR criteria are considered relevant for the current procurement project:

1. The Category Value Strategy

Category value strategies are drawn up for the procurement categories. Within the context of the procurement category, developments and risks in the market are brought together with Eneco's business objectives from various analysis models. Developments and objectives in the field of corporate social responsibility have been included in this analysis. This gives direction to the important sustainability topics for the procurement category to include in tenders and contracts with suppliers.

2. The Category Card

A category card is available for each subcategory, containing concrete questions and/or criteria in the field of sustainability that can be asked by the buyer and his/her stakeholder in their procurement project.

3. The Procurement Sustainability Checklist

Procurement projects with a potential spend in excess of €200,000 (contract value) must be reviewed by the Procurement Board. Sustainability conditions is one of the items on which the Procurement Board assesses the sourcing strategy of tenders. The Sustainability Procurement Checklist helps the Procurement Board to determine which mandatory CSR clauses should be part of the procurement project with the selected supplier.

CSR criteria must be demonstrably included in at least 60% of our contracts.

<sup>2</sup> <https://www.eneco.com/general-conditions/>