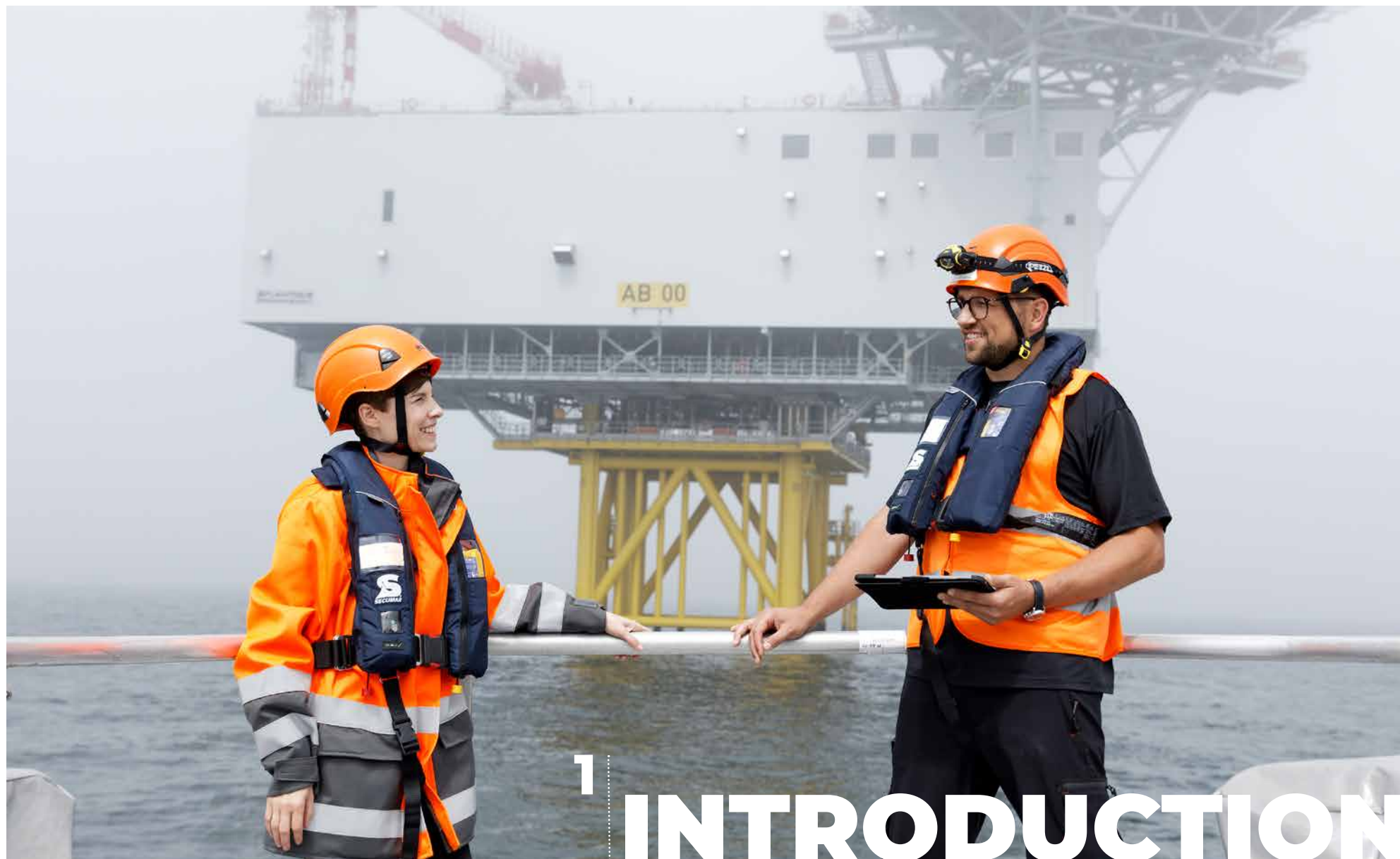


# READY TO SWITCH

FAST-FORWARDING  
THE GREEN  
TRANSITION

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# 1 INTRODUCTION



## ABOUT THIS REPORT

This Sustainability Report provides transparency on the Elia group's performance in terms of sustainability in 2022 and describes the integration of sustainability into our strategy (see Section 2. Strategy). This annual Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI). GRI Standards serve as best practice that can be used by organisations when carrying out public reporting about their economic, environmental and social impacts.

Relevant GRI performance indicators are highlighted throughout the report wherever Elia Group SA/NV is communicating about its economic, environmental or social impacts. Please consult the [GRI Content Index on [page 72](#) for a full overview of these indicators.

Some of these disclosures are included in other reports; please see the GRI content index at the end of the document

This is Elia Group SA/NV's fifth annual sustainability report and it covers the period from 1 January 2022 to 31 December 2022.

A key selection of 2022 metrics were externally verified and are marked in this report with the sign "V". Please find the External assurance report on [page 68](#).

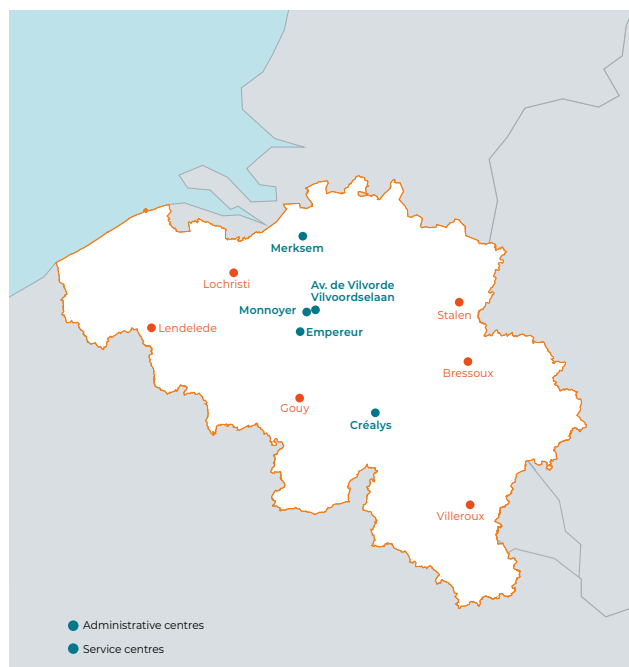
## ELIA GROUP

Elia Group consists of several subsidiaries, including transmission system operators (TSOs) Elia Transmission Belgium SA/NV (Belgium), 50Hertz Transmission GmbH (in the north and east of Germany) and the international consultancy company Elia Grid International SA.

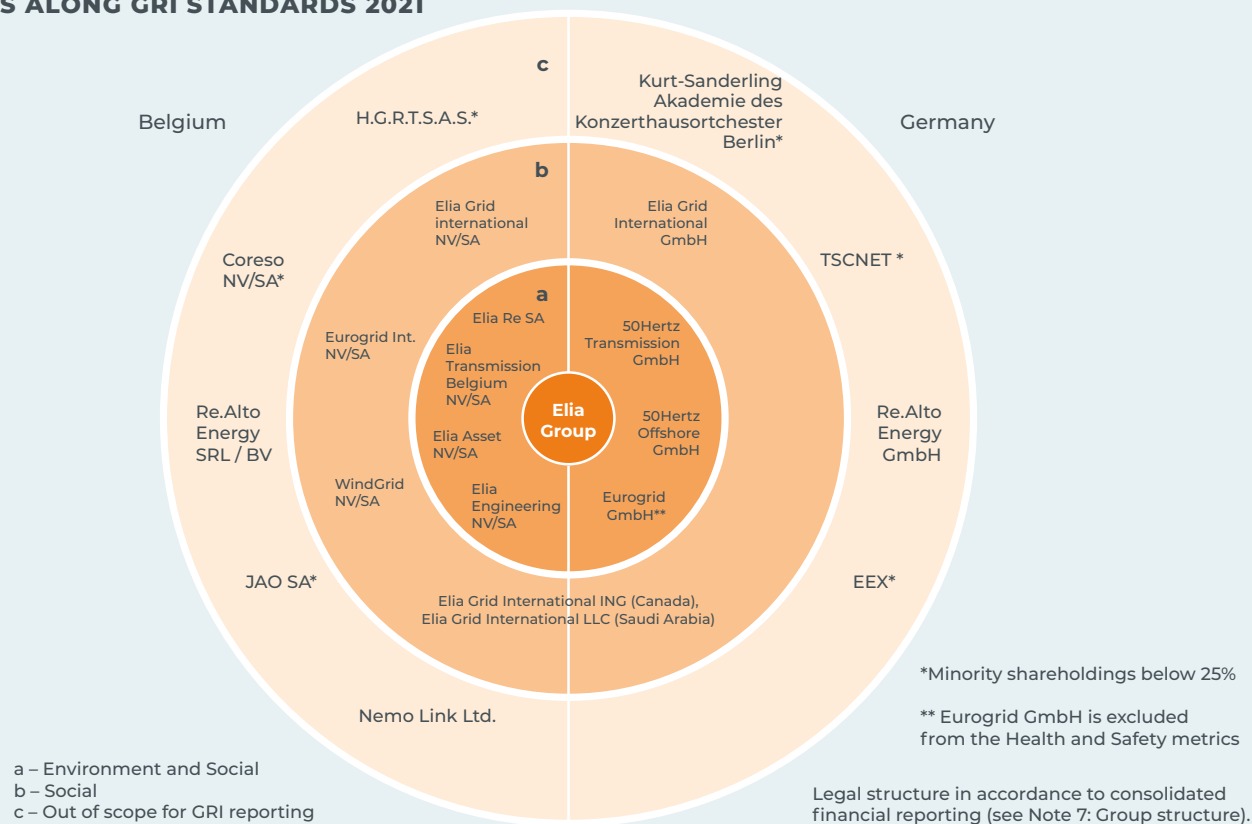
Together, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH operate around 20,000 km of high-voltage connections that supply power to around 30 million end users 24 hours a day, 365 days a year. Our group is one of Europe's top 5 TSOs. Any reference to Elia Transmission Belgium SA/NV in this report refers to the following companies: Elia Transmission Belgium SA/NV, Elia Asset SA/NV (EA) and Elia Engineering SA/NV (EE) (unless expressly stated otherwise). Any reference to 50Hertz Transmission GmbH in this report includes the following companies: 50Hertz Transmission GmbH and 50Hertz Offshore GmbH (unless expressly stated otherwise).

More information about the Elia group can be found in the [2022 Integrated Annual Report](#) and 2022 Financial Report.

The Elia group's main responsibilities are developing and maintaining the electrical grid, managing the balance between the consumption and generation of energy, and facilitating access to the market. The Elia group also develops innovative solutions in order to better integrate renewables into the system, balance the network and truly put the consumer at the centre of the future energy system.



## REPORTING BOUNDARIES ALONG GRI STANDARDS 2021



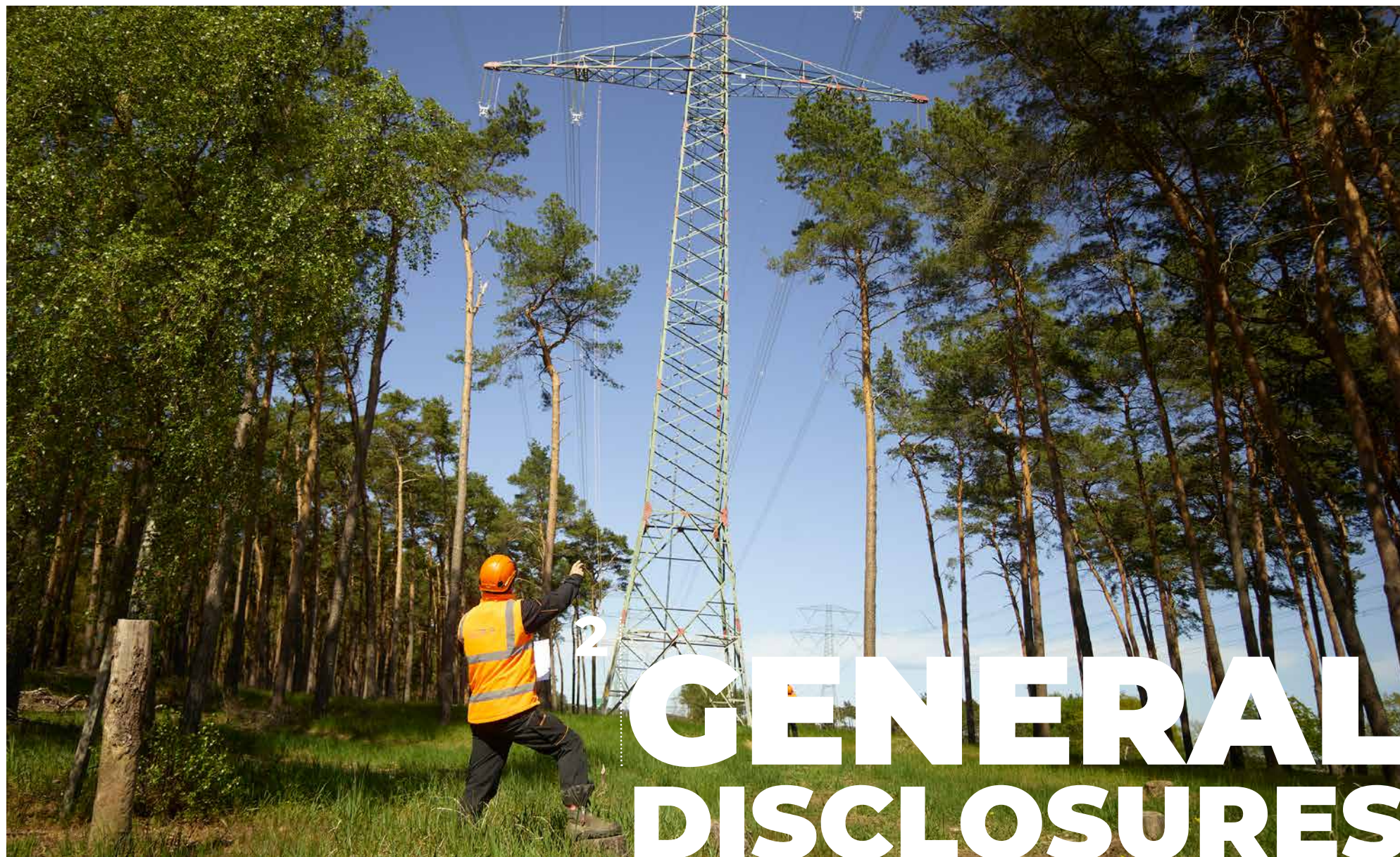
This report covers Elia Group entities shown in the chart in sections A and B.

The entities in section A represent the regulated business activities of Elia Group. The sustainability-related performance of these entities is described in this report in full. Section B includes the non-regulated entities of Elia Group. For these entities, this report mainly provides key figures about staff (see chapter entitled 'Employment').

Section C shows Elia Group's investments for the equity interest is below 25%. No information about these minority shareholdings is provided in this report. In addition, investments in the start-up re.alto and the Nemo Link joint venture are outside the reporting boundaries of this report. re.alto is the first European digital marketplace for energy data and services. It was, founded by the Elia Group in 2020 as core investor. Nemo Link is a joint venture between Elia Transmission Belgium and

National Grid Interconnector Holdings Limited (UK); this venture operates the interconnector that links the Belgian and British grids together.







## A. SUSTAINABILITY GOVERNANCE [GRI 2-12]

### ROLES AND RESPONSIBILITIES

Sustainability is rooted in the very nature of the Elia group's business activities, as expressed in the group's vision: "A successful energy transition for a sustainable world". To be able to fulfil this vision in the best possible way, we have clearly defined sustainability-related roles and responsibilities across the organisation. These enable sustainability-related targets and activities to be embedded across Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH and closely managed. Elia Group officers have been put in place at the Group level for a number of key areas, including Safety, Risk Management, Talent Management, Procurement, Strategy and EU Affairs. Elia Group CEO Chris Peeters is responsible for sustainability-related issues across the whole of the Group. At a local level, the management of these areas and different responsibilities are described in the figures below.

Our sustainability programme, ActNow, and related ambitions are defined at Elia Group level by the Group Sustainability Office (GSO). The GSO then ensures the consistency of the actions taken by the group and ensures it continuously improves its performance in the area of sustainability. ActNow comprises five dimensions, each of which include specific targets for the Group, Elia Transmission Belgium SA/NV and 50Hertz to reach. For a detailed description of our ActNow programme and its dimensions, please see the chapter entitled 'Our vision and strategy' in the **2022 Integrated Annual Report**.

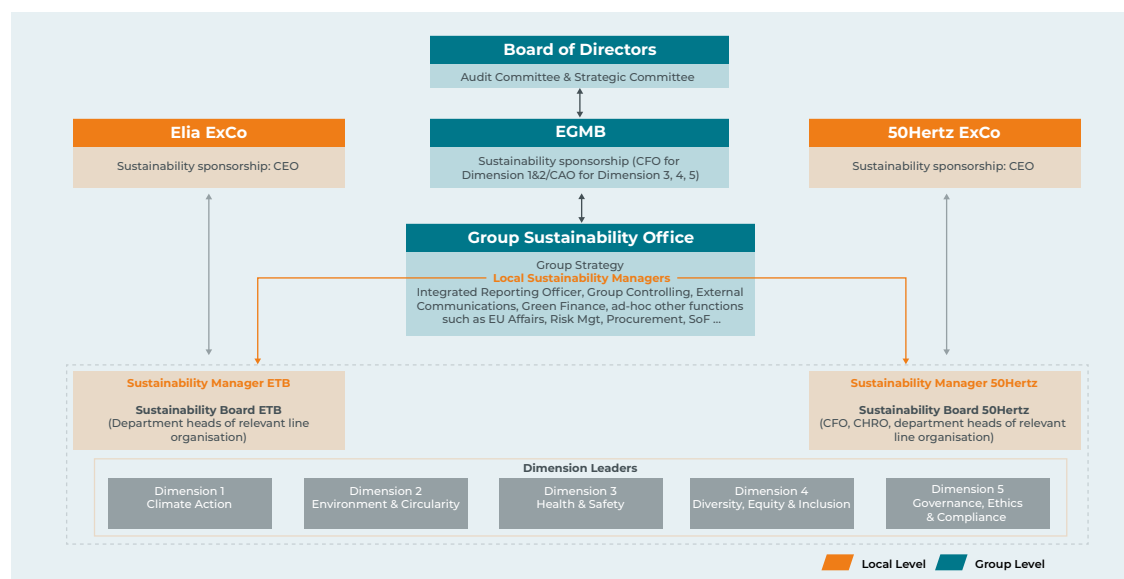
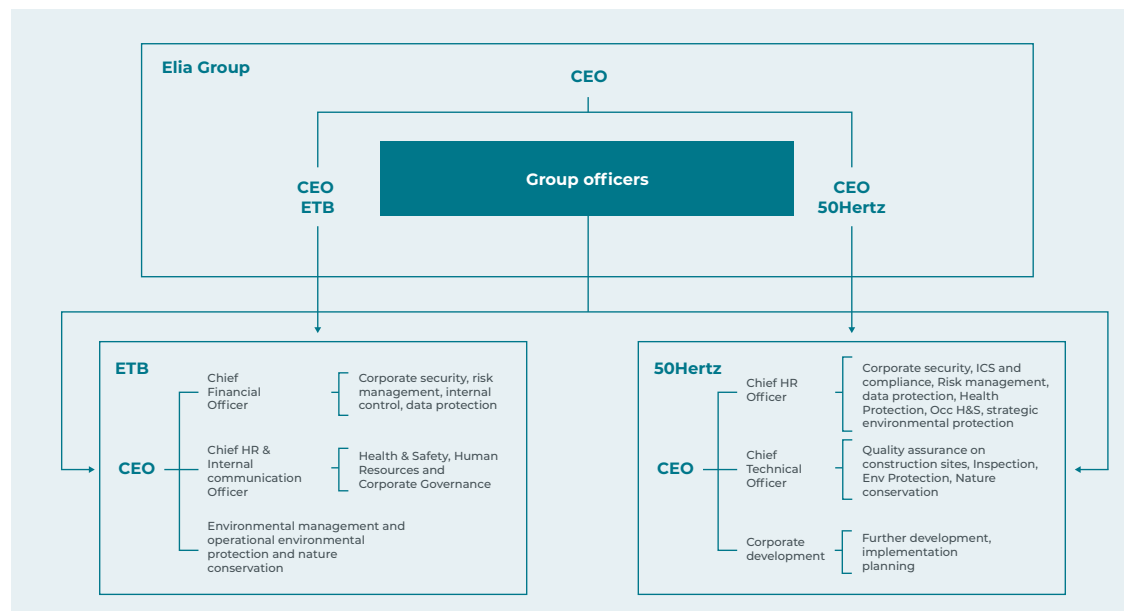


### INCENTIVES AND REMUNERATION

Elia Group SA/NV transparently discloses the total remuneration of each of the members of the Board of Directors and of the Executive Management Board in the Corporate governance statement included in the **2022 Integrated annual Report**. This includes details about the basic features of the remuneration system and the fixed and variable total remuneration of management staff as well as their company pensions and other benefits they receive.

### COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY [GRI 2-17]

Informative sessions and workshops are organized to increase the Group's and local Executive Management Committees on various sustainability-related topics, e.g. the ESG current and emerging regulations and their operational impact.



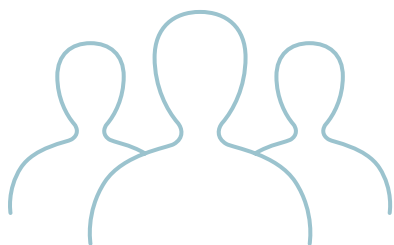
	MAIN TASKS	RESPONSIBILITIES	
GROUP LEVEL	<b>Board of Directors (BoD)</b>	<ul style="list-style-type: none"><li>• The Strategy and Audit Committees validate the strategy (incl. sustainability targets) on a yearly basis and issue general recommendations in relation to these</li><li>• Endorses the strategic changes that the Group undergoes, including in terms of its sustainability dimensions</li></ul>	<ul style="list-style-type: none"><li>• Endorses the sustainability-related areas of the group's strategy</li></ul>
	<b>Elia Group Management Board (EGMB)</b>	<ul style="list-style-type: none"><li>• Regular strategy review to validate major changes in overall strategy, ambitions and targets</li><li>• Takes key decisions relevant for group strategy</li><li>• Raises relevant topics with BoD</li><li>• Sponsorship for sustainability aspects</li><li>• Chief Financial Officer for Dimensions Climate action, Environment &amp; circularity</li><li>• Chief Alignment Officer for Dimensions H&amp;S, DEI, Governance/Ethics/Compliance</li></ul>	<ul style="list-style-type: none"><li>• Endorses sustainability-related areas (such as top KPIs) in the Group's strategy</li><li>• Evolve ambition levels of Act Now over time</li></ul>
	<b>Group Sustainability Office (GSO)</b>	<p><b>Define ESG vision, mission and targets &amp; adapt global strategy to reflect ESG</b></p> <ul style="list-style-type: none"><li>• Discuss conceptual topics and development of respective approaches/positions (e.g. anticipated legislative requirements, reporting standard, application of voluntary frameworks)</li><li>• Propose changes to group sustainability strategy &amp; targets to EGMB</li><li>• Monitor risks related to the realization of the sustainability strategy</li><li>• Sounding board for sustainability communication</li><li>• Enrich discussion &amp; foster exchange on sustainability topics</li></ul> <p><b>Drive strategic initiatives</b></p> <ul style="list-style-type: none"><li>• Set-up working groups to work on sustainability related topics</li><li>• If needed steering of group-level implementation projects</li></ul> <p><b>Review progress of overall sustainability ambitions</b></p> <ul style="list-style-type: none"><li>• Monitor overall progress in the various dimensions</li><li>• Review group-level ambitions for Act Now</li><li>• Ensure group-wide consistency of sustainability efforts</li></ul>	<ul style="list-style-type: none"><li>• Develop the sustainability dimension of the strategy</li><li>• Definition of group-level action plan</li><li>• Conceptual development &amp; monitoring of sustainability trends/regulations</li><li>• Coordination of transversal group projects</li></ul>
	<b>Local Executive Management Committees (ExCo)</b>	<ul style="list-style-type: none"><li>• Endorses action plans, implementation plans and roadmaps</li><li>• Solves local issues that cannot be decided by Local Sustainability Boards</li></ul>	<ul style="list-style-type: none"><li>• Local Sustainability Sponsorship</li></ul>
LOCAL LEVEL	<b>Local Sustainability Boards</b>	<ul style="list-style-type: none"><li>• Validate local roadmap &amp; targets once a year</li><li>• Take all decisions on local sustainability matters that don't need to be decided by local ExCo according to statutory</li><li>• Give guidance &amp; support on key sustainability matters (including local roadmaps)</li><li>• Solve local issues (key topics brought to agenda by Sustainability Manager)</li><li>• Trigger bottom-up engagement from local departments</li><li>• Get input and positions on high-level sustainability issues/ questions</li></ul>	<ul style="list-style-type: none"><li>• Local Sustainability Steering and Development</li></ul>
	<b>Sustainability Manager</b>	<ul style="list-style-type: none"><li>• Translate ESG requirements into needed local activities (roadmap, milestones, activities)</li><li>• Track &amp; report local progress with respect to Act Now ambitions</li><li>• Coordinate local implementation projects &amp; activities</li><li>• Manage key implementation projects</li><li>• Participate in and contribute to Group Sustainability Office</li><li>• Ensure regular communication of successes, etc.</li></ul>	<ul style="list-style-type: none"><li>• Definition of local roadmaps (incl. KPIs, milestones &amp; activities)</li><li>• Coordination of local projects &amp; activities</li><li>• Secures local ESG Ratings</li></ul>
	<b>Dimension leaders</b>	<ul style="list-style-type: none"><li>• These 5 staff members occupy various roles across the group; they are each appointed to one of the ActNow dimensions. They monitor and steer the development and implementation of local action plans.</li><li>• Support local Sustainability Managers in the development of dimension activity roadmaps &amp; milestones</li><li>• Facilitate activities and deliver on sustainability targets in their dimension</li><li>• Measure performance and share progress made on their dimension</li></ul>	<ul style="list-style-type: none"><li>• Organisation and quality management of data collection</li><li>• Definition of Local Roadmaps (incl. KPIs, milestones &amp; activities) along with Sustainability Managers</li><li>• Coordination of local projects &amp; activities</li><li>• ActNow progress monitoring</li></ul>



## B. BASIC INFORMATION

### MEMBERSHIP ASSOCIATIONS [GRI 2-28]

The Elia group is committed to renewable energy, climate and environmental protection, human rights and the integration of European electricity markets. It furthers its work in these areas via different associations and initiatives.



	ENERGY	CLIMATE	ENVIRONMENT	HUMAN RIGHTS	ELIA	50HERTZ
World Energy Council	✓				✓	✓
CIGRE - Conseil International des Grands Réseaux Electriques	✓				✓	✓
Go15 - Reliable and Sustainable Power Grids	✓		✓		✓	(✓)
UNGC - United Nations Global Compact		✓	✓	✓	✓	✓
Centre on Regulation in Europe	✓	✓			✓	
Roundtable of Europe's Energy Future	✓	✓			✓	✓
Charge-up Europe	✓	✓			✓	
ENTSO-E - European Network of Transmission System Operators for Electricity	✓	✓	✓		✓	✓
Coordination of Electrical System Operators	✓				✓	
RGI - Renewables Grid Initiative	✓	✓	✓		✓	✓
Energy Web Foundation	✓	✓			✓	
The Shift	✓	✓	✓	✓	✓	
Synergrid - Fédération des gestionnaires de réseaux électricité et gaz en Belgique	✓				✓	
Osiris	✓				✓	
Conseil des Gestionnaires des Réseaux de Bruxelles	✓				✓	
Vlaamse Raad van Netwerkbeheerders	✓				✓	
Powalco	✓				✓	
BECI - Brussels Enterprises Commerce and Industry	✓				✓	
FEB - Fédération des Entreprises de Belgique	✓				✓	
UWE - Union Wallonne des Entreprises	✓				✓	
VOKA - Vlaams Netwerk van Ondernemingen	✓				✓	
AGORIA	✓				✓	
Communauté Portuaire Bruxelloise	✓				✓	
COGEN Vlaanderen	✓	✓			✓	
AVEU Arbeitgeberverband Energie- und Versorgungswirtschaftlicher Unternehmen e.V. [employers' association of energy and utility companies]	✓			✓		✓
BDEW – Federal Association of the Energy and Water Industry	✓					✓
VDE-Elektrotechnischer Verein e.V. [electrotechnical association]	✓					✓
Diversity Charter				✓		✓
FGW Fördergesellschaft Windenergie und andere Dezentrale Energien e.V.	✓					✓

## POLICIES AND PRACTICES

[GRI 2-23 / GRI 2-24 / GRI 2-25 / GRI 2-26 / GRI 2-27 / GRI 2-29]

The Elia Group SA/NV is committed to ensuring it has solid corporate governance practices in place, as outlined in its group-wide Code of Ethics. The latter aims to ensure that staff and the group act in accordance with the ten principles of the UN Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption. In line with this, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have expressed their commitment to responsible corporate governance practices by signing the United Nations Global Compact (UNGC) – the leading U.N. initiative which encourages businesses to adopt sustainable and socially responsible policies that are aligned with the 2030 Sustainable Development Goals. Both companies are also committed to and actively work on topics included in the 10 Principles of the UNGC.



### Human resources

#### Remuneration policies and incentives

The Elia group's remuneration policy focuses on attracting and retaining the best talent, rewarding performance and supporting a culture of feedback and continuous development. Staff remuneration is aligned with job requirements and performance, regardless of gender, and is supplemented by extensive social benefits and a company pension scheme. We ensure equal pay for equal work via a mechanism of reference salaries that are market benchmarked. Every job description is related to a salary band (which are discussed during "weighing committees"). The factor of the compensation of the highest paid employee of 50Hertz Transmission GmbH compared to the median of the total annual compensation of all employees of 50Hertz is 7.3.

In accordance with legislation in Belgium and Germany as well as European regulations, Elia Group SA/NV subsidiaries are obliged to prepare a report which transparently outlines staff remuneration. The aim of this legislation is to ensure staff receive equal amounts of remuneration when they carry out equal amounts of work and, more specifically, it aims to ensure that the gender pay gap is avoided.

The remuneration of employees includes success and performance-related elements that provide them with incentives to achieve our collective corporate targets as well as their individual targets. All employees receive regular performance reviews and career development sessions. Some collective targets also relate to sustainable corporate governance, such as compliance with occupational health and safety measures and, at 50Hertz Transmission GmbH, successful stakeholder dialogues. In addition, through the Elia Group share ownership programme, employees are given the opportunity to benefit from the business' success during the previous financial year. For the ninth time in 2022, every employee was offered shares at a preferential price.

Elia Group SA/NV transparently discloses the total remuneration of each of the members of the Board of Directors and of the Executive Management Board; these include the fixed and variable total remuneration of management staff as well as their company pensions and other benefits. The basic features of the remuneration system are explained and detailed in the section Remuneration of our Board in our [2022 Integrated Annual Report](#).

#### Dialogue with unions and staff representatives

The Elia Group SA/NV is committed to freedom of association, collective bargaining and the protection of employee representatives. Particular emphasis is placed on trust and constant cooperation with all trade unions. Cross-company discussions are organised by Elia Group's European Works Council, which includes representatives from Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH. Elia Group SA/NV ensures that employment-related decisions are taken in an impartial and non-discriminatory manner through monthly meetings and preliminary consultations with union representatives that occur at local and Group levels.

## Collective bargaining agreements [GRI 2-30]

Elia Transmission Belgium SA/NV negotiates collective agreements for its 'non-exempt' staff with other organisations across the energy sector. For 'exempt' staff members, their salary is based on internal equity combined with market competitiveness, their level of maturity, their respect for corporate values and safety leadership, and performance – all irrespective of gender. In Germany, the Mining, Chemical and Energy Industrial Union (IG BCE) negotiates collective agreements with the Employers' Association of Energy and Utility Companies (AVEU). For the first time since 2013, a separate collective agreement for 50Hertz Transmission GmbH was negotiated in 2020 and a decision was taken to continue discussions about general working conditions (collective bargaining agreement). Additional offers related to retirement benefits and health make 50Hertz Transmission GmbH an attractive employer.

Discussions about employee interests are also hosted by the European Works Council of Elia Group SA/NV. Beyond collective bargaining agreements and company agreements, the Elia Group SA/NV is also committed to internationally established guidelines, such as the core labour standards of the International Labour Organization (ILO: C87, C98 and C135) and the labour rights outlined in the UN Global Compact.

The Elia Group SA/NV is committed to promoting diversity out of conviction and in accordance with ILO Convention 111. The group is committed to welcoming and supporting all employees regardless of their characteristics. All employees are therefore equally valued regardless of their ethnicity, age, gender, sex, sexuality, religious affiliation, political views, nationality or socioeconomic background.

## Human Rights Policy

A group-wide Human Rights Policy was published in the reporting year. The policy document outlines our commitment to human rights and explains how we at Elia Group implement this commitment in our business operations. Clear links are made with our ActNow programme and sustainability topics. Topics such as discrimination, data protection, working conditions and environmental impact are clearly addressed and their importance for our operations described. Furthermore, the policy explains how we take responsibility for our supply chain - a move which is also increasingly expected by political leaders and society. The Human Rights Policy is a further step towards meeting the existing legal requirements in Germany as well as the expected EU Directive on human rights due diligence. Within the framework of the EU taxonomy<sup>1</sup>, the required "minimum social safeguards" can thus continue to be addressed.

We are also improving our human rights due diligence in general, including through systematic risk assessments, a grievance mechanism that is provided to staff, procedures for remediation and comprehensive reporting on our progress.

[\(Link Human Rights Policy\)](#)

## Code of Ethics

Integrity and ethics are a critical aspect of our internal interactions. The Board of Directors and the Executive Management Board regularly communicate about these principles to clarify the mutual rights and responsibilities of the company and its employees. These rules are communicated to all new employees, and compliance with them is formally included in staff employment contracts.

The Code of Ethics and all associated policies define what the Elia group considers to be proper ethical behaviour. They establish a set of clear principles which seek to avoid any conflicts of interest. They also seek to ensure that employees do not violate any laws regarding the use of privileged information, market manipulation or suspicious activities. Senior management consistently ensures that employees comply with internal values and procedures and, where applicable, takes appropriate action, as set out in company regulations and employment contracts.

Please also refer to section Internal control and risk management system related to the non-financial process in our [2022 Integrated Annual Report](#).

[\(Link Code of Ethics\)](#)

## Supplier Code of Conduct

All parties involved in procurement must comply with Elia Group SA/NV's Supplier Code of Conduct and all related regulations. Elia Group SA/NV's Supplier Code of Conduct is published both internally and externally and addresses following themes:

- ethical conduct: anti-corruption and bribery, conflict of interests, confidentiality of information, fair competition, appropriate handling of intellectual property rights, and the anti-money laundering statement;
- health and safety considerations;
- environmental areas;
- social aspects.

Employees involved in procurement and payment processes are regularly provided with training and awareness-raising sessions related to these topics.

[\(Link Supplier Code of Conduct\)](#)

<sup>1</sup> A framework agreement for the classification of "green" or "sustainable" economic activities in the EU



## COMPLIANCE WITH LAWS AND REGULATIONS [GRI 2-27]

The Elia Group SA/NV complies with all applicable legislation. Its business activities are subject to numerous regional, national and European laws and regulations.

### [Legal Framework BE]

Elia Group SA/NV is subject to the rules of good governance applicable to listed companies. Additional relevant information can be found in the corporate governance statement in our **2022 Integrated Annual Report**. The Elia Group SA/NV actively monitors the emergence of European, national or local regulations.

### Anti-corruption

Due to their legal status as electricity TSOs, Elia Transmission SA/NV and 50Hertz Transmission GmbH are subject to a wide range of legal and regulatory rules in their respective countries, which stipulate three basic principles: non-discriminatory behaviour; confidential treatment of information; and transparency towards all electricity market participants with regard to non-confidential market information. Elia Group subsidiaries have company charters, guidelines and other documents that outline the behaviour we expect our employees to demonstrate and enact. These documents set out the Elia group's understanding of correct ethical conduct and make it clear that the company complies with the law and does not tolerate corruption. These principles are translated into organisational measures that are must be adhered to.

A policy defining and addressing bribery and corruption was published as part of our Code of Ethics.

For further information, please refer to Section Internal control in the **2022 Integrated annual report**.

### Political influence

Elia Group TSOs are responsible for contributing to political debate in their respective countries and to the development of legislation. We carry out our advisory role in a transparent manner. As legal monopolies with public responsibilities, our TSOs communicate their viewpoints with the best interests of society in mind.

The Elia group is a trusted advisor when it comes to topics such as the fulfilment of the energy transition, ensuring a secure supply of electricity as renewable energy levels increase, and the expansion of the grid. As an increasing amount of energy policies that impact the activities of Elia Transmission SA/NV, 50Hertz Transmission GmbH and the societies in which they operate is set at a European level leading to the creation of a European Affairs Team at Group level. This team monitors all relevant legislation and regulation and participates in European public and political debates through the means of public position statements and publications.

Both Elia Transmission SA/NV and 50Hertz Transmission GmbH are listed on the EU Transparency Register and are committed to its Code of Conduct. Link to EU Transparency Register website **Elia Transmission Belgium SA/NV** and **50Hertz Transmission GmbH**.

In 2022, neither Elia Transmission Belgium SA/NV nor 50Hertz Transmission GmbH made any donations to politicians or political parties.



## C. STAKEHOLDER ENGAGEMENT

### APPROACH TO STAKEHOLDER ENGAGEMENT

[GRI 2-29]

The Elia Group SA/NV sees open and truthful communication with its stakeholders as an integral part of its business success. This is reflected in its material topics (see GRI 3 - Material Topic #10 and #11). Early and open communication with all stakeholders - both from across society and those affected by our projects - enhances the realisation of our infrastructure projects in Belgium and Germany. Regular interactions with the scientific community, especially through research and development projects, are part of the way we ensure that our projects are innovative and one of the ways we further the integration of renewable energy into the system. Regular contact with political representatives is also a key for us.

Please also refer to Section Fostering Stakeholder interactions of our **2022 Integrated Annual Report** and material topics #10 and #11.

### PROCESSES TO REMEDIATE NEGATIVE IMPACTS

[GRI 2-25]

The development of the extra-high voltage grid is crucial for integrating more and more renewable energy into the system. In upgrading and expanding our grid, the Elia Group SA/NV seeks to minimise the impact of our projects, assets and activities on people and the environment, including natural habitats. In concrete terms, this means that Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH only build new lines once all other options for increasing grid capacity have been explored. Ecological and social sustainability as well as a clear commitment to environmental protection and resource conservation are integral parts of our corporate strategy. Through ActNow, we have set ourselves concrete objectives in the fields of climate protection, biodiversity and the eco-design of our assets. The Elia group's environmental management system is based on the principles of compliance with commitments and the continuous improvement of our environmental performance. Internal policy documents define responsibilities and processes, and identify environmental

risks and targets. Measures to achieve objectives in these areas are monitored and improved. Legal requirements are regularly monitored and evaluated and, if necessary, embedded across organisation activities and plans. Increasingly, ISO standards such as ISO 14001 are being used.

### MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS

[GRI 2-26]

The Elia Group SA/NV offers its employees the opportunity to express their concerns about alleged breaches of the group's Code of Ethics without fear of reprisal and/or unfair treatment.

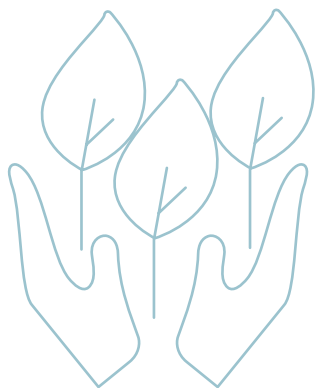
An external system **EthicsAlert** for reporting possible breaches of integrity exists; the latter is compliant with the EU Whistleblowing Directive. Internal employees as well as external stakeholders can anonymously raise their concerns via this platform. Violations of these codes can also be reported to management, HR, or the Compliance Officer. Their concerns will be handled in an objective and confidential manner, in line with the whistleblowing procedure.

Elia Transmission Belgium SA/NV - Incidents	Total	Reviewed	Treated	Resolved
Discrimination, DE&I	1	1	1	1
Fraud, non-compliance with internal policies and procedures	2	2	2	2
Non-compliance with laws and regulations	0	0	0	0
Corruption	0	0	0	0
Other	0	0	0	0
50Hertz Transmission GmbH - Incidents	Total	Reviewed	Treated	Resolved
Discrimination, DE&I	1	1	1	1
Fraud, non-compliance with internal policies and procedures	0	0	0	0
Non-compliance with laws and regulations	0	0	0	0
Corruption	0	0	0	0
Other	0	0	0	0

## D. ESG STRATEGY

Our approach to the management of sustainability-related areas is constantly developed further, as outlined in our group-wide ActNow programme and in our ESG reporting. The ActNow targets, indicators and measures are aligned with the UN Sustainable Development Goals; they are regularly reviewed, revised and developed, so that we can improve our performance over time. We also have roadmaps in place for planning out our steps. In 2022, we expanded ActNow to include two additional SDGs under the dimensions of 'Climate Action' (SDG 9 Industry, Innovation & Infrastructure) and 'Environment & Circular Economy' (SDG 14 Life Below Water).

In 2022, we reassessed and revised the sustainability topics which are material to our organisation through different stakeholder interactions. The existing materiality matrix was largely confirmed and further developed ([see next section: Materiality](#)).



### 1 CLIMATE ACTION

- Enabling decarbonisation of the power sector
- Carbon neutrality in system operations by 2040
- Carbon neutrality in our own activities by 2030
- Transition to a carbon-neutral value chain for new assets and construction works
- Increase climate resilience



### 2 ENVIRONMENT & CIRCULAR ECONOMY

- Preserve and strengthen ecosystems and biodiversity
- Embed circularity in our core business processes
- Ensure compliance with environment performance standards



### 3 HEALTH & SAFETY

- Going for zero accidents
- Build our safety culture
- We are all safety leaders
- We strive for health and wellbeing of our staff



### 4 DIVERSITY, EQUITY & INCLUSION

- Inclusive leadership across the organisation and engaging all staff
- Inclusive recruitment and selection practices in hiring processes
- Equal opportunities for all staff
- Open and inclusive company culture and healthy work-life balance
- Recognition of societal DEI role



### 5 Governance, Ethics & Compliance

- Governance: Accountable rules & processes
- Ethics: Sustainable mindset & behaviours
- Compliance: Conformity with external & internal rules
- Transparency: Openness & meaningful stakeholder dialogue





# 3 MATERIALITY

## A. PROCESS TO DETERMINE MATERIAL TOPICS [GRI 3-1]



In the reporting year 2022, 50Hertz Transmission GmbH and Elia Transmission Belgium SA/NV re-assessed the sustainability topics which had been identified as material before, in line with the double materiality analysis principles of the GRI Standards. These newly defined material topics apply equally to 50Hertz Transmission GmbH in Germany and Elia Transmission Belgium SA/NV in Belgium.

As part of a multi-stage process, the existing list of topics were revised, updated and supplemented on the basis of the previous materiality analysis (valid until the end of 2022) in order to comply with future regulations, trends and reporting standards. Further relevant topics from the GRI Sector Standards for Utilities and the standards of the Sustainability Accounting Standards Board (SASB) were added to the list. Finally, important topics identified by industry peers completed the process. This new list was then used in stakeholder interviews.

In order to gain a better understanding of the importance of these topics and so develop a new materiality matrix, in-depth interviews were conducted with stakeholders (see following section entitled “Stakeholders involved”) as well as internal and external experts from Belgium and Germany. The aim was to gain a detailed understanding of current and potential positive and negative impacts of Elia group on society and the environment in relation to each topic. As part of this process, the impacts that society and the environment have on the group were also defined. Short-term and long-term impacts were considered, as well as the severity of each impact and their importance in terms of positive business development. Fact sheets were then produced for each topic, with a detailed qualitative description of the internal and external influencing factors, combined with a rating (high, medium and low influence) assigned to each by experts.

Based on these ratings, the topics were then ranked for a first time. Senior management then re-examined this based on the fact sheets. This then led to the materiality matrix included below, which was presented to the management and the Group Sustainability Board. CEO Chris Peeters has validated this new materiality matrix.

The findings of the project feed into our strategic analysis and validate Elia group's mission and strategy, that is in line with our internal and external stakeholders expectations.

The results of the updated double materiality will serve:

- As a compass for strategic decision-making processes;
- To revalidate Elia Group's mission and strategy;
- As basis for the identification of the disclosure requirements for the Group's sustainability reporting.

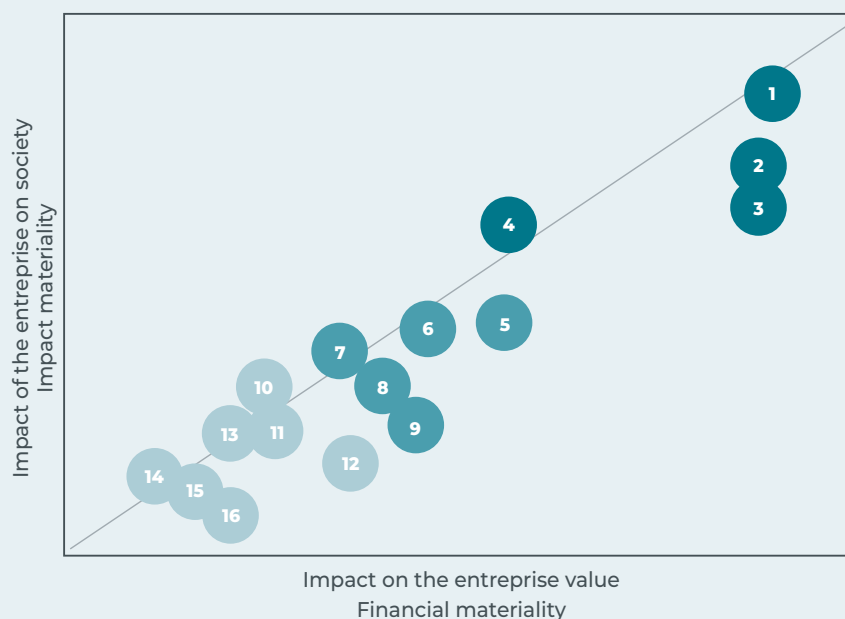
### STAKEHOLDER INVOLVEMENT

A stakeholder mapping exercise was carried out by analysing stakeholders from across the group's value chain. The stakeholder groups “shareholders and investors”, “government and public authorities”, “associations, NGOs and academics” as well as “suppliers” and “employees” were identified as important interest groups. German and Belgian members of these groups were assigned to internal experts at the group. Interviews and assessments of key topics were then conducted with all stakeholders. Further stakeholder workshops have been planned for 2023 in Belgium and Germany; these will provide further insights about the material topics.

## B. LIST OF MATERIAL TOPICS [GRI 3-2]

### DOUBLE MATERIALITY MATRIX

THE COMBINATION OF IMPACT AND FINANCIAL MATERIALITY LEADS TO A CONSOLIDATED SCORE AND RANKING



#### LEGEND

- Lowest materiality
- Medium materiality
- Highest materiality

Ranking	Topic	Definition
1	Security of supply	Keeping the lights on around the clock
2	Safe and reliable infrastructure	Delivering and operating safe & reliable transmission grid infrastructure
3	Sustainable energy system	Building and operating the infrastructure needed to decarbonise our society
4	Affordable energy system	Promoting a cost effective integration into the EU energy market
5	Security of information and IT systems	Ensuring the privacy of our customer data and the security of our IT infrastructure
6	Decarbonisation	Running our operations in a carbon neutral way and facilitating this up and downstream (incl. carbon and SF <sub>6</sub> emissions)
7	Preserving our ecosystems	Preserving ecosystems (land, biodiversity (fauna & flora), water) surrounding our infrastructure
8	Employee health, safety and wellbeing	Providing a safe & healthy work environment for all staff
9	Talent acquisition and development	Finding new talents and providing training & development opportunities for all staff
10	Transparent and open communication with stakeholders	Engaging proactively with stakeholders from the very start of our infrastructure projects & providing useful information to all stakeholders
11	Community development & engagement	Putting our knowledge and resources to the benefit of communities in need (energy affordability and accessibility) and engaging in transparent, clear and constructive dialogue with our stakeholders
12	Resilient supply chain practices	Securing resilient supplier relations and preventing possible supply chain disruption
13	Responsible governance practices	Running our daily activities in a responsible and ethical way
14	Minimising waste and promoting circularity	Preserving resources by minimizing waste and promoting circular practices
15	Sustainable supply chain practices	Translating our ethical and sustainable principles into the procurement process
16	Diverse and inclusive workforce	Offering an inclusive and supportive work environment for all staff



Sixteen material topics were identified. The issues that were rated as having the highest impact on business development and society relate to Elia Group's mission statement: system security, grid stability and the sustainable and affordable integration of renewable energy into the system.

The results of the new double materiality exercise serve as a guide for strategic decisions to be taken; they help us to prioritise our fields of action, enhance the management of sustainability-related areas and contribute to the transparent reporting we carry out.

### Changes from the previous materiality matrix

As mentioned above, as the new materiality matrix was being developed, last year's matrix was reviewed. Some of this year's topics were rated as more important, whilst others were rated as less influential (-). The table below outlines these changes in importance.

During the expert interviews, additional topics and more differentiation of some topics became necessary. This relates to: (2) Safe and reliable infrastructure, (3) Sustainable energy system, (5) Security of information and IT systems, (11) Community development and engagement, (12) Resilient supply chain practices, (15) Sustainable supply chain practices and (14) Minimising waste and promoting circularity.



MATERIALITY MATRIX 2021	2021 RANKING	MATERIALITY MATRIX 2022	2022 RANKING
Network availability and reliability	1	Security of supply	1
Operational environmental protection	7	Preserving our ecosystems (1/2)	7 (-)
Climate-relevant emissions and climate adaptation	6	Decarbonisation	6 (-)
System and market integration of RES	4	Affordable energy system	4
Employee health, safety and wellbeing at work	8	Employee health, safety and wellbeing	8 (+)
Transparency and openness	10	Transparent and open communication with stakeholders (1/2)	10 (-)
Corruption and bribery	13	Responsible governance practises	13
Real stakeholder dialogue	10	Transparent and open communication with stakeholders (2/2)	8 (+)
Biodiversity	7	Preserving our ecosystems (2/2)	(+)
Job creation and skills development	9	Talent acquisition and development	(+)
Diversity and equal opportunities	16	Diverse workforce and inclusive workplace	16

### The development of materiality

The materiality of each topic is analysed as part of a regular cycle. In order to gain an even deeper understanding of our stakeholders' views, workshops with stakeholders on different ESG topics are due to take place starting the first quarter of 2023. In the future, our annual Stakeholders Day will be used as an opportunity to systematically gather external stakeholder feedback on actual and potential impacts and their significance for Elia Group SA/ NV, whilst an internal survey of Senior Management will be used to update the prioritisation of the material topics.


## C. MANAGEMENT OF MATERIAL TOPICS [GRI 3-3]

The Elia group is committed to accelerating the energy transition. It provides the infrastructure needed for this in an efficient and effective way, so contributing to socioeconomic prosperity and helping to decarbonise society. We carry out our activities in the interest of society, although sometimes the interests of our stakeholders might conflict with the organisation's. We try to rec-

oncile these and handle any differences in the best possible way through regular exchanges with our stakeholders. Risk areas are identified and assessed as part of a systematic risk management process. The following pages relate to the most material topics and their relevance for sustainability. Additional information on our approach to risk management is described in detail in Section

11. Features of the group's internal control and risk management systems of our [2022 Integrated Annual Report](#).

### CORE MATERIAL TOPICS

#01 SECURITY OF SUPPLY		ESG Field of impact: Social	
SDG reference: 		GRI reference: GRI 2-21, GRI 201 <u>Sector specific disclosures</u>	
IMPACT	INVOLVEMENT	LIKELIHOOD	
<b>Society</b> <ul style="list-style-type: none"><li>Reliable and sustainable electricity supply</li><li>Contributes to socioeconomic prosperity Enables industry to operate efficiently and contributes to economic wellbeing</li><li>Contributes to the creation of stable jobs and has positive</li></ul>	<b>direct</b>	<b>actual</b>	
MANAGEMENT			
<b>KEEPING THE LIGHTS ON AROUND THE CLOCK</b> <p>Together, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH operate around 20,000 km of high-voltage connections that supply power to around 30 million end users 24 hours a day, 365 days a year.</p> <b>Grid and asset planning and development</b> <p>Grid development and reinforcement needs are identified and described in the Federal Development Plans (GE / BE) that both TSOs are legally required to publish at regular intervals.</p> <b>Innovation</b> <p>The Elia group continuously seeks out new solutions and new technology that will support its teams in their daily activities as they pursue quality, efficiency, reliability and safety. For the Elia group, active lead management and participation in research and development projects are an integral part of its approach to innovation. Through cooperation with academic and industry partners, the group mainly focuses on areas including new technology and digitalisation; energy markets and system security; the integration of renewable energy; the development of the electrical system; and supporting industry to decarbonise its processes. In line with this, SDG9 (Industry, innovation and infrastructure) was added to our ActNow programme in 2022.</p> <b>Our Consumer-Centric Market Design</b> <p>Launched in 2021, our proposed Consumer-Centric Market Design aims to lower the barriers for new market parties to participate in the supply of flexibility for the system.</p> <b>Capacity Remuneration Mechanism</b> <p>The introduction of a capacity remuneration mechanism for the Belgian market is part of the federal government's energy strategy, which lays out a number of new measures designed to guarantee Belgium's security of supply in the long term. The mechanism ensures Belgium's secure electricity supply after the (partial) phase-out of nuclear energy in 2025. Through the CRM, market participants who offer capacity to the market and do not receive further subventions are financially supported. The Belgian government, in close consultation with the European authorities, has opted for a market-wide CRM. This means that both existing and new capacity types using any type of technology can participate in CRM auctions.</p>			

COMMITMENTS, POLICIES AND MEASURES	RELEVANT PUBLICATIONS AND ACTIONS
<b>Ensuring legal compliance with the energy law regulatory framework (national and EU)</b> <ul style="list-style-type: none"> <li>• System management - monitoring of frequency, voltage and resource loads in real-time operation</li> <li>• Redispatching - national and international</li> <li>• Voltage stability / reactive power management</li> <li>• Efficient utilisation of the grids</li> <li>• Grid reconstruction including renewable energy sources</li> </ul>	<u>2022 Integrated Annual Report</u> Performance metrics: Grid reliability
<b>Strategic network planning in line with national plans</b> <ul style="list-style-type: none"> <li>• Identification and development of energy scenarios</li> <li>• Identification of measures for network optimisation, network reinforcement and network expansion</li> <li>• Definition of grid connection rules</li> <li>• Ensuring non-discriminatory grid connections</li> </ul>	Federal Development Plans + <u>Adequacy and flexibility Study for Belgium 2022-2032</u>
<b>National and international cooperation</b> <ul style="list-style-type: none"> <li>• Active participation and management of European initiatives for cross-border management, trading, digitalisation: e.g. Coreso, Entso-e, JAO, TSCNET</li> </ul>	50Hertz Transmission GmbH and Elia Transmission Belgium SA/NV, together with the transmission system operators and power exchanges operating in Austria, Belgium, Croatia, the Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia, have expanded load flow-based market coupling. The coordinated identification of cross-border transmission capacities enables a higher integration of the electricity markets concerned and thus achieves social welfare effects.
<b>Electricity trading - 24/7 selling and purchasing on the power exchanges</b> <ul style="list-style-type: none"> <li>• Procurement of control and substitute energy</li> </ul>	
<b>Digitalisation</b> <ul style="list-style-type: none"> <li>• Digitalisation and compliance play a central role in the above-mentioned key topics</li> <li>• Digital transformation - front-runner in terms of new digital projects, eg. modular grid control system</li> </ul>	The annual Open Innovation Challenge (OIC) <sup>2</sup> allows the Elia group to maintain close ties with a broad ecosystem of start-ups and small and medium-sized enterprises (SMEs) Re.alto, The Nest, IO.Energy  Innovation week in Berlin under the theme of Co-creating the future together with our ecosystem First offshore innovation day Hackathon
<b>Consumer-Centric Market Design</b> <ul style="list-style-type: none"> <li>• Designing a market model that removes all barriers in order to encourage decentralised flexibility to take part in the market</li> </ul>	

<sup>2</sup> The OIC is open to start-ups from around the world. The winning team receives funding to develop their project with the Elia group, is offered mentoring from staff and is able to raise the visibility of their start-up. The 2022 Open Innovation Challenge was focused on sustainability: Polish start-up Sentrissense won the challenge with its sensor that monitors the operational state of overhead lines using digital analysis.



## #02 SAFE AND RELIABLE INFRASTRUCTURE

## ESG Field of impact: Environmental &amp; Social

SDG reference:

GRI reference: **Sector specific disclosures**

GRI 203

## IMPACT

## Society

- Electricity infrastructure is linked to inconveniences and risks, such as noise, property value depreciation, environmental risks, health risks, etc.

Direct

Actual

- Due to the scale of its projects, the Elia group can have a large impact on jobs in the supply chain
- Security of assets - the increasing severity and frequency climate change-related consequences can have a physical impact on Elia Group's infrastructure

Direct

Potential

## MANAGEMENT

## DELIVERING AND OPERATING SAFE &amp; RELIABLE TRANSMISSION GRID INFRASTRUCTURE

The Elia group prioritises its infrastructure projects by considering the current status of our assets and future needs. Our long-term investments in projects (CAPEX delivery), which we are dedicated to delivering on time, within budget and to a high standard of quality with a maximum focus on safety, actively contribute to shaping solutions that meet our stakeholder needs and create value for wider society. We undertake regular surveys, analyses and discussions with local and regional stakeholders throughout the project design and construction phases to identify the best possible solutions related to technology, routing and integration into the surrounding landscape. The Elia group's stakeholders are continuously analysed and defined. Depending on the topic, 50Hertz Transmission GmbH and Elia Transmission Belgium SA/NV interact with public authorities, political parties, local citizens, civil society (including organisations that represent environmental, economic, and agricultural or other interests) and clients directly connected to their grid. The group uses a wide range of different means to encourage public participation and feedback. A public reference framework exists which seeks to mitigate the impacts of new infrastructure projects. The steering and realisation of the individual construction measures is ensured by means of various construction and engineering guidelines as well as regulations for the operation of the switchgear, overhead lines and cable systems, which can be called up at any time and are up to date.

## Climate resilience

Our grid is part of the solution to climate change. However, it also needs to be designed, operated, and (where necessary) adapted to withstand the impacts of climate change, such as extreme heat waves, storms, heavy precipitation (possibly with flooding), and extreme cold waves. Grid reliability is one of the most important facets of our work. Many existing construction requirements and processes (e.g. EU technical standards, emergency preparedness management) which are applicable to our grid have already been encouraging the construction of grid infrastructure which can withstand climate change (e.g. redundancy of grid elements, stringent climate requirements in specifications), even if these requirements did not emerge from climate change-related concerns.

See also Material Topic #07 "Preserving our ecosystems" and Material Topic #01 Security of supply – Innovation Management

## COMMITMENTS, POLICIES AND MEASURES

## Permits, public participation

- Obtaining permits under public law
- Obtaining building rights
- Early discussions with authorities, associations, politicians and citizens

## Risk management

- Regular recording and assessment of risks in ESG areas
- Contingency risk
- Risk assessment on physical, climate-related risks
  - Strengthen resilience in the face of climate change impacts
  - Keeping asset failure to a minimum
  - Local scientific consideration of long-term climate impacts on our assets

## Reliability, preservation and expansion of the grid

- New construction, strengthening and retrofitting
- Strategic selection and technical planning
- Technical guidelines and requirements
- Deployment of new technologies
- Asset management and security

## RELEVANT PUBLICATIONS AND ACTIONS

EU Taxonomy Vulnerability assessment  
Emergency preparedness, see Sector-specific disclosures  
GE Repower EU, position paper

ActNow Dimension 1 – Objective 5

Asset Performance Management & Optimization (APMO): condition and risk-based maintenance of our technical assets

## #03 SUSTAINABLE ENERGY SYSTEM

## ESG Field of impact: Environmental &amp; Social

SDG reference:



GRI reference: GRI 203, GRI 302, GRI 306

IMPACT	INVOLVEMENT	LIKELIHOOD
<b>Society</b> • Decarbonising society and industry by increasing the share of renewable energy in the system	Indirect	Actual
<b>Environment</b> • Reducing air pollution and CO <sub>2</sub> emissions	Direct	Actual
• Impact of grid on local fauna and flora, both on land and at sea (through the materials and products used, transport, use of land, emissions, etc.)	Direct	Actual
<b>MANAGEMENT</b>		
<b>BUILDING AND OPERATING THE INFRASTRUCTURE NEEDED TO DECARBONISE OUR SOCIETY</b> As part of our corporate challenge to reduce our own emissions, we are committed to making our own activities carbon-neutral by 2030, operating a carbon-neutral power grid by 2040, assessing and reducing the carbon footprint of our supply chain and including a carbon price in our decision-making processes.		
<b>Reach carbon neutrality in system operations by 2040</b> Minimising grid losses Grid losses are an inevitable and inherent part of electricity transmission. They depend on factors such as the distance electricity has to be transported across, its current, and voltage. They are as a source of CO <sub>2</sub> emissions related to the operation of the grid. As increasing amounts of RES are integrated into the system, the amount of CO <sub>2</sub> associated with those losses will decrease over time. We have set this target by joining the Science Based Target Initiative (SBTi) with the goal of "well below 2 degrees". Our individual reduction targets are aligned to this goal.		
<b>Reach carbon neutrality in own activities by 2030</b> Minimising CO <sub>2</sub> emissions The most important building blocks for achieving this are the phasing out of SF <sub>6</sub> , the energy efficiency of assets and buildings and actions regarding mobility, in particular the decarbonisation of our fleet.		
For further information, please refer to Chapter TCFD in our <a href="#">2022 Integrated Annual Report</a> and Section IV A Energy and Emissions.		
<b>Preserve and strengthen ecosystems and biodiversity and embedding the circular economy in our core processes</b> Implementing circularity and biodiversity favourable actions helps cutting GHG emissions, the development of such actions is part of our ActNow Programme.		

## COMMITMENTS, POLICIES AND MEASURES

**Reducing our carbon footprint**

- CO<sub>2</sub> neutrality in system operations
  - Reduction in CO<sub>2</sub> emissions from grid losses by 28% by 2030
  - Increasing the possibilities for integrating renewable energy into the grid to minimise the CO<sub>2</sub> emissions of grid losses

• CO<sub>2</sub> neutrality of own activities

- Policy-based responsible use of SF<sub>6</sub> and minimisation of loss rate to below 0.25%
- SF<sub>6</sub>-Phase out - new asset policy favours alternatives to SF<sub>6</sub>. In the long term, the removal of SF<sub>6</sub> from new installations in accordance with upcoming EU F-gas regulation. We have set ourselves the target of reducing the use of SF<sub>6</sub> by 50% in all new assets built by 2030 (compared with SF<sub>6</sub> volumes which were initially planned).
- Energy efficiency and emissions reduction initiatives (science-based targets, green substations, mobility)

## • Move towards a carbon-neutral value chain for new assets and construction work

- Introduction of an internal CO<sub>2</sub> price
- Transition from case-by-case application of the internal CO<sub>2</sub> price to its application to all investment decisions
- Carbon-neutral value chain (CO<sub>2</sub> accounting platform, green procurement, green works)

**Nature conservation and circularity**

- Design and implementation of nature conservation projects
- Developing new and improving existing approaches to the circularity of our assets

## RELEVANT PUBLICATIONS AND ACTIONS

## ActNow Dimension 1 – Objective 2

## ActNow Dimension 1 – Objective 3

Topic-specific disclosures [Energy and Emissions]

## ActNow Dimension 1 – Objective 4

The Elia Group, together with Energinet, has agreed on the construction of two artificial islands as interconnectors between Belgium and Denmark. In addition to the planned nature-inclusive design of the islands, other projects that contribute to marine biodiversity will be funded.

## ActNow Dimension 2 – Objective 1

Material topic 7

## ActNow Dimension 2 – Objective 2

Material topic 14



## #04 AFFORDABLE ENERGY

## ESG Field of impact: Environmental &amp; Social

SDG reference:



GRI reference: GRI 203

## IMPACT

## Society

- Independence from fossil fuel imports and an increase in the share of renewable energy leading to more affordable consumer prices in the long term
- Increased complexity of system operations caused by increasing integration of RES and decentralisation of production is causing increase in costs for flow control and redispatching

Indirect

Direct

## LIKELIHOOD

Actual/Potential

Actual

## MANAGEMENT

## BUILDING AND OPERATING THE INFRASTRUCTURE NEEDED TO DECARBONISE OUR SOCIETY

Elia group is driving the decarbonisation of the power sector (see material topic #06), so contributing to Europe meeting its Green Deal targets. For example, the Elia Group believes that interconnectors, especially those linking offshore wind farms across borders, are necessary to achieve the goals of the European Green Deal. In addition, interconnectors help to stabilise electricity prices through cross-border exchanges. The Belgian-British Nemo Link and the German-Danish Combined Grid Solution demonstrate the importance of such connections for access to energy generated outside the country, while contributing to the functioning of a competitive international market. As part of our Consumer Centricity Programme, solutions are being sought for the energy supply of the future. We want to ensure that security of supply (see material topic #01), efficiency and consumer interests are safeguarded in a system dominated by renewable power generation with a wide range of existing and new electrical applications. This requires long-term investment in digitising how we operate.

## COMMITMENTS, POLICIES AND MEASURES

## Consumer-Centric Market Design

- Improving short-term dispatching by increasing competition and lowering barriers to flexible participation
- Enabling consumer participation through a variety of services, e.g. freedom to choose energy supplier for different appliances and allowing the full participation of e-assets (e.g. solar panels, electric vehicles, heat pumps) in electricity markets

## RELEVANT PUBLICATIONS AND ACTIONS

## ActNow Dimension 1 – Objective 1

Studies are regularly produced and published on topics relating to the integration of renewable energy and the associated challenges and impacts on the grid, industry and society. Last year's vision paper focused on the electrification of industry.

The 50Hertz initiative "100 percent by 2032: New Energy for a Strong Economy" aims to achieve 100 percent coverage of electricity consumption by renewables in the 50Hertz grid area as early as 2032. The initiative supports renewable energy suppliers in implementing their projects more quickly and industry in its efforts to decarbonise its processes. This will make an effective contribution to combating climate change and strengthening sustainable industrial centres.

**Together. Faster. Climate neutral.**

Position-Paper "**Together towards climate neutrality**"

## Decarbonising the electricity sector

- Achieving 100% share of renewable energy in annual electricity consumption
- Congestion management

**2022 Integrated Annual Report** Performance metrics: Ratio of renewable energy

## MATERIAL TOPICS

### #05 SECURITY OF INFORMATION AND IT SYSTEMS

### ESG Field of impact: Environmental & Social

Sector-specific disclosures: Security and Emergency management

IMPACT	INVOLVEMENT	LIKELIHOOD
<b>Society</b> <ul style="list-style-type: none"> <li>Cyberattack or data security breach: If the Elia group's information and IT infrastructure is not secure enough to ward off possible cyber-attacks or breaches, this could lead to operational consequences (e.g. power cuts) and destabilise the European energy grid, in turn impacting numerous customers and businesses in Europe</li> </ul>	Indirect	Potential
<ul style="list-style-type: none"> <li>Protection of data: The Elia group gathers and handles large amounts of data which are necessary for network to function in a stable way, including personal data. If the Elia group's IT infrastructure is not secure enough to withstand possible cyberattacks or data breaches, this will impact the privacy of people concerned.</li> </ul>	Direct	Potential
MANAGEMENT		
<p>As an operator of critical infrastructure, we have to ensure that information is securely stored on systems that are necessary for maintaining security of supply. The processing, storage and communication of information must be designed in such a way that the availability, confidentiality and integrity of the information and our critical systems are ensured. The reinforcement of the robustness and security of our IT and network systems is a key recurring component in preserving the confidentiality of critical data.</p> <p>A Chief Digital Officer exists at Group level. Data Protection Officers (DPO) at Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH ensure that the Elia group processes the personal data it holds (from staff, customers, providers or any other individuals) in compliance with the General Data Protection Regulation (GDPR).</p> <p>Best practice is exchanged at a national level across the utility sector as well as at a European level (via ENTSO-E). Moreover, ENTSO-E and the European NIS directive set out regulatory requirements that the TSOs have to comply with. This led to the creation of the Information Security Management System (ISMS) Programme in 2020. The ISMS is a framework of policies and controls that aim to manage security and security risks across the entire organisation. The programme was launched as part of good governance and as an enabler to meet the regulatory requirement of designing, creating and implementing an ISMS in line with the ISO27001 certification.</p> <p>Information security risks are systematically identified and dealt with through an established security process. We evaluate the threat landscape and associated developments to be able to put the right risk mitigation measures in place.</p>		
COMMITMENTS, POLICIES AND MEASURES		RELEVANT PUBLICATIONS AND ACTIONS
<p>One data classification model is in place for the whole of the group. This enables data owners to easily and correctly classify their data so adequate security measures can be applied and this ensures consistency across the group.</p> <p>Certification of the Information Security Management System (ISMS): The ISMS of 50Hertz Transmission GmbH was recertified according to ISO27001 in 2020. Elia Transmission Belgium SA/NV is planning to be ISO 27001 certified in 2023. re.alto obtained the certification in 2022: the start-up is a marketplace dedicated to the exchange of energy data and services. Data security is crucial in this regard and obtaining the certification has reinforced its ambitions.</p> <p>ENTSO-E also requires TSOs to comply with a specific set of security measures when exchanging information with other TSOs and carries out compliance audits to verify their application: these external audits were successfully passed.</p>		<p>In the reporting year, no successful cyberattacks were carried out against Elia Transmission Belgium SA/NV or 50Hertz Transmission GmbH; moreover, no damage was caused by information security incidents.</p> <p>No data breaches were notified to the data protection authorities (GDPR violations).</p> <p>Continuous awareness improvement: regular newsletters, e-learning implementation, phishing campaigns</p> <p>The 50Hertz Transmission GmbH data centres were designated as "highly available" at Level 3 following an independent audit which evaluated and certified the operational security of its data centres (based on DIN EN 56000).</p>

## #06 DECARBONISATION

ESG Field of impact: Environmental

SDG reference:



GRI reference: GRI 302

## IMPACT

## INVOLVEMENT

## LIKELIHOOD

## Society

Our main contribution to a successful energy transition in the interest of society lies with the integration of growing amounts of RES into the system in order to speed-up decarbonisation.

Direct

Actual

## Environment

An electricity grid with growing amounts of RES provide the users with electricity produced with decreasing GHG emissions.

Direct

Actual

## MANAGEMENT APPROACH

The Elia group supports the EU's carbon reduction targets as well as those of the Belgian and German governments, mainly by integrating large volumes of renewable energy into the system via the operation and development of its grid. Besides speeding up the decarbonisation of the power sector, we are working on the decarbonisation of our own activities within the Dimension 1 of our ESG Programme ActNow. Please refer to the TCFD section of the [2022 Integrated Annual Report](#) for extensive information related to this topic

## COMMITMENTS, POLICIES AND MEASURES

Speed-up decarbonization of the power sector

This is further described in the TCFD Section of the [2022 Integrated Annual Report](#)

## RELEVANT PUBLICATIONS AND ACTIONS

ActNow Dimension 1 Climate Action Objective 1

EU Taxonomy eligible CAPEX, OPEX and Turnover – please refer to *[EU Taxonomy Report]* section

Together, Faster, Climate-Neutral

[White paper](#) on hybrid interconnectors

["Powering Industry towards Net Zero"](#).

## #07 PRESERVING OUR ECOSYSTEMS

## ESG Field of impact: Environmental

SDG reference:



GRI reference: GRI 304

## IMPACT

## Environment

The development and maintenance of our grid impacts the surrounding landscape, fauna and flora. Since our seas are set to become the power hubs of the future (meaning we will build much more offshore infrastructure over the coming years), our assets will impact the marine environments they are in, particularly during their construction.

## INVOLVEMENT

Direct

## LIKELIHOOD

Actual













## MANAGEMENT

We strive to limit the impact of our projects on the areas we work in, and either refrain from causing avoidable disturbances to nature and landscapes, or to ensure such disturbances are reduced to a minimum (in line with avoidance and minimisation requirements).

In line with our legal requirements, we carry out environmental impact assessments (EIA) early on in projects, to minimise the potential disturbances we could cause to nature. A Strategic environmental assessment (SEA) also has to accompany the Belgian Federal Development Plan when it is published.

Following these assessments, a corridor for a power line is then identified. As part of a next step, the exact route that the power line will follow is established. It is at this moment that protection and compensation measures which have a positive impact on local ecosystems and biodiversity are identified. These are identified with help from external environmental planners, routing experts and, if necessary, other science and nature conservation experts. In order to avoid unnecessarily impacting the landscape, lines are adapted to suit the local landscape conditions.

Essential to the group's approach is the 'mitigation hierarchy', which aims to prevent or avoid negative impacts on nature. It also provides advice about protecting biodiversity throughout project lifecycles, from early planning through to decommissioning and repowering. The application of this mitigation hierarchy means we can avoid, minimise, restore and – where necessary – offset negative impacts on biodiversity; the hierarchy is described in the figure below.

AVOID	REDUCE/repair	OFFSET
 Avoid protected zones	 Visual integration of overhead lines and substations with vegetation	 Community projects
 Avoid residential zones	 Group existing infrastructure	 Financial compensation for owners
 Upgrade or reuse existing infrastructure	 Architectural integration of the substations	 Financial compensation for farmers
	 Pylon types	
	 Reforestation	
	 Bird markers, nesting boxes	

As part of every grid reinforcement project we undertake, we implement different measures that can have a positive impact on ecosystems and biodiversity - most of the time together with local stakeholders and environmental experts to ensure the relevance of the measures we take. If preventive or corrective measures cannot help address the negative impacts, then mitigation and compensatory measures are applied. These are either voluntary or legally required (in order to obtain all the legal authorisations needed prior to the execution of a project). Depending on whether the objective is to mitigate or compensate for the impact of our projects, a wide range of measures exists.

As part of Dimension 2 'Environment & Circular Economy' of our ActNow programme, we are working on better integrating our assets into their surrounding environment to reduce and compensate for our impact. Another focus of our sustainable substation programme is the promotion of biodiversity. The ISO14001 certification of our environmental management has also been identified as one of the actions. SDG14 ('Life below water') was added to our ActNow Programme as we are now placing more emphasis on developing our projects in order to strengthen biodiversity in the North and the Baltic Seas.

In terms of prevention, the Elia group is committed to undertaking effective water and soil conservation measures. Since the company's business activities do not involve significant amounts of water consumption or the regular release of process-linked effluents, our corporate responsibility does not relate to a reduction in water consumption. Instead, we must focus on water management in grid and substation projects and prevent water and soil pollution through accidental leaks of hazardous substances used in our equipment.



## COMMITMENTS, POLICIES AND MEASURES

We have developed a framework regarding different types of compensation measures which aim to minimise our impact on the environment that surrounds our infrastructure projects; these measures include compensation for farmers and the integration of our assets into the landscape. Clear and structured policies are available [on our website](#).

We have set ourselves 3 objectives in terms of environmental protection and fostering biodiversity:

• **Preserve and strengthen ecosystems and biodiversity**

**Bird protection:** With the help of leading European and local environmental organisations<sup>3</sup>, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have identified the sections of its grid that pose the greatest danger to birds. These are gradually being fitted with bird markers, which reduce the probability of bird collisions by making them more visible to birds.

On a group level, we want to have bird markers installed along 600 km of our overhead lines by 2030.

Nesting boxes are also being installed along the bottom or the top of our pylons, depending on the species we are aiming to protect.

**Ecological corridor management:** We undertake this under our overhead lines that go through forests. Whilst ensuring that our grid can be safely operated, we either minimise our interventions<sup>4</sup> in these areas so that natural habitats can once again flourish under our lines or implement management measures that benefit biodiversity.

Since 2012, Elia Transmission Belgium SA/NV has been a front-runner in this area. Indeed, we developed a 7-year LIFE project (EU-funded and together with the French TSO, RTE). In 2018, we decided to continue this project for another five years without receiving any subsidies under the name "Life2" by adding more green corridors around its lines. The other objective of this project was to further monitor the biodiversity improvement. The results are highly encouraging, with 98% of evaluated sites showing conclusive outcomes.

By 2030, our ambition is that Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH manage 90% of all of our forest corridors in a way that supports biodiversity.

**Substations:** We foster green areas around our existing infrastructure to encourage biodiversity and reduce the negative impacts of our assets on the ecosystem. By the end of 2022, we had also banned the use of all herbicides from all of our sites in Belgium and Germany.

**Offshore:** With regard to our offshore projects, mitigation measures are principally implemented during the construction phase of our projects. These aim to reduce the impacts of such projects on marine life (for example, measures aimed at limiting the impact of any noise created and acoustic deterrents to prevent marine life from coming close to our assets during their construction).

**Future Belgian Energy Island:** As Elia Transmission Belgium SA/NV designs and constructs this island, it is going beyond just minimising the impact of its activities on the marine ecosystem through the adoption of 'Nature Inclusive Design'. Along with a group of nature and conservation experts, Elia Transmission Belgium SA/NV is currently working on designing the island in such a way that it will have positive effects on flora and fauna and encourage habitats to flourish.

• **Circularity embedded in our core business processes**

There is a strong link between circularity and the preservation of biodiversity. The development of circularity actions is part of our ActNow Programme.

• **Ensure compliance with environment performance standards**

Reaching ISO14001 Certification: 50Hertz's environmental management system was externally audited and ISO 14001 certified for the first time in 2022. The implementation of an environmental management system ISO 14001 certified in Belgium is due to occur in 2024.

## RELEVANT PUBLICATIONS AND ACTIONS

## EXAMPLES OF COMPENSATION MEASURES



## Planting

Planting tree aisles and rows, hedges, orchards



## Forestry

Forest restructuring, first afforestation



## Hydraulic engineering

Pond renaturation, restoring straightened rivers to their original condition, creating small bodies of water, renaturation of flowing and still bodies of water



## Others

Cabling medium voltage lines



## Demolition

Unsealing, demolition of buildings in community outdoor areas



## Species protection

Building amphibian protection facilities, nesting aids, bat habitats, reptile habitats, species protection towers

## ActNow Dimension 2 Objective 1

62 % of our high-voltage overhead lines identified as critical for birds are equipped with markers. In 2022 we successfully tested the use of drones to install these markers along our lines. Elia Transmission Belgium SA/NV, along with other partners<sup>5</sup>, received funding from the European LIFE programme for their joint "SafeLines4Birds" project, which targets specific endangered bird species. 81 % of our forest corridors are ecologically managed.

Further information about these projects can be found on this website: <http://www.life-elia.eu/>  
**Topic-specific disclosures [Biodiversity]**

Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are both signatories of RGI's Marine Grid Declaration, which sets out guiding principles for avoiding, minimising and (where possible) eliminating negative impacts on the marine environment.

## ActNow Dimension 2 Objective 2

See Material topic [\[#14 Minimizing waste and promoting circularity\]](#)

## ActNow Dimension 2 Objective 3

3 Brandenburg State Environmental agency, RGI; NABU, Natuupunt and Natagora

4 The standard – historical – maintenance policy for overhead lines involved ensuring that a corridor under our lines was kept clear of all vegetation with a rotary slasher every eight years

5 Transmission system operators RTE in France and REN in Portugal and several nature and bird protection organisations

### Prevention

The main potential source of soil, ground and surface water pollution is the large volume of mineral oil in our transformers. The standard solution to combat this consists of equipping our transformers with a liquid-tight concrete tank, which, in the event of an oil spill, can contain all leaks. The tanks are fitted with a hydrocarbon separator and an additional coalescence filter with an automatic shut-off valve to ensure that rainwater that falls on the facilities can be drained without causing pollution. We have developed processes to immediately cope with the impacts of leakages in the accidental event of hazardous substance leaks and employees are trained to detect early signs of these types of events.

Another water management aspect relates to rainwater that ends up on our high-voltage facilities (transformers), impermeable (roofs, asphalt roads) and permeable surfaces (gravel roads). When building new substations and when expanding or renovating existing substations, we ensure that rainwater that ends up on the installations (transformers) is always drained without any (oil) contamination, we increase the permeability of surfaces<sup>6</sup> and explore reuse and infiltration solutions (some of them can have a positive impact on biodiversity).

A significant part of Belgian soil is polluted as a direct result of nearby or in situ (prior use) industrial activities or the backfilling of areas with polluted soil. Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH has mapped the soil condition of its own land in order to plan out remediation activities.

50Hertz Transmission GmbH ensures that the Baltic Sea is protected during its activities through a variety of measures. For example, throughout the planning stage for offshore platforms, care is taken to ensure that no hazardous substances are leaked into the sea and that equipment with biodegradable hydraulic oil is used wherever possible.



<sup>6</sup> This is carried out by constructing roadways with reinforced gravel pits (asphalt on concrete is no longer used). Drainage gutters are avoided for existing paving and natural runoff and infiltration are provided next to the road.

## #08 EMPLOYEE HEALTH, SAFETY AND WELLBEING

## ESG Field of Impact: Social

SDG reference:



GRI reference: GRI 403

## IMPACT

## Society

- Occupational Health and Safety As high-voltage electricity transmission system operators, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH operate assets and infrastructure which can cause harm to people if accidents, asset failure or external attacks occur.
- Wellbeing Investing in healthy, safe and happy employees means that the wellbeing of our workforce is ensured; this is a prerequisite to providing the infrastructure for a successful energy transition.

Direct

Actual

Direct

Actual

## MANAGEMENT

The safety and welfare of all individuals (Elia group's staff, subcontractors and staff from partner organisations) is a key priority for the group and its subcontractors. Our group-wide ambition is to ensure that all our employees and subcontractors arrive home safe and sound every day. We also want to ensure the wellbeing of our staff. We have high ambitions and these require a fit and healthy workforce, capable of dealing with the challenges and potentially stressful elements of each job.

Occupational health and safety measures are included in our corporate strategy. Health protection and occupational safety topics are an integral part of weekly meetings held by senior management. A group-wide Safety Officer position was established in 2020 to ensure that our approaches to health and safety are aligned across the group.

Having a Health and Safety Management system that is certified by external parties is one of the components of our approach to the area.

## COMMITMENTS, POLICIES AND MEASURES

Elia Group's subsidiaries have adopted a Health and Safety Policy, undertake regular safety analyses and promote a culture of safety cross the organisation. The Elia group has high safety standards in place which all of its employees, subcontractors and everyone who comes into contact with its infrastructure are required to follow. The *Health and Safety at Work Guideline* is binding for all employees.

## • We aim for zero accidents

We strive to minimise accidents as much as possible, especially those caused by activities which carry high amounts of risk, like construction work, work at height, civil engineering work, and offshore activities. Our approach covers all of our employees, our subcontractors and individuals who work on or in the vicinity of our infrastructure.

Our target over the next few years is to have the number of incidents with contractors decrease by 2.5% every year.

We closely monitor leading indicators like those related to the reporting of unsafe situations and near-misses.

## • We maintain a solid culture of safety

Reaching our health and safety goal requires more than just the adoption of procedures and guidelines. We actively work towards ensuring that everyone is personally involved in ensuring their own safety and the safety of their colleagues and continuously train our staff. Training for all employees who work across our sites is compulsory; this is updated periodically. All employees are regularly instructed about workplace-specific hazards and the measures they can implement to avoid them. In addition to refresher trainings for our operational teams, we also ensure that such staff are continually informed about changes to procedures and working methods, and that they are able to learn from feedback. All employees are regularly instructed about workplace-specific hazards and the measures they can implement to avoid them.

'Safety for Contractors' programme: The Elia group also provides training materials, training and tests for subcontractors; we want to invest in good safety behaviour and support our suppliers in encouraging this in their staff, too. We want to grow together by taking joint measures to prevent accidents and ensure all of our on- and offshore sites are safe places for people to work in.

## RELEVANT PUBLICATIONS AND ACTIONS

## ActNow Dimension 3 Objective 1

TRIR Elia Group (own staff) 4.6  
*incident investigation*

Ad hoc safety flashes: good practice reminders or the identification of specific risks associated with particular tools

## ActNow Dimension 3 Objective 2

Inspections

Training Compulsory training with periodical updates

Site visits: 1,791

#### • We are all safety leaders

The group's transformation in this area requires visible safety leadership at all levels of the organisation. Safety leaders show exemplary behaviour and inspire others to do so too. The Elia group is committed to actively developing 'safety leadership' in all of its employees.

Certification: Health & Safety management system: the H&S management system of 50Hertz Transmission GmbH is ISO45001 certified. The H&S Management system of Elia Transmission Belgium SA/NV carries a Safety Culture Ladder Certification Level 3.

#### ActNow Dimension 3 Objective 3

#### • We ensure and promote the health and wellbeing for our staff

The early detection and prevention of work-related illnesses and the preservation of employability are integral components of our approach to occupational health and safety. To support these, appropriate occupational health care, which focuses on individual protection and the prevention of health conditions, is ensured. In addition, the Elia group provides its staff with regular medical consultations, flu vaccinations and advice regarding ergonomics in the workplace for all employees. Confidential counselling delivered by external, qualified therapists is available for employees at any time in the event that they should suffer from stress, conflict or suffer from substance addiction.

#### ActNow Dimension 3 Objective 4

Offline campaign  
Health rate: 96.1%

[Topic-specific disclosures Occupational Health and Safety](#)





## #09 TALENT ACQUISITION AND DEVELOPMENT

## ESG Field of impact: Social

SDG reference:



GRI 401, GRI 404

## IMPACT

## Society

The Elia group's infrastructure projects require a large number of specialists. To fill these positions in the best possible way, an effective approach to HR and is necessary

Direct

Actual

## MANAGEMENT

The Elia group owes its success entirely to the success of its employees. It is the group's responsibility to help them develop their skills, foster their health and commitment, involve them in decisions and guarantee equal opportunities for all. To realise our vision and master the challenges of tomorrow, the group needs motivated employees, since they are a key success factor in times of constant change.

Within the senior management team, responsibility for staff strategy issues lies with the Group Chief Alignment Officer and the Group Talent Management Officer.

Elia group employees are offered individually tailored further training sessions<sup>7</sup> and the opportunity to complete relevant qualifications. Programmes for enhancing employee skills and encouraging career transitions also exist (this includes programmes related to innovation, intrapreneurship, change management and external education).

Succession planning ensures that sufficient numbers of potentially suitable employees are available for all management positions and that vacancies are filled by internal candidates wherever possible. To this end, talent is identified and promoted, for example through programmes for 'young professionals' that are jointly developed and offered across the group.

## COMMITMENTS, POLICIES AND MEASURES

Talent@Elia Group is one of our top projects, it was established to ensure our organisation can succeed amidst the ever-changing context of the energy transition and can fulfil its digital transformation needs. The framework developed as part of this project aims to enable our business strategy and to create an attractive, motivating environment for the talent we have and need.

The Elia group attracts qualified young talent via its own in-house training programmes. These include a 24-month trainee programme, internships and opportunities for students to join the group whilst completing diplomas or degrees (in cooperation with local universities).

In addition, managers can take specific training modules to develop their own leadership skills.

Leadership programme: We work in a rapidly evolving environment. We want to prepare our leaders to become role models who embody the values and standards of our company and who are able to confidently guide their employees through challenging times. This involves strong, inclusive leadership and promoting and embracing diversity within our teams. It also involves dealing with uncertainties and safeguarding the physical and mental wellbeing of our staff.

## RELEVANT PUBLICATIONS AND ACTIONS

Top Employer label 2022 (for the 5th year in a row) for Elia Transmission Belgium SA/NV

"Most wanted employer" label for 50Hertz Transmission GmbH

Topic-specific disclosures Employment

<sup>7</sup> This is in addition to training related to technical and safety skills, which are required to perform our core business activities (training specifically focusing on safety is detailed in in Material topic #8 Employee health, safety and wellbeing)

## #10 TRANSPARENT AND OPEN COMMUNICATION WITH STAKEHOLDERS

## ESG Field of impact: Social

SDG reference:



GRI reference: GRI 2-29, GRI 2-25, GRI 2-26

IMPACT	INVOLVEMENT	LIKELIHOOD
<p><b>Society</b></p> <p>The involvement of relevant stakeholder groups plays an important role in sustainable grid expansion. Involving stakeholders as early as possible in our infrastructure projects helps to improve their understanding of society's need for a grid, and optimises its approval and development.</p>	<p><b>Direct</b></p>	<p><b>Actual</b></p>
MANAGEMENT		
<p>In its role as a trusted advisor, the Elia group regularly communicates and exchanges information with its stakeholders.</p> <p>The Elia group's stakeholder environment is continuously analysed and defined. Depending on the topic, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH interact with public authorities, political parties, local citizens, civil society (including organisations that represent environmental, economic, and agricultural or other interests) and clients directly connected to their grid. The method and frequency of engagement for each stakeholder group is detailed in the Section Fostering Stakeholder Interactions of our <a href="#">2022 Integrated annual report</a>.</p> <p>The Elia group is convinced that involving all stakeholders early on in their projects is vital for ensuring the success of the energy transition. Our approach is to contact and inform all parties of upcoming projects in order to ensure their voices are heard. A transparent and consistent approach, which aims to meet societal requirements, improves the acceptance of our projects by local communities. Furthermore, this approach is adopted from the outset of projects so that community concerns can be addressed. To achieve this objective, the relevant departments in Belgium and Germany have developed a communication and public acceptance methodology; this ensures that stakeholder engagement and communication is embedded into the grid development process. In turn, this ensures that our costs are controlled, the timing of projects can be adhered to and we are able to deliver necessary projects which are aligned with the interests of society. As a new project is being explored, discussions with relevant stakeholders are held during the very early stages of project planning. During the design phase of our projects, we mainly work with civil society, local municipalities and representatives from academia. Public consultations are also held regarding grid development plans. As projects become more concrete, discussions and information exchange are organised for local citizens and communities.</p>		
COMMITMENTS, POLICIES AND MEASURES	RELEVANT PUBLICATIONS AND ACTIONS	
<p><b>Public acceptance</b></p> <p>Internal, project-related guidelines regulate timelines and the dissemination of information regarding project planning, approval processes, public participation and stakeholder management. These guidelines also include best practice and recommended courses of action based on experience, enabling the company to continuously develop its standardised public participation toolbox.</p> <p>Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH communicate and cooperate transparently with their stakeholders throughout the entire project development process. In addition to holding legally required preliminary public information meetings, we also organise information sessions for local residents. It is crucial for us to make sure interested stakeholders are able to find the information they need. Our website includes a specific section which is dedicated to providing information about our current and future infrastructure projects.</p> <p>Elia Transmission Belgium SA/NV has made sure it has involved civil society and regional experts at an early stage of its two most important projects in Wallonia and Flanders: Ventilil and Boucle du Hainaut. The objective of such stakeholder engagement is to ensure that the projects are developed in the best way possible (and so are aligned with environmental, economic and agricultural interests) through the solicitation of feedback and expertise.</p> <p>Against the backdrop of the COVID-19 pandemic, we have adapted how we inform citizens and local authorities of our plans: we now employ digital communication channels more frequently than we used to; this includes hosting webinars and one-to-one consultations. Adapting our communication methods in this way has helped us to maintain strong ties with our stakeholders whilst complying with relevant health and safety restrictions.</p>	<p>117 Public info-dialogue sessions related to grid projects</p> <p>These sessions are supplemented by invitation letters; citizen information packs; videos; brochures; flyers; roll-ups; press conferences and press releases; digital newsletters; Facebook posts; information videos; telephone hotlines; and communication disseminated via email.</p> <p>Website <a href="#">Elia Infrastructure projects</a></p> <p>Dedicated websites <a href="#">Ventilil</a> &amp; <a href="#">Boucle du Hainaut</a>  <a href="#">GE South-East link</a></p> <p>Users' Group (<a href="#">elia.be</a>)</p>	

### Stakeholder dialogue

The Elia group regularly measures the customer satisfaction level of its key stakeholders (including distribution system operators, grid users, producers, access responsible parties, user Groups, etc.) through surveys.

Elia Transmission Belgium SA/NV maintains constant contact with its customers and partners through its Users Group, which comprises grid user representatives.

Contact Centres: Elia Transmission Belgium SA/NV's two contact centres receive and handle requests for information from various sources, including local residents, contractors, engineering firms, public authorities, utilities and project developers.

Due to the specific risks involved in working near a high-voltage facility, anybody wishing to carry out work close to high-voltage lines, high-voltage pylons, underground electricity cables or high-voltage substations is required to report this to Elia Transmission Belgium SA/NV. We can then provide them with maps of the relevant facilities and instructions about the safety measures to take while working near them. There are statutory time frames within which Elia Transmission Belgium SA/NV must answer such requests (7 working days following receipt).

Should a request arise via a contact centre, Elia Transmission Belgium SA/NV offers information and free electromagnetic field measurements to the owners of land and buildings located near its facilities.

50Hertz Transmission GmbH often participates in the exchange of best practice regarding public participation; for example, it is a founding member of Renewables Grid Initiative (RGI) and a member of the DialogGesellschaft e. V and the Bertelsmann Foundation's Alliance for Diverse Democracy.

**Trade associations:** active participants in ENTSO-E & RGI: stakeholders channels

**ENTSO-E and RGI**

### Communication events

ESG ActNow progress: In October 2022, a livestreamed event was held in which the Elia group gave its stakeholders an update on its efforts to integrate more and more renewable energy into the system while helping to ensure security of supply and the progress it had made on ActNow.

Stakeholder Day  
Elia's partner event on Monday 25 April  
[Live Stream ActNow](#)  
[YouTube channel](#), [LinkedIn](#) and [Twitter](#) accounts



## #11 COMMUNITY DEVELOPMENT AND ENGAGEMENT

## ESG Field of impact: Social

GRI reference: GRI 207

IMPACT	INVOLVEMENT	LIKELIHOOD
<b>Society</b> <ul style="list-style-type: none"><li>• The Elia group makes a significant contribution to gross domestic product (GDP) through its major infrastructure projects in the form of direct, indirect and induced economic effects.</li><li>• In addition, 50Hertz Transmission GmbH and Elia Transmission Belgium SA/NV support a variety of projects across their grid areas in the fields of culture, energy, environmental education and youth and social issues.</li></ul>	<b>Direct</b>	<b>Actual</b>
<b>MANAGEMENT</b>		
<p>The Elia group is clearly committed to its regional responsibilities and economic development.</p> <p><b>Community engagement</b></p> <p>We take our responsibility towards society seriously. That's why Elia Transmission BelgiumSA/NV and 50Hertz Transmission GmbH support a wide range of projects in the fields of culture, energy and environmental education or youth and social affairs across their grid areas.</p>		
<b>COMMITMENTS, POLICIES AND MEASURES</b>	<b>RELEVANT PUBLICATIONS AND ACTIONS</b>	
<p><b>Local added value/supporting local initiatives</b></p> <p>In addition to undertaking compensation and mitigation measures (see topic #8 “Preserving our ecosystems”), an additional approach was developed to compensate local communities for any disruptions caused during work on high-impact projects. This involves making a financial contribution to community funds, so supporting local communities affected by infrastructure work.</p> <p>In 2017, Elia Transmission Belgium SA/NV established a partnership with Be Planet to develop and support citizen-led ecological transition projects in municipalities where infrastructure projects are underway. The organisation, which has been recognised as an organisation that works in the interest of the general public, manages the funding, ensures it is used in line with its objectives and oversees the careful selection of the citizen projects which will receive the funding. Through this partnership, we are setting up a system under which citizen projects are funded to compensate municipalities for the impacts associated with the construction of overhead lines.</p> <p>We undertake a number of biodiversity measures with the ecological engineering consultant Ecofirst. The implementation of the measures is carried out (whenever the technical conditions allow it) in collaboration local adapted work or social rehabilitation companies.</p> <p>On 16 March 2022, Ukraine and Moldova’s electricity grids were successfully synchronised with the Continental European Power System, meaning the stability of their grids has been supported since. At the request of the Ukrainian government, several European transmission system operators sent electrical equipment to Ukraine throughout the year. In doing so, 50Hertz Transmission GmbH and Elia Transmission Belgium SA/NV joined a number of other TSOs from across Europe who provided Ukrenergo with the equipment it needed to keep its grid operational as it came under attack from Russia.</p>	<p>The interactive exhibition “Turning Energy Together” developed by 50Hertz and the Independent Institute for Environmental Issues (UfU e. V.) explains the energy transition to schoolchildren in an accessible and engaging manner.</p> <p>In 2022, 2.26 tonnes of our hardware (including laptops, docking stations, printers, screens and carrying cases) were donated to schools and non-profit organisations.</p> <p>Be Planet   <a href="#">Be Planet</a></p> <p>50Hertz supports artists across its grid area and cooperates with museums.</p> <p>Elia Transmission Belgium SA/NV donated four generators and other electrical equipment to Ukrenergo (the TSO which manages Ukraine’s high-voltage grid). 50Hertz Transmission GmbH sent 16 emergency generators, 50 LED spotlights and some other smaller electrical items to Ukraine.</p>	



## #12 RESILIENT SUPPLY CHAIN PRACTICES

## ESG Field of impact: Governance

GRI reference: GRI 204

IMPACT	INVOLVEMENT	LIKELIHOOD
<b>Society</b> The expansion and operation of our infrastructure depends on a network of resilient suppliers across our grid areas and beyond. Any disruption to this supplier network would result in delays that could jeopardise the pace of the energy transition.	<b>Indirect</b>	<b>Potential</b>
MANAGEMENT		
Strategic purchasing by Group Procurement The Elia group is required to comply with European tendering rules. Adherence to these rules and other internal guidelines ensure that every supplier receives the same non-discriminatory and transparent treatment and that the information sent to them is treated confidentially. Suppliers are selected based on an assessment of multiple criteria. Purchasing is centrally undertaken by the Group Procurement Team. The latter is responsible for the strategic procurement of materials, assets and services that are necessary for the construction, operation and maintenance of the Elia group's assets. This approach enables efficiency and improves communication with the group's supplier network. To ensure long-term success, building good, long-term stakeholder relationships with suppliers is essential. The goal is to retain existing suppliers while developing new sources of supply. In addition, Group Purchasing strives to minimise supply chain risks by diversifying individual supplier groups across country borders.		
COMMITMENTS, POLICIES AND MEASURES	RELEVANT PUBLICATIONS AND ACTIONS	
The Elia Group SA/NV is obliged to comply with European tendering rules. Compliance with these rules and other internal guidelines ensures that each supplier receives the same non-discriminatory and transparent treatment and that the information provided to them is treated confidentially. Suppliers are selected on the basis of an evaluation of several criteria	Share of suppliers EU/Non-EU: 97.2% at 50Hertz Transmission GmbH	



## #13 RESPONSIBLE GOVERNANCE PRACTICES

## ESG Field of impact: Governance

SDG reference:



## IMPACT

## Society

Running our daily activities in a responsible, ethical and accountable way is essential for sustainable corporate success.

## INVOLVEMENT

Direct

## LIKELIHOOD

Potential

## MANAGEMENT

The Elia group is committed to ensuring it has solid corporate governance practices in place, as outlined in its group-wide Code of Ethics. In line with this, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have expressed their commitment to responsible corporate governance practices by signing the United Nations Global Compact (UNGC) – the leading U.N. initiative encouraging businesses to adopt sustainable and socially responsible policies that are aligned with the 2030 Sustainable Development Goals. Both companies are also committed to and actively work on topics included in the 10 Principles of the UNGC. Please find further details about this in the section *[Policies and Practices]*.

## COMMITMENTS, POLICIES AND MEASURES

- Governance: Accountable rules & processes
- Ethics: Sustainable mindset and behaviors
- Compliance: Conformity with external and internal rules
- Transparency: Openness and meaningful stakeholder dialogue

We have designed two ESG indexes, the Governance Index and the Compliance Index. These indexes will embed ESG factors into our business activities and decision-making processes. They are each composed of twelve commitments that we want to achieve by the end of 2024. Please see [our website](#). Examples of this year's achievements include the publication of a Group-wide Human Rights Policy and the fact that 20% of the variable remuneration of our executives and senior managers is linked to ActNow objectives. Moreover, in 2021, the Elia group has started adopting an integrated reporting approach as part of the publication of its annual report. This constitutes a stakeholder-focused approach to our corporate reporting that provides a complete picture of how our business activities create value in the short, medium and long term.

## RELEVANT PUBLICATIONS AND ACTIONS

ActNow Dimension 5 Objective 1  
 ActNow Dimension 5 Objective 2  
 ActNow Dimension 5 Objective 3  
 ActNow Dimension 5 Objective 4  
 Governance index: 8/12  
 Compliance index: 9/12

## #14 MINIMISING WASTE AND PROMOTING CIRCULARITY

ESG Field of impact: Environment

SDG reference:



GRI reference: GRI 306

## IMPACT

## Environment

We generate waste through our maintenance work and infrastructure projects, but opportunities for circularity and recycling exist.

## INVOLVEMENT

Direct

## LIKELIHOOD

Actual

## MANAGEMENT

The Elia group is required to comply with waste management rules in our respective operating zones. When dealing with waste that cannot be avoided, the principle we follow is reuse – recycle – recover – dispose. This is addressed by Dimension 2 of our ActNow Programme, which relates to a circular economy. We are laying the foundations for integrating circularity and eco-design into the decision-making processes for new pieces of infrastructure and we plan to further increase our recycling rate when decommissioning assets.

## COMMITMENTS, POLICIES AND MEASURES

We comply with all national and federal laws and regulations. Waste is removed by authorised waste management companies, who collect, transport and recycle hazardous and non-hazardous waste. On our construction sites, contractors must comply with environmental legislation and sort the site waste they produce. Waste management companies provide information about the way our waste is disposed of (and necessary certificates). Depending on the operating zone, we are also required to report periodically the yearly quantities of specific waste types we produce to the authorities.

50Hertz Transmission GmbH adheres to the legally stipulated recycling requirement (recycling before disposal) in Germany: its recycling rate is around 90%.

## Circularity embedded in our core business processes

As part of the ActNow Programme, we have set ourselves objectives in terms of environmental protection and the fostering biodiversity. One of these is related to circularity. In 2022, we started an evaluation programme to enhance our work in this area. We aim to accelerate the circularity of our assets, including those elements which are supplied by external providers.

## RELEVANT PUBLICATIONS AND ACTIONS

Almost a 100% recycling rate for our transformers and pylons

Waste management plans

Waste registers

## ActNow Dimension 2 Objective 2

## #15 SUSTAINABLE SUPPLY CHAIN PRACTICES

## ESG Field of impact: Environmental &amp; Social

SDG reference:



GRI references: GRI 308, GRI 414

## IMPACT

**Environment**

Through the environmental standards that the Elia group adopts and the procurement choices it makes (e.g., purchasing products with a lower carbon footprint; using long-lasting materials; using recyclable materials; choosing local products; amending transport methods etc.), it is setting an example for the sector, influencing its entire supply chain and its peers and encouraging them to use greener solutions.

**Society**

Through the social standards the Elia group sets and complies with (e.g., health and safety, ethics standards, quality standards) and its selection of partners and suppliers, it sets an example for the sector, influencing the entire supply chain and its peers.

## INVOLVEMENT

Indirect

## LIKELIHOOD

Potential

## MANAGEMENT

The Elia Group is obliged to comply with European tendering rules. Compliance with these rules and other internal guidelines ensures that every supplier receives the same non-discriminatory and transparent treatment and that the information provided to them is treated confidentially. To ensure that business partners also comply with internationally applicable rules on human rights - such as the prohibition of forced and child labour - sustainability and ethics are essential components of the supplier and service provider assessment. The Elia Group requires its suppliers to behave lawfully and ethically to protect human and labour rights, health and safety, information security and environmental protection. This is set out in the Supplier Code of Conduct (SCoC), which is attached to all tender and contract documents. All suppliers are required to comply with the SCoC.

In addition, the Elia Group Human Rights Policy Statement makes clear references to the relevant ActNow dimensions 3 (Health and Safety), 4 (Diversity, Equality and Inclusion) and 5 (Governance, Ethics and Compliance) and communicates this internally and externally to all stakeholders. Further purchasing initiatives are planned at Group level. For example, strategic suppliers will be surveyed by an external service provider (EcoVadis) on sustainability aspects, including human rights due diligence, and the result will be expressed in an overall score, the so-called ESG rating. In new framework agreements, suppliers will be required to undergo an annual EcoVadis rating during the term of the contract, which will be reviewed by the purchasing department. The sustainability weaknesses resulting from the rating are the basis for action plans, which are requested by Purchasing as needed. The long-term goal is to include all strategic suppliers in a uniform ESG rating. The successive expansion of supply chain management on sustainability topics will continue in the coming years.

Further information on the SCoC can be found in section 1 "Policies & practices".

Suppliers are selected based on the assessment of several criteria. Sustainability-related criteria are included in the contracts and general purchasing conditions signed by our suppliers. By incorporating strict ethical principles into the procurement process, the Elia group seeks to have a positive impact on the environment in which it operates. It also aims to avoid risks arising from non-compliance with certain rules and standards along its supply chain. To improve this process, a Group Procurement Manager was recruited.

To use these principles to make a positive impact on our supply chain, we have developed a risk-based approach. We assess the risks associated with all purchasing categories based on traditional supply chain risks and sustainability-related supply chain risks.

In addition, we conduct regular site inspections. As part of these inspections, human rights due diligence is carried out in addition to reviews of risks related to accidents and employee health. Sanctions are imposed in instances where violations are found to have occurred. Measures aimed at avoiding such risks are also implemented, primarily through discussions with the partners involved.

The risk of human rights violations occurring are currently considered to be rather low, as sourcing is mainly focused on domestic and EU suppliers which generally have to adhere to stricter laws in this area. However, it could become more important in view of the possible expansion of sourcing markets abroad (see material topic #12 Resilient supply chain practices).

Going forward, we will move from using internal carbon pricing (ICP) on a case-by-case basis in our sourcing decisions to embedding it across all parts of the investment decision-making process.

## COMMITMENTS, POLICIES AND MEASURES

In 2018, a Supplier Code of Conduct was published. This includes internationally recognised principles regarding ethical conduct and health and safety and environmental and social considerations. This code applies to each of the Elia group's suppliers and is always included in documents alongside European procurement procedures.

In order to improve our accounting of GHG emissions related to our supply and value chain (scope 3 GHG emissions related to new assets and construction work, see Topic-specific disclosures A.Energy and Emissions), we are improving our CO<sub>2</sub> accounting process in order to better identify the sources of emissions; this will enable us to focus our efforts on addressing and reducing them. Our CO<sub>2</sub> Accounting Platform, which is currently being developed, aims to provide our suppliers with a tool through which they will be able to record the GHG emissions related to their goods and services. This will enable us to compare different available options.

## RELEVANT PUBLICATIONS AND ACTIONS

Adherence to supplier code of conduct >80%

Purchasing conditions have been homogenised on a group level and split into procurement categories; they are available on our website

Collaboration with Ecovadis

Open letter with other TSOs to suppliers on sustainability ('[The Greener Choice](#)')



## #16 DIVERSE AND INCLUSIVE WORKFORCE

## ESG Field of impact: Social

SDG reference:



GRI reference: GRI 405

## IMPACT

## Society

We are working on making sure our workforce reflects the societies we work in (for example by actively addressing the fact that our workforce is male-dominated and changing this), the Elia group can set an example for society at large and increase the diversity of its staff.

Direct

Actual

## MANAGEMENT

We are a company that puts the interest of society first. As a consequence, we should be a good reflection of society in all its diversity. We want to create an inclusive environment that provides opportunities for everyone. We want to ensure all staff members feel comfortable, welcome and supported to progress and flourish within the company. This is not just about meeting numbers and quotas. Gender diversity is not the only criterion - as we continue to expand internationally, diversity in all its forms will grow.

The Elia group is committed to promoting diversity out of conviction and in accordance with ILO Convention 111 and strictly condemns any form of discrimination in all work-related situations. All employees are treated equally regardless of their ethnicity, age, sex, gender, sexual orientation, religious affiliation, political views, national or social origin or other characteristics. The Elia group is committed to valuing all employees and their abilities equally.

As part of Dimension 4 of ActNow ('Diversity, Equity & Inclusion') we have set ourselves targets in these areas.

## COMMITMENTS, POLICIES AND MEASURES

- Inclusive leadership across the organisation and engaging all staff

The Elia group published a Diversity, Equity & Inclusion (DEI) Charter outlining the management team's commitment to further embedding DEI across the organisation.

Awareness about DEI issues are raised amongst staff through DEI ambassadors, training and internal communication

- Inclusive recruitment and selection practices in hiring processes

One of 50Hertz's concrete targets includes increasing the proportion of women in the workforce (both in leadership positions and in senior management positions) to at least 30% by 2030.

- Equal opportunities for all staff

"Women in Leadership" initiative

- Open and inclusive company culture and healthy work-life balance

- Recognition of societal DEI role

50Hertz is working with Annedore-Leber-Berufsbildungswerk to support young people with disabilities as they start their careers.

Elia Group is a member of the Platform for equality in the energy sector. The Platform was established by the European Commission, it unites different actors from across the sector who want to create an environment in which everyone has equal chances to succeed. It involves working with other partners and sharing best practice.

## RELEVANT PUBLICATIONS AND ACTIONS

## ActNow Dimension 4 Objective 1

DEI data dashboard

Across the Elia group, we have 52 Diversity and Inclusion ambassadors

## ActNow Dimension 4 Objective 2

## ActNow Dimension 4 Objective 3

## ActNow Dimension 4 Objective 4

International Day against Homophobia, Transphobia and Biphobia (17 May)

## ActNow Dimension 4 Objective 5

[Equality platform for the energy sector](#)



## A. ENERGY AND EMISSIONS

### MANAGEMENT APPROACH

Please refer to

- Climate-related disclosures (TCFD) section in our **2022 Integrated Annual Report**
- Material topic 3 Sustainable energy system**
- Material topic 15 Sustainable supply chain practices**

### CONSUMPTION AND CARBON FOOTPRINT

[GRI 302-1] [GRI 305-1] [GRI 305-2]

#### BELGIUM

ENERGY CONSUMPTION	UNIT	BASE YEAR 2019	2020	2021	2022
fleet (diesel)	L	1,520,107.72	1,257,612.56	1,318,535.45	1,356,943.26
fleet (gasoline)	L	153,161.16	142,285.74	196,405.90	254,416.84
heating (natural gas)	MWh	4,227.79	3,419.82	4,865.74	3,598.51
heating (diesel)	L	16,500.00	13,328.00	9,638.00	8,780.00
backup systems (diesel)	L	-	-	-	15,873.00
electricity consumption (technical and admin sites)	MWh	-	-	-	2,991.73
electricity consumption substations - with meters	MWh	-	-	-	3,059.86
electricity consumption substations - without meters	MWh	25,750.00	25,750.00	25,750.00	24,586.00

OTHER EMISSIONS SOURCES	UNIT	BASE YEAR 2019	2020	2021	2022
airco leakages (R407C)	kg	44.00	0.00	0.00	-
airco leakages (R134A)	kg	0.00	145.00	0.00	94.00
airco leakages (R410A)	kg	0.00	4.00	0.00	-
regional grid losses	MWh	547,383.00	539,061.00	558,922.00	515,327.00

(Entities included are Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV)

	2019	2020	2021	2022
<b>SF<sub>6</sub> LEAKAGE RATE (%)</b>	0.22	0.19	0.13	0.15 <b>V</b>

(Entities included are Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV)

#### Definitions and comments:

- Starting in 2022, the consumption of our backup systems is included.
- Electricity consumption (technical and admin sites) includes office buildings and technical sites and excludes substations.
- The consumption of the HV substations is – for a minor part – based on physical values (substations with meters) and on an estimated consumption (substations without meters). Starting in 2022, we report separately on the electricity consumption of substations with meters. The values will increase in accordance with the rollout of the programme to equip substations with meters. The estimated consumption has been reevaluated in 2022 leading to adjustments of the figures (see restatements below).

#### Restatements:

The estimated consumption of the HV substations has been reevaluated in 2022, leading to a restatement for years 2019 to 2021

#### Definitions:

SF<sub>6</sub>: Chemical formula of 'sulphur hexafluoride'. SF<sub>6</sub> is used as an insulation and switching gas in gas-insulated high-voltage switchgear. It has excellent electrical properties, is nontoxic and is chemically stable. However, the global warming potential of SF<sub>6</sub> is 23,500 times higher than CO<sub>2</sub>.

SF<sub>6</sub> leakage rate = amount of SF<sub>6</sub> leaked during the year/the average amount of SF<sub>6</sub> gas stored in the compartments.

The SF<sub>6</sub> leakage is calculated based on the weight registration of SF<sub>6</sub> bottles and containers when transactions (e.g. refills) with SF<sub>6</sub> gas are done.

#### Restatement

The 2021 SF<sub>6</sub> leakage rate value was restated due to an update of the calculation methodology.



GHG EMISSIONS (t CO <sub>2</sub> eq)		EMISSIONS CATEGORY	BASE YEAR 2019	2020	2021	2022
Direct - Scope 1		SF <sub>6</sub> leakages	5,875.00	5,663.00	4,387.22	5,488.90
		fleet (diesel)	3,815.47	3,156.61	3,309.52	3,419.50
		fleet (gasoline)	349.21	324.41	447.81	580.07
		heating (natural gas)	782.14	632.67	900.16	665.72
		heating (diesel)	43.23	34.92	25.25	22.13
		backup systems (diesel)	-	-	-	40.00
		airco (R407C)	71.46	-	-	0.00
		airco (R134A)	-	188.50	-	122.20
		airco leakages (R410A)	-	7.70	-	0.00
<b>Total</b>			<b>10,936.51</b>	<b>10,007.81</b>	<b>9,069.96</b>	<b>10,338.52</b> ▼
Indirect - Scope 2 (location- based)	Calculation with external emission factor	regional grid losses	93,055.11	90,023.19	86,073.99	Not available
		electricity consumption (technical and admin sites)	-	-	-	
		electricity consumption substations - with meters	-	-	-	
		electricity consumption substations - without meters	4,377.50	4,300.25	3,965.50	
		<b>Total</b>	<b>97,432.61</b>	<b>94,323.44</b>	<b>90,039.49</b>	
	Calculation with own emission factor	regional grid losses	79,917.92	83,662.27	65,393.87	65,395
		electricity consumption (technical and admin sites)	-	-	-	379.65
		electricity consumption substations - with meters	-	-	-	388.30
		electricity consumption substations - without meters	3,759.50	3,996.40	3,012.75	3,119.96
		<b>Total</b>	<b>83,677.42</b>	<b>87,658.67</b>	<b>68,406.62</b>	<b>69,282.91</b> ▼
Total scope 1 & 2 (location- based)	Calculation with external emission factor	-	108,369.11	104,331.25	99,109.45	Not available
	Calculation with own emission factor	-	94,613.92	97,666.48	77,476.58	79,621.42 ▼

(Entities included are Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV)

### Definitions and comments:

• Starting in 2022 the emissions related to our backup systems are included

• Only regional grid losses are taken into account. Federal grid losses are excluded from the CO<sub>2</sub> emissions calculation in accordance with Art. 104 of the Code of Conduct (Gedragscode) stipulated by the CREG

The following calculation standards and emission factors were used to determine the GHG emissions:

1. For SF<sub>6</sub>: Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard /IPCC 5th ARS

2. For gasoline, diesel, natural gas, airco leakages: Bilan GES Ademe (as of 29/03/2019)

3. For electricity:

External emission factor: the European Environment Agency (EEA). The 2022 emission factor is not published at the time of reporting.

Own emission factor: self-calculation is based on Belgium's annual energy mix.

### Restatements:

A new methodology has been implemented regarding SF<sub>6</sub> leakages calculation, which has led to a restatement of the associated emissions for year 2021.

The estimated consumption of the HV substations has been reevaluated in 2022, leading to a restatement of the associated emissions for years 2019 to 2021

Scope 2 emissions based on external emission factors (EEA) have been restated for 2020 and 2021 in accordance with the corresponding annual emission factors.

## GERMANY

ENERGY CONSUMPTION	MWH	%	t CO <sub>2</sub> -EQ
Electricity	63,627.87	89.82	34,168
District heating	1,182.55	1.67	331
Fuel (petrol)	808.28	1.14	163
Fuel (diesel)	0.16	0.00	0.04
Natural gas	5,219.39	7.37	1,388
<b>Total energy consumption</b>	<b>70,838.25</b>	<b>100.0</b>	<b>36,050.04</b>

Data source: External energy audit carried out in line with DIN EN 16247-1 in 2019 for the year 2018

Other emissions sources:

SF <sub>6</sub> LEAKAGE RATE (%)	2019	2020	2021	2022
	0.11	0.19	0.14	0.11 ▼

## Definitions:

SF<sub>6</sub>: Chemical formula of 'sulphur hexafluoride'. SF<sub>6</sub> is used as an insulation and switching gas in gas-insulated high-voltage switchgear. It has excellent electrical properties, is nontoxic and is chemically stable. However, the global warming potential of SF<sub>6</sub> is 23,500 times higher than CO<sub>2</sub>.

SF<sub>6</sub> leakage rate = amount of SF<sub>6</sub> leaked during the year/the average amount of SF<sub>6</sub> gas stored in the compartments.

The SF<sub>6</sub> leakage is calculated based on the weight registration of SF<sub>6</sub> bottles and containers when transactions (e.g. refills) with SF<sub>6</sub> gas are done.



GHG EMISSIONS (t CO <sub>2</sub> eq)	EMISSIONS CATEGORY	BASE YEAR 2019	2020	2021	2022
Direct - Scope 1	SF <sub>6</sub> leakages	4,257	8,300	5,984	4,959
	backup systems (diesel)	7	0	0	0
	fleet	1,521	1,351	1,586	1,574
	heating (natural gas)	147	102	215	139
	<b>Total</b>	<b>5,932</b>	<b>9,753</b>	<b>7,785</b>	<b>6,671 ▼</b>
Indirect - Scope 2 (location-based)	grid losses	928,860	832,500	997,920	1,107,648
	heat	264	287	346	233
	electricity consumption (administrative)	2,482	2,123	2,465	2,318
	electricity consumption (technical)	21,636	20,070	23,683	23,427
	<b>Total</b>	<b>953,242</b>	<b>854,980</b>	<b>1,024,414</b>	<b>1,133,626 ▼</b>
<b>Total scope 1&amp;2 (location-based)</b>		<b>959,175</b>	<b>864,733</b>	<b>1,032,198</b>	<b>1,140,297 ▼</b>

(Entities included: 50Hertz Transmission GmbH, 50Hertz Offshore GmbH, Eurogrid GmbH)

## Definitions and comments:

- Electricity consumption (technical) includes technical sites and substations.
- The following calculation standards and emission factors were used to determine the GHG emissions:
  - For SF<sub>6</sub>: Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard; SF<sub>6</sub>: IPCC 5th ARS
  - For gasoline, diesel, electricity, natural gas: Umweltbundesamt 2017 Scope 2 Guidance

## Restatements:

- The value of the emission factor for electricity is adjusted by the Umweltbundesamt on a 3-year basis. This has led to a modification of the grid losses-related and electricity consumption emissions
- Minor adjustments were also made regarding gas consumption-related emissions



## GHG EMISSIONS INTENSITY

[GRI 305-4]

### Elia Transmission Belgium SA/NV

- GHG emissions intensity ratio = 1.16 tCO<sub>2</sub>eq/GWh
- Numerator: scope 1 & 2 location-based
- Denominator: electricity transmitted (68.61 TWh)

### 50Hertz Transmission GmbH

- GHG emissions intensity ratio = 10.20 tCO<sub>2</sub>eq/GWh
- Numerator: scope 1 & 2 location-based
- Denominator: electricity transmitted (111.8 TWh)

## OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

[GRI 305-3]

BE SCOPE 3	CATEGORY ELIA GROUP DESCRIPTION	REPORTING YEAR EMISSIONS (tCO <sub>2</sub> eq)	METHODOLOGY
Upstream	Purchased goods and services	361,596	Spend-based
	Capital goods	240,136	Spend-based

The following calculation standard has been used: Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard

GE SCOPE 3	CATEGORY ELIA GROUP DESCRIPTION	REPORTING YEAR EMISSIONS (tCO <sub>2</sub> eq)	METHODOLOGY
Upstream	Purchased goods and services	1,447,016	Spend-based
	Capital goods	430,138	Spend-based

The following calculation standard has been used: Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard

## REDUCTION OF ENERGY CONSUMPTION AND GHG EMISSIONS [GRI 302-4] [GRI 305-5]

SBTi validated Elia Group's GHG emission reduction target : Elia Group commits to reduce absolute scope 1 and 2 GHG emissions 28% by 2030 from a 2019 base year.

The SBTi's Target validation Team has determined that this target is in line with the well-below 2°C trajectory.

This will be achieved through reduction initiatives related to the following emissions categories:

### 1. SF<sub>6</sub>

#### 1.A. Leakage management

The group target (including the values consolidated for Elia Transmission Belgium SA/NV and 50Hertz Transmission) for 2030 is to maintain the leakage rate below 0.25%.

#### 1.B. Phase-out

We have set ourselves the target of reducing the use of SF<sub>6</sub> by 50% in all new assets built by 2030 (compared with SF<sub>6</sub> volumes which were initially planned).

### 2. Substations consumption (note that for the SBTi reduction target, assumptions were considered for this metric)

### 3. Mobility

Please refer to **our 2022 Integrated annual report in the section Climate-related disclosures (TCFD)** for further details.



## B. BIODIVERSITY

### MANAGEMENT APPROACH

Please Refer to **Material topic 7: 'Preserving our ecosystems'**

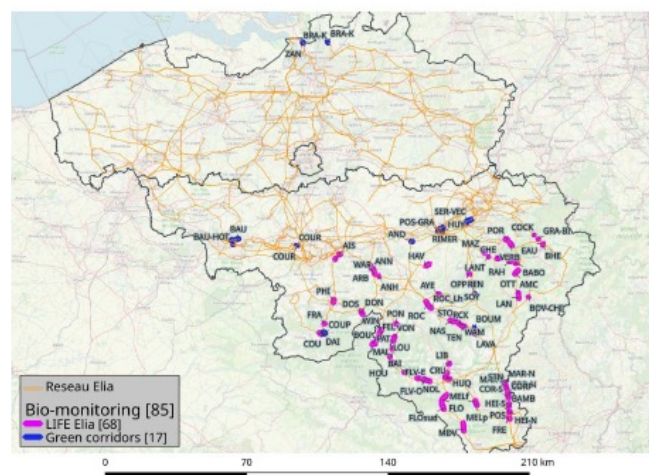


### OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS [GRI 304-1]

The total length of Elia Transmission Belgium SA/NV located in Natura 2000 areas (on land and sea) is 665 km.

Please see below the situation for 50Hertz Transmission GmbH.

### HABITATS PROTECTED OR RESTORED [GRI 304-3]



### ELIA TRANSMISSION BELGIUM SA

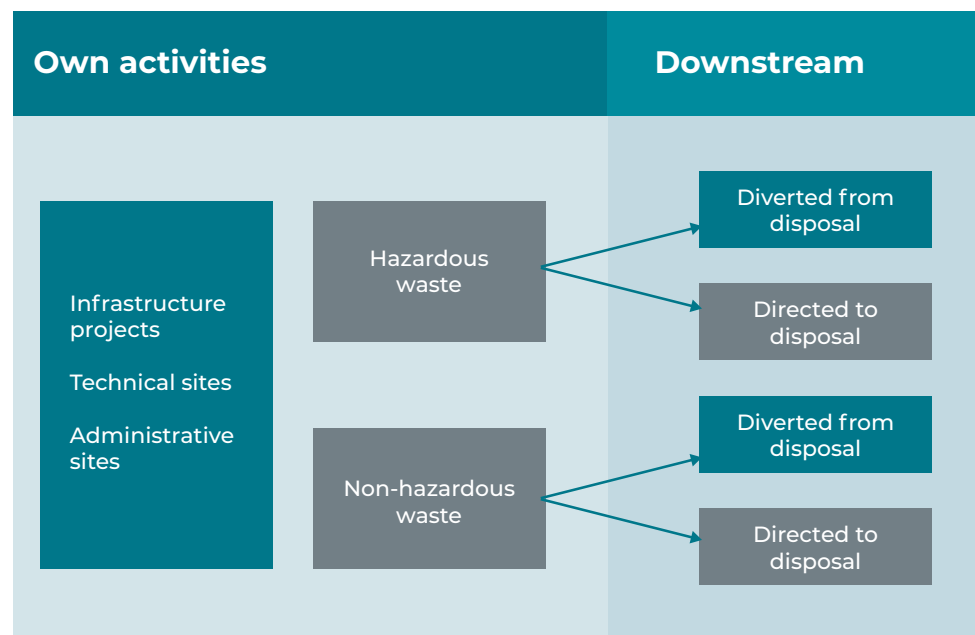
MEASURES	UNIT	CUMULATIVE SURFACE (TOTAL IN 2022)
Grazing pastures	ha	80.9
Restored forest edges	ha	215.4
Planted forest edges	ha	130.1
Forest edges – restoration and plantation	ha	50
Dry grasslands	ha	7.5
Wet meadows	ha	16.2
Dry meadows	ha	105.3
Dry heaths	ha	20.1
Orchards	ha	27.5
Ponds	Number	173

### 50HERTZ TRANSMISSION GMBH

COMPENSATION MEASURES (HA)	2022	2021	2020
in planning and realization	119	153	268
in maintenance	376	371	249
Terminated	331	313	297

## C. WASTE

### VISUAL PROCESS FLOW OF INPUTS, ACTIVITIES, OUTPUTS [GRI 306-1]



### MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS [GRI 306-2]

Please Refer to **Material topic 14: 'Minimising waste and promoting circularity'**

### WASTE

[GRI 306-3] [GRI 306-4] [GRI 306-5]

BE	2020	2021	2022
hazardous waste (tons)	729.01	535.54	936.12
non-hazardous waste (tons)	631.99	646.51	196.42
waste total (tons)	1,361	1,182.05	1,132.54
recycling rate (%)	98.41	99.5	100

The data below covers the waste collected in our administrative and technical centers. Waste from construction sites is not included.

All recovery operations happen offsite

All disposal operations happen offsite

GE	2020	2021	2022
hazardous waste (tons)	5,973	21,225	7,973
non-hazardous waste (tons)	93,228	163,536	89,783
waste total (tons)	99,261	184,761	97,756
recycling rate (%)	95	89	95

All recovery operations happen offsite

All disposal operations happen offsite

## D. EMPLOYMENT

### EMPLOYEES

[GRI 2-7]

BE		2020	2021	2022
<b>Grand Total</b>	<b>Total</b>	<b>1,455</b>	<b>1,491</b>	<b>1,540 ✓</b>
Gender	Male	1,170	1,198	1,226 ✓
	Female	285	293	314 ✓
Age	<30	171	157	178 ✓
	30-50	882	925	950 ✓
	>50	402	409	412 ✓
Full/part time	Full-time staff	1,333	1,347	1,411 ✓
	Part-time staff	122	144	129 ✓

(Entities included: Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV, Elia Grid International SA/NV and Eurogrid International SA/NV)

GE		2020	2021	2022
<b>Grand Total</b>	<b>Total</b>	<b>1,279</b>	<b>1,409</b>	<b>1,587 ✓</b>
Gender	Male	967	1,063	1,186 ✓
	Female	312	346	401 ✓
Age	<30	114	132	161 ✓
	30-50	807	904	1,031 ✓
	>50	358	373	395 ✓
Full/part time	Full-time staff	1,191	1,322	1,486 ✓
	Part-time staff	88	87	101 ✓

(Entities included: 50Hertz Transmission GmbH, 50Hertz Offshore GmbH\*, Eurogrid GmbH and Elia Grid International GmbH)

\*50Hertz Offshore has no employees





## DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES [GRI 405-1]

For Diversity of our governance bodies, please refer to [our 2022 Integrated Report](#) Section Corporate Governance Report.

EMPLOYMENT CATEGORY		2020	2021	2022
<b>Directors</b>	<b>Total</b>	<b>8</b>	<b>8</b>	<b>12 V</b>
	Male	5	5	9 V
	Female	3	3	3 V
	<b>% women</b>	<b>37.5</b>	<b>37.5</b>	<b>25</b>
<b>Senior managers</b>	<b>Total</b>	<b>35</b>	<b>40</b>	<b>44 V</b>
	Male	29	33	35 V
	Female	6	7	9 V
	<b>% women</b>	<b>17.14</b>	<b>17.50</b>	<b>20.45</b>
<b>Line managers*</b>	<b>Total</b>	<b>614</b>	<b>642</b>	<b>238 V</b>
	Male	474	494	198 V
	Female	140	148	40 V
	<b>% women</b>	<b>22.80</b>	<b>23.05</b>	<b>16.81</b>
<b>Employees</b>	<b>Total</b>	<b>798</b>	<b>801</b>	<b>1,246 V</b>
	Male	662	666	984 V
	Female	136	135	262 V
	<b>% women</b>	<b>17.04</b>	<b>16.85</b>	<b>21.03</b>

(Entities included: Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV, Elia Grid International SA/NV and Eurogrid International SA/NV)

Starting with 2022, new definitions apply:

\* Line managers are staff members with internal direct reports (excluding Directors and Senior Managers)

Employees are staff members who are not line managers, Senior Managers or Directors

Note that the “line manager” definition has been changed in 2022 to ensure the alignment with the 50Hertz’s definition. This has led to a change in the 2022 total number of employees and line managers compared to 2020 and 2021.

EMPLOYMENT CATEGORY		2020	2021	2021
<b>Directors</b>	<b>Total</b>	<b>5</b>	<b>5</b>	<b>5 V</b>
	Male	4	4	4 V
	Female	1	1	1 V
	<b>% women</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Senior managers</b>	<b>Total</b>	<b>45</b>	<b>42</b>	<b>44 V</b>
	Male	37	33	33 V
	Female	8	9	11 V
	<b>% women</b>	<b>17.78</b>	<b>21.43</b>	<b>25</b>
<b>Line managers</b>	<b>Total</b>	<b>101</b>	<b>107</b>	<b>121 V</b>
	Male	87	89	96 V
	Female	14	18	25 V
	<b>% women</b>	<b>13.86</b>	<b>16.82</b>	<b>20.66</b>
<b>Employees</b>	<b>Total</b>	<b>1,133</b>	<b>1,260</b>	<b>1,422 V</b>
	Male	843	941	1 057 V
	Female	290	319	365 V
	<b>% women</b>	<b>25.60</b>	<b>25.32</b>	<b>25.67</b>

(Entities included: 50Hertz Transmission GmbH, 50Hertz Offshore GmbH\*, Eurogrid GmbH and Elia Grid International GmbH)

\*50Hertz Offshore has no employees

Line managers are staff members with internal direct reports (excluding Directors and Senior Managers)

Directors are not included in the headcount for the German segment

Employees are staff members who are not line managers, Senior Managers or Directors



## WORKERS WHO ARE NOT EMPLOYEES [GRI 2-8]

Total number of workers who are not employees and whose work is controlled by the organization:

Elia Transmission Belgium SA/NV: 686  
(calculated as an average across the reporting period)



## NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER [GRI 401-1]

Please refer to Material topic 9: 'Talent acquisition and development'

BE		2020		2021		2022	
		Number	Rate	Number	Rate	Number	Rate
New employee hires	Total	100	6.49	96	6.23	149	9.68
	<30	26	1.69	38	2.47	70	4.55
	30-50	55	3.57	55	3.57	72	4.68
	>50	19	1.23	3	0.19	7	0.45
	Male	73	4.74	78	5.06	111	7.21
	Female	27	1.75	18	1.17	38	2.47
Employee turnover	Total	63	4.45	64	4.43	87	5.78
	<30	4	5.03	7	7.04	9	6.12
	30-50	26	3.01	28	3.13	41	4.39
	>50	33	6.99	29	6.44	37	8.71
	Male	48	4.20	52	4.47	73	6.05
	Female	15	5.49	12	4.26	14	4.70

(Entities included: Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV, Elia Grid International SA/NV and Eurogrid International SA/NV)

GE		2020		2021		2022	
		Number	Rate	Number	Rate	Number	Rate
New employee hires	Total	191	14.93	204	14.48	262	16.51
	<30	61	4.77	66	4.68	72	4.54
	30-50	71	5.55	125	8.87	172	10.84
	>50	59	4.61	13	0.92	18	1.13
	Male	135	10.56	148	10.50	182	11.47
	Female	56	4.38	56	3.97	80	5.04
Employee turnover	Total	43	3.36%	78	5.54%	79	4.98%
	<30	5	0.39%	14	0.99%	12	0.76%
	30-50	20	1.56%	39	2.77%	34	2.14%
	>50	18	1.41%	25	1.77%	33	2.08%
	Male	34	2.66%	58	4.12%	54	3.40%
	Female	9	0.70%	20	1.42%	25	1.58%

(Entities included: 50Hertz Transmission GmbH, 50Hertz Offshore GmbH\*, Eurogrid GmbH and Elia Grid International GmbH)

\*50Hertz Offshore has no employees

### Definitions:

- **New hires:** New hires include all new employees who were both planned for in the budget and those who weren't. Employees who take on a new role in the organisation are not included in this number.
- **Turnover:** The number of leavers is determined based on all employees leaving the company as a result of dismissal, retirement or resignation from 1 January to 31 December of the reporting year.
- **Turnover rate (%)** = (annual total turnover) / ((number of employees beginning of year + number of employees end of year)/2) \* 100

## PARENTAL LEAVE [GRI 401-3]

All staff members are entitled to take parental leave.

BE	2020			2021		2022	
		Number	Rate	Number	Rate	Number	Rate
Total	Total	111	7.63	105	7.04	117	7.60
	Male	58	3.99	52	3.49	1	0.06
	Female	52	3.57	49	3.29	117	7.60
Full-time	Total	34	2.34	33	2.21	43	2.79
	Male	18	1.24	16	1.07	74	4.81
	Female	117	8.04	108	7.24	1	0.06
Deduction of full-time	Total	77	5.29	72	4.83	1	0.06
	Male	40	2.75	36	2.41	0	0.00
	Female	40	2.75	36	2.41	0	0.00

(Entities included are Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV, Elia Grid International SA/NV and Eurogrid International SA/V)

NOTE: It is not possible to report on the total number of staff members who are or have been entitled to this type of leave, as they may have already taken it whilst working at another company.

GE	2020		2021		2022		
	Number	Rate	Number	Rate	Number	Rate	
Full-time	Total	67	5.24%	79	5.61%	102	6.43%
	Male	47	3.67%	51	3.62%	73	4.60%
	Female	20	1.56%	28	1.99%	29	1.83%

(Entities included: 50Hertz Transmission GmbH, 50Hertz Offshore GmbH\*, Eurogrid GmbH and Elia Grid International GmbH)

\*50Hertz Offshore has no employees

## RETIREMENT [G4 EU15]

BE	IN 5 YEARS	IN 10 YEARS
Directors	0	0.06
Senior managers	0.06	0
Staff members	1.95	1.95

(Entities included: Elia Group SA/NV, Elia Transmission Belgium SA/NV, Elia Engineering SA/NV, Elia Asset SA/NV, Elia Grid International SA/NV and Eurogrid International SA/NV).

Staff members include lines managers and employees.

GE	IN 5 YEARS		IN 10 YEARS	
	Male	Female	Male	Female
Directors	20.00%	0.00%	40.00%	0.00%
Senior managers	11.36%	0.00%	36.36%	0.00%
Line managers	4.13%	0.00%	11.57%	0.00%
Employees	5.06%	1.05%	10.90%	2.67%

(Entities included: 50Hertz Transmission GmbH, 50Hertz Offshore GmbH\*, Eurogrid GmbH and Elia Grid International GmbH)

\*50Hertz Offshore has no employees

## E. OCCUPATIONAL HEALTH AND SAFETY

### MANAGEMENT APPROACH

Please refer to **Material Topic 8: 'Employee health, safety and wellbeing'**

The main types of work-related injuries are contusions, head or neck pain, abrasions and cuts.



### WORK-RELATED INJURIES CAUSED BY ACCIDENTS

[GRI 403-9]

BE	Accidents statistics*	2020	2021	2022
Employees	Number of hours worked (million hours)	2.20	2.21	2.29
	Number of employees injured with at least 1 missed workday	1	8	2
	Number of work-related fatalities	0	1	0
	Accident frequency rate <sup>(1)</sup>	0.50	3.60	0.90
	Total recordable injury rate (TRIR) <sup>(2)</sup>	5.01	6.79	4.37 ▼
	Accident severity rate <sup>(3)</sup>	0.00	0.14	0.07
Contractors	Fatal accidents	0	1	0
	Number of hours worked (million hours)	3.27	3.43	3.70
	Number of work-related accidents (with & without lost time)	27	48	42
	Accident frequency rate <sup>(1)</sup>	5.81	7.86	6.76
	Total recordable injury rate (TRIR) <sup>(2)</sup>	8.26	13.97	11.36 ▼
Own staff & Contractors	Fatal accidents	0	0	0
	Total recordable injury rate (TRIR) <sup>(2)</sup>	6.95	11.16	8.69 ▼

GE	Accidents statistics *	2020	2021	2022
Own staff	Number of employees injured with at least 1 missed workday	6	5	6
	Number of work-related fatalities	0	0	0
	Accident frequency rate <sup>(1)</sup>	3.7	2.4	2.7
	Total recordable injury rate (TRIR) <sup>(2)</sup>	5.9	5.3	4.9 ▼
	Accident severity rate <sup>(3)</sup>	0.03	0.01	0.03
Contractors	Number of work related accidents (with & without lost time)	22	36	36
	Number of work-related fatalities	0	0	1

\*work-related accidents without commuting accidents

(1) Number of work-related accidents with lost time >1day\* 1,000,000/ number of hours worked

(2) TRIR = number of recordable injuries\*1,000,000/number of hours worked.  
Recordable injury = any work related injury or illness that requires more than first aid treatment and/or restriction of work motion. For contractors, the worked hours are estimated starting from actual invoices and based on an allocation key for labor cost in function of material groups and a yearly indexed hourly rate (2023: 59.8 EUR/ hour)

(3) Number of lost days due to work-related accidents in calendar days\*1,000 / number of hours worked

Restatements:

The 2019-2021 figures for TRIR contractors are restated as the allocation keys used in the calculation method have been updated. The trend 2019-2022 based on prior method and new method remains similar.

\*work-related accidents without commuting accidents

(1) Number of work-related accidents with lost time >1day\* 1,000,000/ number of hours worked

(2) TRIR = number of recordable injuries\*1,000,000/number of hours worked  
Recordable injury = any work related injury or illness that requires more than first aid treatment and/or restriction of work motion.

(3) Number of lost days due to work-related accidents in calendar days \* 1,000,000/number of hours worked

## F. TRAINING AND EDUCATION

### MANAGEMENT APPROACH

Please refer to **Material topic 9: 'Talent acquisition and development'**

### AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE [GRI 404-1]

BE	female	male
Average hours of training per year per employee	16.05	29.22

GE	2020	2021	2022
Average hours of training per year per employee	8.67	12.56	14.3

### PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS [GRI 404-3]

100 % of our staff members receive regular performance and career development reviews.

## G. DIVERSITY AND EQUAL OPPORTUNITY

Please refer to

- **Material topic 16 Diverse and inclusive workforce**
- D. Employment [GRI 405-1]

## H. LOCAL COMMUNITIES AND COMMUNICATION EVENTS

Please refer to

- **Material topic 11: 'Community development and engagement'**
- Fostering stakeholder interactions in our **2022 Integrated Annual Report**

## I. SUPPLIER SOCIAL & ENVIRONMENTAL ASSESSMENT

### MANAGEMENT APPROACH

Please refer to

- General disclosures – Policies and practices – Supplier code of conduct
- **Material topic 15: 'Sustainable supply chain practices'**

## J. TAX

Please find our tax guidelines on **our website**:

### COUNTRY-BY-COUNTRY REPORTING

[GRI 207-4]

BE			
TAX REVENUE IN MILLION €	2020	2021	2022
Corporate income tax	50.03	37.03	41.80
Property tax	12.59	12.30	12.93
Turnover tax (VAT invoiced)	432.48	491.90	433.79
Input Tax (VAT charged)	433.64	505.48	618.93

GE			
TAX REVENUE IN MIO. €	2020	2021	2022
Value added tax *	905.2	1,216.6	1,882.2
Input tax *	905.6	1,274.4	2,003.7
Corporate tax *	70.1	18.2	43.3
Property tax **	0.5	0.5	0.5
Trade tax **	60.1	23.1	41.4

\* Indirect influx to local authorities of states and municipalities via financial redistribution between the states

\*\* Direct influx to local authorities of states and municipalities





5

# SECTOR-SPECIFIC DISCLOSURES



## A. GRID [G4-EUS-EU4]

### LENGTH OF LINES

BE	2020		2021		2022	
Voltage	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)
400 kV	69.5	0	69.5	0	69.5	0
380 kV	40	923	41	940	41	940
320 kV	49	0	49	0	49	0
220 kV	161	301	162	300	162	302
150 kV	686	1,935	717	1,926	749	1,926
110 kV	0	8	0	9	0	25
70 kV	304	2,399	324	2,370	331	2,316
36 kV	1,915	8	1,865	8	1,844	8
30 kV	75	22	64	22	64	22
Total lines/ cables	3,299.5	5,596	3,291.5	5,575	3,309.5	5,539
<b>Total</b>	<b>8,896</b>		<b>8,867</b>		<b>8,849</b>	

\* the Nemo Link interconnector (140 km) is a joint venture (50/50) between National Grid Interconnector Holdings Limited, a subsidiary company of the UK's National Grid Plc, and Elia Transmission Belgium SA/NV.

Restatement: the 2021 value of the 30 kV underground cables has been corrected compared to the 2021 Sustainability report

GE	2020		2021		2022	
Voltage	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)
400 kV	15	0	15	0	15	0
380 kV	55	7,330	55	7,330	55	7,480
220 kV	293	2,397	293	2,342	290	2,370
150 kV	295	0	295	0	290	0
Total lines/ cables	658	9,727	658	9,672	650	9,850
<b>Total</b>	<b>10,385</b>		<b>10,325</b>		<b>10,500</b>	



## SUBSTATIONS AND SWITCHES

BE	2020	2021	2022
Substations >=150 kV (#)	299	300	300
Substations <150 kV (#)	507	507	505
HDVC* Converter station (#)	2	2	2
<b>Total</b>	<b>808</b>	<b>809</b>	<b>807</b>

\* High-Voltage Direct Current (HVDC)

GE	2020	2021	2022
Substations >=150 kV (#)	65	66	67
Substations <150 kV (#)	9	9	10
HDVC* Converter station (#)	2	2	2
<b>Total</b>	<b>76</b>	<b>77</b>	<b>79</b>

## GRID RELIABILITY

BE	2020	2021	2022
Number of incidents <150kV	31	20	23
Number of exceptional events	0	1	0
Average Interruption time (minutes) >=150kV	0.85	0.34	0.36
Average Interruption time (minutes) <150kV	2.04	0.85	2.06
Maximum AIT for the current period	2.10	2.10	2.10
Energy not transported/not served with internal responsibility	327.92	143.53	187.38
Onshore grid availability at connection points	0.9999936	0.99999564	0.9999969

GE	2020	2021	2022
Disturbance rate	1.18	1.16	0.92
All TSOs	1.59	1.59	Available in June 2023

Onshore availability = 1 – AIT (internal Elia + intrinsic risk) / (# minutes in the year)

## GRID LOSSES

BE	UNIT	2020	2021	2022
Federal grid losses (>= 150 kV)	MWh	717,811.00	918,071.00	838,496.00
Regional grid losses (<150 kV)	MWh	539,061.00	558,922.00	515,327.00
<b>Total</b>	<b>MWh</b>	<b>1,256,872.00</b>	<b>1,476,993.00</b>	<b>1,353,823.00</b>

GE	UNIT	2020	2021	2022
<b>Total grid losses</b>	<b>TWh</b>	<b>2.22</b>	<b>2.376</b>	<b>2.564</b>



## B. SECURITY AND EMERGENCY MANAGEMENT AND ASSET MANAGEMENT

### CRITICAL INFRASTRUCTURE

For the Elia group, security does not stop at company boundaries. For example, staff are trained in crisis management and crisis communication with internal and external stakeholders during regular crisis team exercises. Not only are the existing structures, processes and reporting channels reviewed and continuously improved, but crisis team members and employees are also intensively trained in the skills needed to deal with unexpected and high-stress events in a level-headed manner and are also trained to take quick and appropriate crisis management decisions. These and other measures serve to continuously increase the resilience of the Elia group in a holistic manner. In addition to the training offered to all members of the crisis team, reviews are undertaken of property protection concepts and general corporate security is further developed.

### EMERGENCY AND RESTORATION

[G4-EUS-DMA Disaster/ Emergency Planning and Response]

Should a crisis occur (as a result of a natural disaster, malicious attack or a fuel shortage), Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have crisis management procedures to follow which consist of 3 main plans, as outlined below.

- **The crisis management plan describes** the roles, responsibilities and processes related to crisis management. Emergency management is planned for based on different emergency scenarios known as Standardised Emergency Preparedness Plans (SEPPs). The emergency plans contain appropriate measures and reporting and information processes which must be followed.

- **The system defence plan:** this includes automatic and manual measures which aim to prevent abnormal situations from developing (including blackouts), to limit the impact of disturbances and to stabilise the electric power system when it is in an 'Emergency' state. These measures aim to return the system to a 'Normal' or 'Alert' state as soon as possible with minimal impact on grid customers and society. In accordance with the system defence plan, both Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have established load shedding and other plans to be executed by themselves or related distribution operators; these include demands which need to be manually or automatically performed to prevent the worsening of an electricity crisis.

- **The restoration plan:** this includes a set of actions that can be used after a disturbance which has had large-scale consequences (e.g. a blackout). These actions are intended to return the electricity system to a 'Normal' state. Both Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH regularly train their operator teams by organising simulated exercises with relevant stakeholders and partners (such as distribution system operators or generation companies). In general, system operators regularly practice handling abnormal and crisis situations by undertaking theoretical and practical training.

TSOs must regularly test their ability to restart the system. These restart tests - also called black start tests - are part of TSO grid reconstruction plans. TSOs must regularly test this capability in their respective grid areas so that the power supply can be restored as quickly as possible after a power outage. Simulations and theoretical training sessions related to emergency and restoration plans are provided for the operators of the national control centre and the regional control centres.

### ASSET MANAGEMENT

Our employees play an important role in the management of the life cycles of our assets, from their technical development through to the development of asset fleet strategies. Decisions regarding our assets are taken based on incident analyses, reviews, technical analyses, condition monitoring, risk analysis and associated impacts. Decisions are always based on technical expertise, taking into account the impact of costs (OPEX and CAPEX) and risks.





## C. ELECTRIC AND MAGNETIC FIELDS

Electrical transmission and distribution systems in Europe are mainly operated with alternating voltage levels and a frequency of 50 Hz. They therefore emit electric and magnetic fields (EMFs) which have an extremely low frequency, as is also the case for all electric devices, including domestic appliances.

Strict regulations apply to electric and magnetic fields in Germany, which are governed by the Federal Immission Control Act. 50Hertz Transmission GmbH complies with these limits. 50Hertz Transmission GmbH takes the concerns of interested parties seriously, carries out on-site measurements with them and implements associated measures if necessary. Although no direct causal link can be established between exposure to such fields (through electricity transmission infrastructure) and human health, Elia Transmission Belgium SA/NV takes EMFs very seriously, considering each grid project carefully and supporting scientific studies that improve the understanding of this area. Elia Transmission Belgium SA/NV makes annual financial contributions (amounting to €305,000 in 2022) to scientific research on the subject. In this vein, it supports the Belgian Bio-ElectroMagnetics Group (BBEMG), whose scientific independence is enshrined in a cooperation agreement. At an international level, Elia Transmission Belgium SA/NV has signed a research contract with the Electric Power Research Institute (EPRI), a non-profit organisation that conducts research related to energy and the environment. This agreement grants Elia Transmission Belgium SA/NV access to the results of international research studies carried out in the area. Elia Transmission Belgium SA/NV communicates transparently on EMFs using a number of different channels: a dedicated website; information leaflets; a brochure; newsletters; information sessions (attended by independent experts where possible); and, following requests from local residents, it carries out free measurements of EMFs via its Contact Centre. As projects undertaken by Elia Transmission Belgium SA/NV are assessed, this process must include an analysis of magnetic fields. In accordance with the precautionary policy established in Flanders and Brussels, Elia Transmission Belgium SA/NV assesses future exposure to such fields by means of specific calculations (modelling); mitigation/reduction measures are applied where necessary.

## D. NOISE

Noise can be caused by transformers in high-voltage substations, high-voltage lines, pylons and other equipment. Underground lines do not cause any noise. Strict guidelines apply for both Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH (no noise pollution). The main source of noise pollution across the grid is associated with transformers. The purchase of transformers which produce a low level of noise has been part of Elia's environmental policy for many years. If necessary, soundproofing measures, such as soundproof walls, are provided for in the design phase of the project so that our (new and existing) infrastructure meets the noise standards outlined in environmental regulations. Elia Transmission Belgium SA/NV always carries out soundscape studies prior to the realisation of its infrastructure projects to ensure that noise levels are not exceeded. In addition, when a new substation is built or the transforming capacity of an existing substation is increased, a noise study is carried out. Based on measurements of the noise emitted by existing transformers, a simulation is carried out of the situation after the construction or upgrade of a transformer in order to estimate the level of noise it will produce. Elia Transmission Belgium SA/NV also conducts noise studies when it receives complaints.







## A. CONTEXT

The European Union (EU) has become a global front-runner in terms of sustainability legislation and standardisation. Since the publication of the European Green Deal (2019) and its commitment to become the world's first carbon-neutral continent by 2050, the EU has continued to reinforce a complex and consistent system of legal requirements, which are aimed at embedding environmental and social sustainability considerations into the national laws of its Member States.

To realise its ambitions, the EU has set in motion an Action Plan for Financing Sustainable Growth (2018), which contains three clear objectives:

- reorient capital flows to sustainable investment;
- mainstream sustainability into risk management;
- foster transparency and long-termism in financial and economic activities.

The first measure undertaken as part of this plan was the creation of the EU Taxonomy Regulation 2020/852. This is a classification system for economic activities that are environmentally sustainable and that substantially contribute to one or more of six environmental objectives, while not harming the other objectives and in compliance with minimum social safeguards.

The EU Taxonomy and its disclosure requirements – which can be narrowed down to three main metrics or KPIs – offer a high-level view of a non-financial organisation's contribution to environmental objectives. It also stands as an opportunity for companies to demonstrate to market participants that their economic activities are in line with the transition to a net zero society and are resilient in the long run.

Sustainable finance has a key role to play in the EU delivering on its climate and sustainability ambitions and policy objectives that it has outlined both in the Green Deal and in its international commitments.

In the future, non-financial companies that can demonstrate a high percentage of Taxonomy-alignment will be able to access additional financing opportunities that they need for their sustainable business activities. By enabling businesses to thrive while disconnecting the economic growth from the environmental pressure, the EU Taxonomy will channel financial flows into sustainable investments. Moreover, by defining what is environmentally sustainable, the Taxonomy Regulation will help financial stakeholders plan and report on their efforts to support the transition to a climate-neutral economy.

This chapter contains the disclosures for Elia Group's KPIs, as required by Regulation EU 2020/852 and the related Delegated Acts.

## B. ELIA GROUP, AN EARLY ADOPTER

Sustainability lies at the heart of the group's business activities and it is enshrined in our vision, our societal mission, and our group strategy. We are committed to operating a sustainable business, which involves transparency and taking a proactive approach in our reporting.

We have followed the development of the EU Taxonomy very closely from its inception through to its passing into regulation. We grasped the opportunity to move to reporting in line with its requirements ahead of time, making us a front-runner among our European peers in this regard: in 2021, we published our '[EU Taxonomy Case Study](#)', which assessed the Taxonomy alignment of our activities, and voluntarily disclosed our methodology and implementation process. The EU Taxonomy has provided us with an opportunity to fine-tune our own strategic approach and we are fully committed to maintaining strong alignment with it.

### ELIA GROUP KEY FIGURES 2022

**99.78%**

Taxonomy-aligned turnover

**99.87%**

Taxonomy-aligned CAPEX

**99.49%**

Taxonomy-aligned OPEX

Elia Group's detailed EU Taxonomy disclosures are available in the following [Excel table](#)



## C. OUR PROCESS

Our assessment of Elia Group's eligibility and alignment with the EU Taxonomy was prepared in line with the following:

- the EU Taxonomy Regulation 2020/852, published in the Official Journal of the European Union on 22 June 2020;
- the Climate Delegated Act and Annex 1 and Annex 2 (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021);
- the Disclosure Delegated Act and Annex 1 (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021);
- the Draft Report on Minimum Safeguards published by the Platform on Sustainable Finance in July 2022;
- the Draft Commission Notice 1 and 2 published on 19 December 2022.

Our EU Taxonomy eligibility and alignment assessment included a five-step approach, as outlined below. Economic activities that fulfill the requirements along these steps are considered 'aligned' with the Taxonomy. The last step involved the calculation of corresponding percentages for eligible and aligned turnover, CAPEX and OPEX.

**1. Eligibility:** the economic activity needs to be "Taxonomy eligible" (i.e. covered by the criteria in the Climate Delegated Acts and its annexes);

**2. Technical Screening Criteria (TSC):** the economic activity is analysed based on the fulfillment of criteria for "substantial contribution" to at least one environmental objective out of the following six:

- i. Climate change mitigation;
- ii. Climate change adaptation;

iii. Sustainable use and protection of water and marine resources;

iv. Transition to a circular economy;

v. Pollution prevention and control; and

vi. Protection and restoration of biodiversity and ecosystems.

**3. Do No Significant Harm analysis:** while substantially contributing to one of the environmental objectives, the economic activity should not harm any of the other remaining five;

**4. Compliance with Minimum Social Safeguards:** the economic activity should respect the social principles while contributing to environmental objectives;

**5. KPI calculation:** percentages for Taxonomy eligible and aligned turnover, CAPEX and OPEX, are calculated based on results obtained from previous steps.



## D. TAXONOMY-ELIGIBLE AND NON-ELIGIBLE ECONOMIC ACTIVITIES

The decisions over eligibility and non-eligibility were based on comparing the economic activities of each entity of the Elia Group with the activities described in the Climate Delegated Acts. Please see chapter “The Elia group at a glance” of the **2022 Integrated Annual Report** for a full overview of Elia Group's legal structure.

This exercise was conducted in relation to affiliates reported in the different segments as explained in sections 4 ('Segment reporting') and 7 ('Group structure') of the consolidated financial statements.

Based on Taxonomy guidelines and notices published by the European Commission, the legal entities Nemo Link, JAO, HGRT, Coreso, TSCNET and EEX were excluded from the eligibility and alignment assessment (both from the numerators and denominators of the KPIs), since they qualify as investments accounted for using the equity-method (joint ventures and associates) in the consolidated financial statements.

### Segment: Elia Transmission Belgium

ENTITY	NACE CODE / DESCRIPTION	ACTIVITY DESCRIPTION	CORRESPONDENCE WITH THE CLIMATE DELEGATED ACTS	DECISION ON ELIGIBILITY
<b>Elia Transmission Belgium SA/ NV</b>	35120 Transmission of electricity	Elia Transmission Belgium is the Belgian transmission system operator for extra-high-voltage and high-voltage electricity (30,000–400,000 volts).	4.9 'Transmission and distribution of electricity'	Yes
<b>Elia Transmission Belgium SA/NV</b>	42220 Construction of electricity and telecommunications network	Construction activities	No perfect fit identified with the activities described in the Climate Delegated Regulation	No
<b>Elia Asset SA/NV</b>	35120 Transmission of electricity	Elia Asset is the company that owns all the assets across the high-voltage grid and is responsible for the development and maintenance of this grid. Elia Asset and Elia Transmission Belgium form a single economic entity and operate under the name Elia.	4.9 'Transmission and distribution of electricity'	Yes
<b>Elia Engineering SA/ NV</b>	71121 Engineering and technical consultancy activities, excluding surveying activities	Engineering and technical consultancy activities	No perfect fit identified with the activities described in the Climate Delegated Regulation	No
<b>Elia RE</b>	65200 Reinsurance	Elia RE is an insurance captive	No perfect fit identified with the activities described in the Climate Delegated Regulation	No

### Segment: 50Hertz Transmission

ENTITY	NACE CODE / DESCRIPTION	ACTIVITY DESCRIPTION	CORRESPONDENCE WITH THE CLIMATE DELEGATED ACTS	DECISION ON ELIGIBILITY
<b>50Hertz Transmission GmbH</b>	35120 Transmission of electricity	50Hertz Transmission is the TSO which operates the extra-high-voltage grid in the north and east of Germany.	4.9 'Transmission and distribution of electricity'	Yes
<b>50Hertz Offshore GmbH</b>	35120 Transmission of electricity	The business activities of 50Hertz Offshore cover the planning, construction and maintenance of electricity lines as well as the associated plants and facilities for connecting offshore wind turbines/farms primarily erected in the Baltic Sea to the grid.	4.9 'Transmission and distribution of electricity'	Yes
<b>Eurogrid GmbH</b>	64200 Holding company	80% of this is owned by Elia Group; it comprises the activities of 50Hertz, the German TSO. The remaining 20% is held by the German state-owned Bank Kreditanstalt für Wiederaufbau («KfW»).	No perfect fit identified with the activities described in the Climate Delegated Regulation	No



## Segment: Non-regulated activities

ENTITY	NACE CODE / DESCRIPTION	ACTIVITY DESCRIPTION	CORRESPONDENCE WITH THE CLIMATE DELEGATED ACTS	DECISION ON ELIGIBILITY
<b>re.alto Energy BV/ SRL</b>	63110 Data processing, hosting and related activities	A start-up founded in August 2019 that manages a marketplace which is dedicated to the exchange of energy data and services	8.2 'Data-driven solutions for GHG emissions reductions	Yes
<b>Elia Group SA/NV</b>	64200 Holding company	Elia Group acts as a holding company	No perfect fit identified with the activities described in the Climate Delegated Regulation	No
<b>Eurogrid International SA/ NV</b>	70220 Business and other management consultancy activities	Eurogrid International invests in electric utility-related companies and provides support services to its customers, including its own daughter companies	No perfect fit identified with the activities described in the Climate Delegated Regulation	No
<b>Elia Grid International SA/ NV</b>	70220 Business and other management consultancy activities	Consultancy and engineering services in the international power sector	No perfect fit identified with the activities described in the Climate Delegated Regulation	No
<b>WindGrid SA/NV</b>	35120 Transmission of electricity	Elia Group's newest subsidiary, that will leverage the group's expertise acquired in offshore development and focus on the area outside of the group's regulated perimeters	4.9 'Transmission and distribution of electricity'	Yes





## E. TAXONOMY KPIS AND ACCOUNTING METHODS

The accounting methods for calculating the shares of eligible and aligned activities were based on the provisions of Annex 1 of the Delegated Regulation 2178/2021.

The concepts of 'numerator' and 'denominator' apply as follows: if  $X/Y$ , then  $X$  = numerator and  $Y$  = denominator.

Double counting in the allocation in the numerator of turnover, CAPEX and OPEX across economic activities was prevented as each entity undertakes one economic activity only. Consequently, turnover, OPEX and CAPEX cover economic activities that are either completely Taxonomy-eligible or not at all. The only exception is Elia Transmission Belgium, which undertakes two economic activities (one taxonomy-eligible, one not). The turnover of the Taxonomy not eligible activity is well delineated: OPEX is not material and CAPEX does not exist for this activity.

The expenditure funded by the issuance of green bonds is consolidated in the numerators and the denominators of the KPIs. The adjusted aligned KPIs calculated according to the guidelines from the Draft Commission Notice 1 and 2 from December 2022 can be accessed in the following [Excel data table](#)



### TURNOVER

The turnover used in the KPI calculation is based on the accounting policies mentioned in the section entitled 'Consolidated financial statements' in 3.4.1 'Income' (IFRS 15 – Revenues) of Elia Group's 2022 Financial Report and the consolidated results reported in 4.5 'Reconciliation of information on reportable segments to IFRS amounts' which report the revenues for the different segments under which the following items are considered:

	Numerator(*)	Denominator
Additions for PPE (including leases)	Yes	Yes
Additions for intangible assets (including leases)	Yes	Yes

(\*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible.

Therefore, the total considered turnover in 2022 which was included in the denominator of the turnover KPI was **€ 3,853.72 million**.

### CAPEX

The CAPEX used in the KPI calculation is based on general accounting policies, mentioned in the section entitled 'Consolidated financial statements' in 3.3.1 'Property, plant and equipment' ("PPE") (IAS 16), 3.3.2 'Intangible assets' (IAS 38) and 3.3.16 'Leases' (IFRS 16) of Elia Group's 2022 Financial Report.

The movements related to these assets are disclosed in section 4.5 'Reconciliation of information on reportable segments to IFRS amounts', under the subtitle 'capital expenditures' and are included in the calculation as follows:

	Numerator(*)	Denominator
Additions for PPE (including leases)	Yes	Yes
Additions for intangible assets (including leases)	Yes	Yes

(\*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible

The total considered CAPEX in 2022 which was included in the denominator of the CAPEX KPI was **€ 1,585.83 million**.

### OPEX

For determining the OPEX KPI, we applied the definition as described in the Reporting Delegated Regulation and the ESMA final report entitled "Advice on Article 8 of the Taxonomy Regulation" which was published on 26 February 2021, according to which OPEX covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of items of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

The total considered OPEX which meets the above definition was included in the denominator of the OPEX KPI; no adjustments were made to the numerator as the OPEX identified is fully related to eligible activities.

The OPEX KPI in 2022 represents an amount of **€134.31 million**.



## F. INTERPRETATION AND ASSESSMENT OF THE TECHNICAL SCREENING CRITERIA (TSC)

### SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION

The Taxonomy Regulation requires non-financial undertakings to assess the alignment of their business activities with at least one of the six environmental objectives. We chose the climate change mitigation objective and analysed the alignment of our business activities with it, in accordance with the three steps of the alignment process (substantial contribution, DNSH, Minimum Social Safeguards).

In line with the Disclosure Delegated Act and Annex 1 (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021) for the *climate change adaptation* objective we only assessed the substantial contribution of our activities to this objective.

We considered the criteria outlined in section '4.9 Transmission and distribution of electricity' from Annex I and Annex 2 of the Climate Delegated Act. The criteria for the other four environmental objectives are expected to be officially approved by the EU's institutions in the next period.

According to criteria outlined in the Climate Delegated Act,

*"Transmission and distribution infrastructure or equipment is in an electricity system that complies with **at least one** of the following criteria:*

- a. the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;
- b. more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;
- c. the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period".

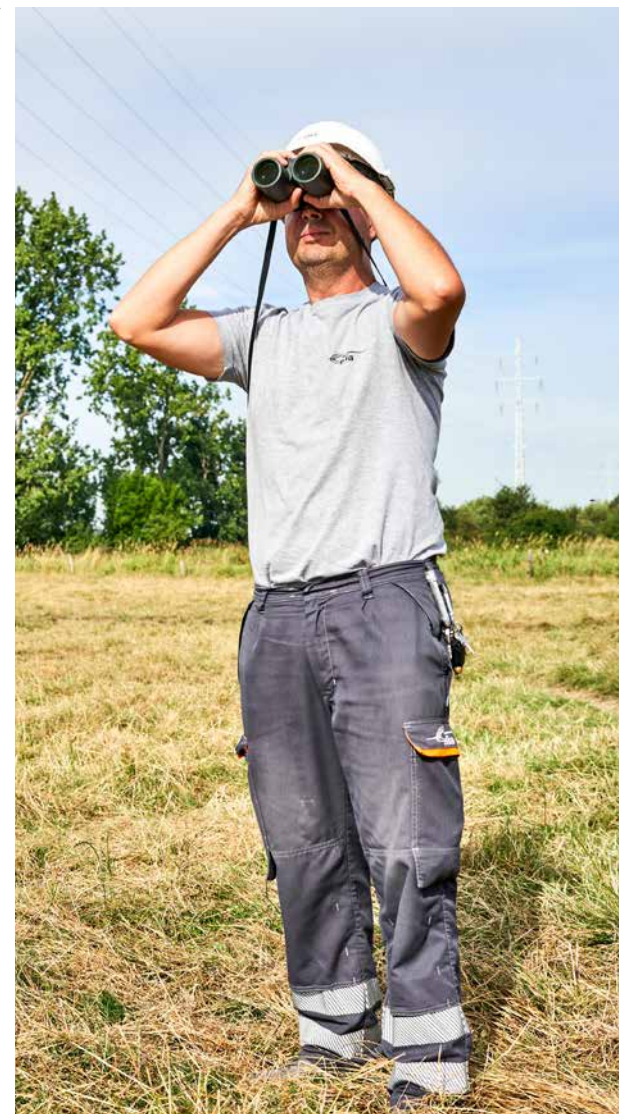
We opted for criteria (a), which is a direct fit for the group's transmission activities. Interconnectors that link energy transmission grids in different countries together contribute to the sustainability of the European energy sector by enabling the trading of energy and increasing energy efficiency. Interconnectors do this by reducing the cost of meeting electricity demand while improving security of supply and facilitating the cost-effective integration of the growing amount of renewable energy sources into the system. A well-integrated energy market is a fundamental prerequisite to achieving the EU's energy and climate objectives in a cost-efficient way.

On a **voluntary basis**, the Elia group documented that its electricity transmission activities are also compliant with criteria (b).

Furthermore, the TSC for transmission of electricity specifies which parts of the infrastructure should be considered as 'non-aligned'.

More precisely, the TSC refer to infrastructure dedicated to creating a direct connection or the expansion of an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh (measured on a lifecycle basis). The associated revenues, CAPEX and OPEX to these identified connection parts were evaluated as 'non-aligned' and eliminated from the numerators of the KPIs during the assessment process.

The following TSC refers to the installation of metering infrastructure, which must meet the requirements of smart metering systems outlined in Article 20 of Directive (EU) 2019/944. Article 20 of Directive 2019/944 provides that where the deployment of smart metering systems is positively assessed as a result of the cost benefit assessment, or where smart metering systems are systematically deployed after 4 July 4 2019, Member States shall deploy smart meters in accordance with European standards that meet certain requirements. The Elia group's business activities of electricity transmission in Belgium and Germany comply with European and national regulatory requirements regarding smart meter rollout and are aligned with the activities of our peers in this regard.





## SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE ADAPTATION

According to Annex I of the Disclosure Delegated Act, non-financial undertakings need to provide a breakdown of the capital and operational expenditures allocated to substantial contribution to climate change adaptation.

While we consider the transmission of electricity and integration of renewable energy into the grid to be economic activities which drive the energy transition and the fight against climate change, we also take measures to increase the resilience of our assets against climate risks.

In particular, these measures include:

- ensuring compliance with construction standards;
- defining stringent climate parameters in electrical equipment specifications;
- aligning with the risk preparedness plan for the electricity sector and with preventive, preparedness and emergency response measures (business continuity plan and restoration plan);
- implementing regular crisis exercises.

*Climate change adaptation* features are embedded into the construction of our grid from the design phases onwards. Grid reliability is one of the most important objectives for a TSO and many existing measures and processes foster climate change adaptation elements.

Based on the above, the interpretation and methodology followed by the Elia group was to include the financials associated with projects which have climate change resilience as a main driver in the assessment for substantial contribution to climate adaptation. The EU guidelines published at the end of 2022 strengthen this interpretation. As mentioned in the Draft Commission Notices, *"where the adaptation solution is an inherent part of the design of the new asset that is itself climate change mitigation aligned, it could be difficult to distinguish climate change adaptation related CAPEX from climate change mitigation related CAPEX. In that case, CAPEX under climate change mitigation could also cover the CAPEX on the inherent adaptation solution. [...]"* In such

*situations, the CAPEX should be reported under climate change mitigation objective only."*

In 2022, we carried out a benchmarking exercise which involved comparing our risk management practices with those of our peers, exploring and updating which are the physical climate risks that had been evaluated as material to their economic activities, the investment plans to address them and the processes for identifying the reporting figures. It resulted that some TSOs across Europe face a specific mix of climate risks due to their geographical locations (e.g. wildfires, ice accretion), while a common reference to the majority is the exposure of the overhead lines to storms and extreme winds. In order to further confirm the adap-

tation of our infrastructure against physical climate risks, we are currently analysing local long-term climate scenarios (RCP 2.6, RCP 4.5, RCP 8.5 and overshoot) with support from the Climate Service Center at Helmholtz-Zentrum Hereon.

In light of this, for 2022 we identified the CAPEX allocated to projects that increase the resilience of our grid against storms and strong winds as substantial contribution to the climate adaptation objective. The share out of the total Taxonomy-aligned CAPEX is 5.95%, corresponding to transmission of electricity in Belgium and Germany and to a value of €94.16 million. The OPEX for these activities is immaterial.



## G. DO NO SIGNIFICANT HARM (DNSH)

Meeting the DNSH criteria means that an activity which significantly contributes to one of the environmental objectives does not cause significant harm to any of the other objectives. Once our electricity transmission activities were assessed against the climate change mitigation criteria for their significant contribution to it, we performed further assessments of the five remaining objectives in relation to DNSH. Note that the DNSH criteria for “climate change mitigation” is not applicable, as we had already performed the substantial contribution analysis on this objective; moreover, the “sustainable use and protection of water and marine resources” objective of ‘4.9. Transmission and distribution of electricity’ had not been published by the EU at the time of our reporting, meaning it was not evaluated.

### CLIMATE CHANGE ADAPTATION

An in-depth group-wide exercise was performed to identify and assess material climate risks, derive vulnerability assessments for the major risks identified and list and assess the adequacy of the current portfolio of adaptation measures. The exercise allowed us to highlight the possible harmful effect of heatwaves, cold waves, storms, droughts and wildfires. All these phenomena fall under the category of acute physical risks.

The occurrence of such risks could lead to less favorable operating conditions for the group's assets or even damage them. Such circumstances may trigger risk factors for contingency events and business continuity disruption. Given the critical nature of the group's infrastructure and the fact that its assets are spread over a wide territory (especially its overhead lines), the group's assets are regarded as facing a heightened vulnerability to physical climate risks (such as storms and extreme winds), as is the case for other system operators and utility owners. However, as mentioned previously, we design our infrastructure in such a way that harsh climate conditions are already taken into account. All new lines are designed to withstand severe wind loads and some projects which increase the capacity of existing lines include the reinforcement of existing towers so that they are aligned with current stand-

ards. The increasing maturity of climate scenarios will continue to provide insights into less well-known extreme phenomena. This greater awareness may trigger revisions of the standards which specify how structural design should be conducted in Europe.

### TRANSITION TO A CIRCULAR ECONOMY

For this objective, Elia in Belgium uses a waste hierarchy criteria to the waste produced by maintenance and infrastructure works and has established a list of guidelines for subcontractors (general technical specifications) for different types of projects. Moreover, Elia has established a waste management policy for its administrative and local technical sites (service centres), which includes contracts with authorised collectors who specialise in the collection, transport and recycling of hazardous and non-hazardous waste. When required, Elia appoints an independent expert to draw up a demolition plan ('sloopopvolgingsplan') in line with relevant regulations. Elia is currently developing an environmental data management tool which covers waste management. The tool will allow us to track and report on the waste flows in our upstream and downstream value chain and provide information on related impacts, risks and opportunities. For example, the tool will provide visualisations of where and how much waste has been withdrawn, consumed or discharged during Elia's activities and services.

In Germany, 50Hertz implements a waste management plan across all its buildings and projects and the disposal routes for all of its materials are clearly defined and checked. This process is standardised using internal guidelines and is in line with the EU Taxonomy requirements, as it ensures maximum re-use and waste separation.

### POLLUTION PREVENTION AND CONTROL

The activities of Elia in Belgium are aligned with the International Finance Cooperation's (IFC) Environmental, Health and Safety

Guidelines related to construction site activities for overhead high-voltage lines. Moreover, Elia complies with EU regulations 1999/519/EG and 2013/35/EU related to electromagnetic fields (0-300 GHz). Finally, less than 1% of Elia's transformers contain polychlorinated biphenyls (PCB) and a phasing-out plan is currently being implemented for its transformers to be PCB-free by 2024. The amounts related to transformers containing PCB were excluded from the calculations for the alignment KPIs.

In 2022, 50Hertz was recertified for ISO 45001 in Health and Safety and the ISO certifications cover the IFC guidelines. There are no known exceptions from across the network in terms of existing assets with higher emissions than the 300GHz emissions threshold. 50Hertz does not have any PCB in its assets.

### PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

Elia in Belgium publishes Environmental Impact Assessments (EIA) or screening depending on project specificities, an Appropriate Assessment (AA) where applicable in accordance with Directive 2011/92/EU, and carries out environmental assessments in accordance with Directive 2009/147/EC (Birds) and 92/43/EC (Habitats). Elia goes beyond merely respecting the associated obligations: it engages in dialogue with local communities, non-governmental organisations and different government organisations to define how each project should be realised in the most efficient and respectful way in terms of local and nature impacts. In the future, the status of compensation and mitigation measures will be followed up on by Elia's staff based on a Community Relations Passport (CR Pass). A pilot project for its implementation was launched in 2022.

In Germany, 50Hertz set up a tool for monitoring the implementation of compensation and mitigation measures in line with the aforementioned EU regulations. 50Hertz can confidently state that it is fully aligned with the requirements of the EU Taxonomy.



## H. MEETING THE REQUIREMENTS OF THE MINIMUM SOCIAL SAFEGUARDS

In accordance with the Taxonomy Regulation, for a business activity to be considered as 'aligned', a process must be established to ensure compliance with the following guidelines and international legislation:

- the OECD Guidelines for Multinational Enterprises;
- the UN Guiding Principles on Business and Human Rights;
- the fundamental conventions identified in the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work;
- the International Bill of Human Rights.

The Minimum Social Safeguards set out social and governance criteria so that entities that carry out environmentally beneficial activities are not doing significant harm to the rest of the objectives. Thus, additional environmental criteria and criteria which promote innovation, research, development or science and technology and which result from the international guidelines were not considered to be relevant in the context of the Elia group's assessment for compliance with the Minimum Social Safeguards.

This interpretation was strengthened by the draft report published by the Platform on Sustainable Finance. In this light, the substantive topics which remain material for the analysis are:

- human rights (including labour and consumer rights);
- bribery, bribe solicitation and extortion;
- taxation;
- fair competition.

The Elia group complies with international guidelines which

extend beyond its collective agreements and company agreements, such as the core labour standards of the International Labour Organization (ILO: C87, C98 and C135) and worker's rights set out in the UN Global Compact. The Elia group is also subject to the rules of good governance applicable to listed companies, including the Belgian Corporate Governance Code.

The group's Code of Ethics and Human Rights Policy are available [online](#).

Moreover, all suppliers entering new framework agreements are required to have an EcoVadis rating, which evaluates how well a company has integrated the principles of sustainability and corporate social responsibility into its business activities. 50Hertz's purchasing policies are also built on the basic principles of the UN Global Compact with respect to human rights, terms of employment and anti-corruption. Most of the Elia group's suppliers are located inside the EU, which leads to a lower risk for a breach of human and labour rights.

Other measures addressing human rights include:

- asking suppliers to commit to a common and binding code of conduct before starting their mission;
- carrying out risk assessments for suppliers where necessary;
- introducing a functional grievance mechanism for bribery and corruption, which will be extended to other human rights issues in future.

Furthermore, a transversal working group was set up in 2022 to follow the development of the supply chain law in Germany and to further search for alignment between the Minimum Social Safeguards and the future Corporate Sustainability Due Diligence Directive (CSDDD).

The Elia group also confirmed it has good governance practices in place, in particular with respect to:

- sound management structures, as described in the 'Roles & Responsibilities' pages of the [its website](#);
- employee relations: the Elia group is committed to freedom of association, collective bargaining and the protection of employee representatives - particular emphasis is placed on trust and constant cooperation with all trade unions;
- remuneration of staff: the Elia group transparently discloses management team salaries in its remuneration report, including fixed and variable total remuneration as well as company pensions and other benefits for management;
- tax compliance and transparency as outlined in the [company's Tax Guidelines](#), with a particular focus on a risk-averse tax strategy, which always aligns with our general conduct of business.

## I. BREAKDOWN OF ELIA GROUP'S KPIS FOR EU TAXONOMY ELIGIBILITY AND ALIGNMENT IN 2022

The last steps taken as part of the Taxonomy analysis was the calculation of the KPIs: Taxonomy eligible and aligned turnover, CAPEX and OPEX.

A top-down approach was applied when calculating the KPIs, meaning non-eligible and not-aligned turnover, CAPEX and OPEX were excluded from the total figures disclosed in the financial statements.

Elia Group's alignment with DNSH criteria and its compliance with the Minimum Social Safeguards lead to the conclusion that the KPIs are mainly impacted by:

- the non-eligibility of the group's consultancy activities and other activities not related with electricity transmission;
- the non-alignment of the eligible transmission of electricity activities is especially due to existing direct connections to power plants that do not meet the TSC;
- PCB contaminated assets from our electricity transmission activities in Belgium.

A detailed breakdown of the KPIs is available in the following [Excel table](#)











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## Independent auditor's assurance report

### Scope

We have been engaged by Elia Group NV/SA (the "Company") to perform a limited assurance engagement (hereafter referred to as "the Engagement"), to report on certain sustainability indicators of the Company as listed in Appendix 1 (the "Subject Matter") and as included in the sustainability report 2022 (the "Report") for the period from 1 January 2022 to 31 December 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining sustainability indicators included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Elia Group

In preparing the sustainability indicators as listed in Appendix 1 and included in the Report, Elia Group NV/SA applied the reporting standards of the Global Reporting Initiative ("GRI") and the Greenhouse Gas Protocol, as well as a set of own reporting criteria as disclosed in the Report (the "Criteria").

### Elia Group's responsibilities

Elia Group's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), published by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our Engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Besloten vennootschap  
Société à responsabilité limitée  
RPR Brussel - RPR Bruxelles - BTW-TVA BE0446.334.711 - IBAN N° BE71 2100 9059 0069  
\*handelend in naam van een vennootschap/agissant au nom d'une société

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We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included amongst others:

- ▶ Obtaining an understanding of the reporting processes for the Subject Matter;
- ▶ Evaluating the consistent application of the Criteria;
- ▶ Interviewing relevant staff at local level responsible for data collection, reporting and calculation of the Subject Matter;
- ▶ Interviewing management and relevant staff at corporate level responsible for consolidating and carrying out internal control procedures on the Subject Matter;
- ▶ Interviewing relevant staff responsible for reporting the Subject Matter in the Report;





- Determining the nature and extent of the review procedures for each of the locations contributing to the Subject Matter;
- Obtaining internal and external documentation that reconcile with the Subject Matter;
- Validate the mathematical accuracy of the calculated KPIs;
- Performing an analytical review of the data and trends in the Subject Matter at the corporate consolidated level as well as at the level of the individual locations;
- Evaluating the overall presentation of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

#### Conclusion

Based on our review, nothing has come to our attention that make us to believe that the Subject matter as listed in Appendix 1, of Elia Group included in the Report for the period from 1 January 2022 to 31 December 2022, was not prepared, in all material respects, in accordance with the Criteria.

Diegem, 13 April 2023

EY Bedrijfsrevisoren BV  
Represented by

Paul Eelen\*  
Partner  
\*Acting on behalf of a BV

23PE0058



#### Appendix 1

KPIs in scope of this limited assurance engagement ("Subject Matter"):

- Scope 1 Total GHG Emissions (t CO2 eq) (Belgium and Germany)
- Scope 2 Total GHG Emissions (t CO2 eq) (Belgium and Germany)
- Employment and diversity incl. following indicators: (Belgium and Germany)
  - The total number of employees, and a breakdown by gender, age and full/part time
  - The total number of employees per employment category, and a breakdown by gender
- SF<sub>6</sub> Leakage rate (%) (Belgium and Germany)
- TRIR - Total Recordable Injury Rate (for Belgium with and for Germany without contractors)



8

## REFERENCES

## A. GRI CONTENT INDEX

Statement of use	[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	G4 - Electric Utilities Specific (EUS)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	<u>Integrated Annual Report 2022</u> - The Elia Group at a glance - Legal structure	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	Introduction - Reporting boundaries			
	2-3 Reporting period, frequency and contact point	Introduction			
	2-4 Restatements of information	<i>Restatements are located in the sections where such restatement is necessary</i>			
	2-5 External assurance	Appendix External assurance			
	2-6 Activities, value chain and other business relationships	<u>Integrated Annual Report 2022</u> - The Elia Group at a glance	-	-	-
	2-7 Employees	Topic-specific disclosures - Employment <u>Integrated Annual Report 2022</u> - The Elia Group at a glance - Headcount and grid	-	-	-
	2-8 Workers who are not employees	Topic-specific disclosures - Employment	-	-	-
	2-9 Governance structure and composition	<u>Integrated Annual Report 2022</u> - Corporate Governance Statement	-	-	-
	2-10 Nomination and selection of the highest governance body	<u>Integrated Annual Report 2022</u> - Corporate Governance Statement	-	-	-
	2-11 Chair of the highest governance body	<u>Integrated Annual Report 2022</u> - Corporate Governance Statement	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	<u>Integrated Annual Report 2022</u> - Features of the Group's internal control and risk management systems	-	-	-
	2-13 Delegation of responsibility for managing impacts	General disclosures - Sustainability Governance	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	General disclosures - Sustainability Governance	-	-	-
	2-15 Conflicts of interest	General disclosures - Policies and practices <u>Integrated Annual Report 2022</u> - Internal control system	-	-	-



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	<u>Integrated Annual Report 2022</u> - Risk and opportunities management system <u>Integrated Annual Report 2022</u> - Internal control system	-	-	-
	2-17 Collective knowledge of the highest governance body	Sustainability Governance <u>Integrated Annual Report 2022</u> - Corporate Governance Statement"	-	-	-
	2-18 Evaluation of the performance of the highest governance body	<u>Integrated Annual Report 2022</u> - Remuneration of Board of Directors and Executive Management Board	-	-	-
	2-19 Remuneration policies	<u>Integrated Annual Report 2022</u> - Remuneration of Board of Directors and Executive Management Board	-	-	-
	2-20 Process to determine remuneration	<u>Integrated Annual Report 2022</u> - Remuneration of Board of Directors and Executive Management Board	-	-	-
	2-21 Annual total compensation ratio	Basic information - Policies and practices	-	-	-
	2-22 Statement on sustainable development strategy	<u>Integrated Annual Report 2022</u> - Interview with Chris Peeters and Bernard Gustin	-	-	-
	2-23 Policy commitments	Basic information - Policies and practices	-	-	-
	2-24 Embedding policy commitments	Basic information - Policies and practices	-	-	-
	2-25 Processes to remediate negative impacts	Basic information - Policies and practices Stakeholder engagement Material topic card: Transparent and open communication with stakeholders	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder engagement <u>Integrated Annual Report 2022</u> - Internal control system	-	-	-
	2-27 Compliance with laws and regulations	Basic information - Policies and practices	-	-	-
	2-28 Membership associations	Basic information - Memberships	-	-	-
	2-29 Approach to stakeholder engagement	<u>Integrated Annual Report 2022</u> - Fostering stakeholder interactions Stakeholder engagement Material topic card: Transparent and open communication with stakeholders"	-	-	-
	2-30 Collective bargaining agreements	Basic information - Policies and practices	-	-	-



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Process to determine material topics	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	List of material topics			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of material topics Integrated Annual Report 2022 - Fostering stakeholder interactions	-	-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial statements	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	Integrated Annual Report 2022 - Climate-related disclosures (TCFD)	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	Integrated Annual Report 2022 - Corporate Governance Statement	-	-	-
	201-4 Financial assistance received from government	Financial statements 2022	-	-	-
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Elia Group is working in a regulated field and together with local unions.
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			Not applicable	
	202-2 Proportion of senior management hired from the local community			Not applicable	
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics: #01 Security of supply, #02 Safe and reliable infrastructure, #03 Sustainable energy system, #04 Affordable energy	-	-	-
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Material topics: #01 Security of supply, #02 Safe and reliable infrastructure, #03 Sustainable energy system, #04 Affordable energy	-	-	-
	203-2 Significant indirect economic impacts	Material topics: #01 Security of supply, #02 Safe and reliable infrastructure, #03 Sustainable energy system, #04 Affordable energy	-	-	-
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Basic information - Policies and practices Material topic: #12 Resilient supply chain practices	-	-	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Material topic: #12 Resilient supply chain practices	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Integrated Annual Report 2022 - Internal control and risk management system related to the financial reporting process	-	-	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Integrated Annual Report 2022 - Internal control and risk management system related to the financial reporting process	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	Integrated Annual Report 2022 - Internal control and risk management system related to the financial reporting process	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Integrated Annual Report 2022 - Internal control and risk management system related to the financial reporting process	-	-	-
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Elia Group companies are so-called natural monopolies. Due to regulation, a discrimination free entry for all market participants is mandatory.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			Not applicable	
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific disclosures - Tax	-	-	-
GRI 207: Tax 2019	207-1 Approach to tax	Topic-specific disclosures - Tax	-	-	-
	207-2 Tax governance, control, and risk management	Topic-specific disclosures - Tax	-	-	-
	207-3 Stakeholder engagement and management of concerns related to tax	Topic-specific disclosures - Tax	-	-	-
	207-4 Country-by-country reporting	Topic-specific disclosures - Tax	-	-	-
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #14 Minimising waste and promoting circularity	-	-	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume			Information unavailable/incomplete	Topics around circularity are part of ActNow but not in place for 2022 yet. They are under development.
	301-2 Recycled input materials used			Information unavailable/incomplete	
	301-3 Reclaimed products and their packaging materials			Not applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #3 Sustainable energy system Integrated Annual Report 2022 - Climate-related disclosures (TCFD)	-	-	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Topic-specific disclosures - Energy and emissions	-	-	-
	302-2 Energy consumption outside of the organization	Topic-specific disclosures - Energy and emissions	-	-	-
	302-3 Energy intensity			Information unavailable/ incomplete	Elia Group is currently working on a group wide definition and aligned processes.
	302-4 Reduction of energy consumption	Material topic card: #3 Sustainable energy system Integrated Annual Report 2022 - Climate-related disclosures (TCFD)	-	-	-
	302-5 Reductions in energy requirements of products and services	Material topic card: #3 Sustainable energy system Integrated Annual Report 2022 - Climate-related disclosures (TCFD)	-	-	-
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Activities of Elia Group companies are not related to withdrawal, discharge or consumption of water.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource			Not applicable	
	303-2 Management of water discharge-related impacts			Not applicable	
	303-3 Water withdrawal			Not applicable	
	303-4 Water discharge			Not applicable	
	303-5 Water consumption			Not applicable	
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #7 Preserving our ecosystems	-	-	-
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Topic-specific disclosures - Biodiversity	-	-	-
	304-2 Significant impacts of activities, products and services on biodiversity	Material topic card: #7 Preserving our ecosystems	-	-	-
	304-3 Habitats protected or restored	Topic-specific disclosures - Biodiversity	-	-	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Information unavailable/ incomplete	Elia Group companies do not disclose because in the actual (local law based) processes it is not mandatory.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	"Material topic card: #6 Decarbonisation Integrated Annual Report 2022 - Climate-related disclosures (TCFD)"	-	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Topic-specific disclosures - Energy and emissions	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Topic-specific disclosures - Energy and emissions	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Topic-specific disclosures - Energy and emissions	-	-	-
	305-4 GHG emissions intensity	Topic-specific disclosures - Energy and emissions	-	-	-
	305-5 Reduction of GHG emissions	Topic-specific disclosures - Energy and emissions	-	-	-
	305-6 Emissions of ozone-depleting substances (ODS)			Not applicable	Business activities of Elia Group companies do not use ODS.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not applicable	Emissions of NOx and SOx are only related to Elia Group companies fleet and will not be measured because of the goal of a emission free fleet by 2030.
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #14 Minimising waste and promoting circularity	-	-	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Topic-specific disclosures - Waste	-	-	-
	306-2 Management of significant waste-related impacts	Topic-specific disclosures - Waste	-	-	-
	306-3 Waste generated	Topic-specific disclosures - Waste	-	-	-
	306-4 Waste diverted from disposal	Topic-specific disclosures - Waste	-	-	-
	306-5 Waste directed to disposal	Topic-specific disclosures - Waste	-	-	-
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #15 Sustainable supply chain practices	-	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Material topic card: #15 Sustainable supply chain practices	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken			Information unavailable/incomplete	Process started with Ecovadis



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #9 Talent acquisition and development, #16 Diverse and inclusive workforce	-	-	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Topic-specific disclosures - Employment	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees			Not applicable	Full-time as well as part-time employees get the same benefits.
	401-3 Parental leave	Topic-specific disclosures - Employment	-	-	-
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Basic information - Policies and practices	-	-	-
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Basic information - Policies and practices	-	-	-
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-3 Occupational health services	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-5 Worker training on occupational health and safety	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-6 Promotion of worker health	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-8 Workers covered by an occupational health and safety management system	Material topic card: #8 Employee health, safety and wellbeing	-	-	-
	403-9 Work-related injuries	Topic-specific disclosures - Occupational health and safety	-	-	-
	403-10 Work-related ill health	Topic-specific disclosures - Occupational health and safety	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #9 Talent acquisition and development	-	-	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Topic-specific disclosures - Training and education	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Material topic card: #9 Talent acquisition and development	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Material topic card: #9 Talent acquisition and development	-	-	-
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic card: #16 Diverse and inclusive workforce	-	-	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Topic-specific disclosures - Employment <u>Integrated Annual Report 2022</u> - Corporate Governance Statement	-	-	-
	405-2 Ratio of basic salary and remuneration of women to men			Not applicable	Elia Group companies are legally obliged to report that gender pay gap is avoided.
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder engagement Material topic card: #16 Diverse and inclusive workforce	-	-	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Stakeholder engagement	-	-	-
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	Basic information - Policies and practices	-	-	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Basic information - Policies and practices	-	-	-
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Elia Group companies do not have a significant risk of child labour in its direct value chain as well as in tier 3.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor			Not applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Elia Group companies do not have significant risk of compulsory or forced labour.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor			Not applicable	
Security practices					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Security personnel is only to monitor the integrity of security measures at substations and has no contact with external people.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Not applicable	
Rights of indigenous peoples					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Elia Group companies activities do not violate rights of indigenous people.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			Not applicable	
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic #11 Community development and engagement Integrated Annual Report 2022 - Fostering stakeholder interactions	-	-	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Material topic #11 Community development and engagement Integrated Annual Report 2022 - Fostering stakeholder interactions	-	-	-
	413-2 Operations with significant actual and potential negative impacts on local communities	Material topic #7 Preserving our ecosystems	-	-	-
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic #15 Sustainable supply chain practices	-	-	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Material topic #15 Sustainable supply chain practices	-	-	-
	414-2 Negative social impacts in the supply chain and actions taken			Information unavailable/incomplete	Process started with Ecovadis

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Basic information - Policies and practices	-	-	-
GRI 415: Public Policy 2016	415-1 Political contributions			Not applicable	Elia Group companies are not giving any contributions to any political party.
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Elia doesn't have end consumers, our products are part of the basic services/supply.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			Not applicable	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			Not applicable	
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Elia Group companies do not have any products. Our services are not for end consumers and we do not do any marketing.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling			Not applicable	
	417-2 Incidents of non-compliance concerning product and service information and labeling			Not applicable	
	417-3 Incidents of non-compliance concerning marketing communications			Not applicable	
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Integrated Annual Report 2022 - Internal control system Material topic #5 Security of information and IT systems	-	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Integrated Annual Report 2022 - Internal control system Material topic #5 Security of information and IT systems	-	-	-



## TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS

TOPIC		
G4 - Electric Utilities Specific (EUS)	Disclosure	Location
Lines and losses and quality of service	EU4 Length of above and underground transmission and distribution line by regulatory regime	Sector-specific disclosures - Grid
	EU12 Transmission and distribution losses as a percentage of total energy	Sector-specific disclosures - Grid
Demand management approach our control areas	Management approach to ensure short and long-term electricity availability and reliability	Sector-specific disclosures - Security and emergency management
	Demand-side management programmes including residential, commercial, institutional and industrial programmes	Sector-specific disclosures - Security and emergency management
	Disaster/ Emergency Planning and Response	Sector-specific disclosures - Security and emergency management
Biodiversity	EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected area	Material Topic #8 Preserving our ecosystems Topic-specific disclosures - Biodiversity
Emissions	EN15 Direct Greenhouse gas (GHG) emissions (Scope 1)	Topic-specific disclosures - Energy and emissions
	EN16 Indirect Greenhouse gas (GHG) emissions (Scope 2)	Topic-specific disclosures - Energy and emissions
Health and safety & Human resources	LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	Topic-specific disclosures - Employment
	LA6 Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work related fatalities, by region and gender	Topic-specific disclosures - Occupational health and safety
	EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	Topic-specific disclosures - Employment

# REPORTING PARAMETERS

## Registered offices

The registered office of Elia Transmission Belgium and Elia Asset is located at  
Boulevard de l'Empereur 20  
1000 Brussels, Belgium

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Heidestraße 2  
D-10557 Berlin, Germany

The registered office of Eurogrid International is located at  
Rue Joseph Stevens, 7  
1000 Brussels, Belgium

The registered office of Elia Grid International is located at  
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The registered office of WindGrid is located at  
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## Reporting period

This annual report covers the period from 1 January 2022 to 31 December 2022.

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Ce document est également disponible en français.  
Dit document is ook beschikbaar in het Nederlands.

**We would like to thank everyone who contributed to this annual report.**