



**Powering**  
the decade  
of electrification

# Content

<b>Interview</b>	<b>4</b>	<b>5. Safety</b>	<b>52</b>
<b>1. The Elia group</b>	<b>9</b>	5.1. Management approach	53
1.1. Elia group companies	9	5.2. Health and safety training	55
1.1.1. Structure	9	5.3. Inspections	56
1.1.2. Business model	10	5.4. Accidents	57
1.1.3. Size of the group	12	<b>6. Suppliers and human rights</b>	<b>58</b>
1.2. Grid	13	6.1. Management approach	59
1.2.1. Length of lines	13	6.2. Suppliers and expenditure in the Eurozone	59
1.2.2. Substations and switches	13	6.3. Human rights	61
1.3.1. Memberships	14	<b>7. Stakeholder engagement</b>	<b>62</b>
1.3.2. Values, principles and standards	15	7.1. Management approach	63
1.3.3. Roles and responsibilities within the company	17	7.2. Community relations and public acceptance	65
1.3.4. Legal and regulatory framework	19	7.3. Stakeholder dialogues	68
1.3.5. Anti-corruption	20	7.4. Cooperation and innovation	71
1.3.6. Risk management	21	7.5. Community engagement	73
1.3.7. Political influence	21	<b>8. Environmental aspects</b>	<b>76</b>
1.3.8. Security and emergency management	23	8.1. Management approach	77
1.3.9. Grid reliability	26	8.2. Emissions	79
<b>2. Strategy</b>	<b>28</b>	8.2.1. Greenhouse gas (GHG) emissions	79
2.1. Materiality and objectives	29	8.2.2. Energy consumption	83
2.2. ActNow – Elia group’s sustainability programme	31	8.2.3. Electric and magnetic fields	84
2.3. Green finance & EU Taxonomy	33	8.2.4. Noise	84
<b>3. Energy – Market and integration of renewables</b>	<b>34</b>	8.3. Biodiversity and landscape	85
3.1. Introduction	35	8.3.1. Mitigation and compensation measures	87
3.2. Installed capacity in our control areas	35	8.3.2. Ecological aisle management	89
3.3. Changes to the share occupied by renewable energy in electricity consumption across our control areas	36	8.3.3. Bird protection	90
3.4. Energy imports and exports	37	8.4. Natural Resources	91
3.5. Grid losses in our control areas	38	8.4.1. Water and soil	91
<b>4. Human resources</b>	<b>39</b>	8.4.2. Waste	92
4.1. Management approach	40	<b>9 Reporting on EU Taxonomy Regulation</b>	<b>96</b>
4.2. Headcount	40	9.1 Context	97
4.3. Work-life balance	43	9.2 Taxonomy-eligible and taxonomy non-eligible economic activities	98
4.4. Employee surveys	45	9.3 KPIs: Turnover, Capex and Opex	100
4.5. Training	45	9.3.1 Turnover	100
4.6. Remuneration policies and incentive systems	46	9.3.2 Capex (Capital expenditures)	100
4.7. Social dialogue and co-determination	47	9.3.3 Opex (Operating expenditures)	100
4.8. Diversity, Equity, Inclusion	48	9.3.4 Overview KPI’s	101
		<b>10. Reference Table</b>	<b>102</b>
		10.1 GRI Content Index	102
		10.2 United Nations Global Compact Reference Table	108
		<b>11 Reporting parameters</b>	<b>109</b>

# Foreword

## GRI 102-50

This Sustainability Report provides transparency on the Elia group's performance in terms of sustainability in 2021 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) Standards: Core option. GRI Standards serve as best practice that can be used by organisations when carrying their 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 102 for a full overview of these indicators.

It is Elia Group SA/NV's fourth annual sustainability report and it covers the period from 1 January 2021 to 31 December 2021.



# Our ActNow programme

that focusing on sustainability has become second nature for us



## In short

- Our sustainability programme, ActNow, focuses on ensuring maximum impact across five dimensions.
- These dimensions are linked to our mission and to internal changes that we are promoting across the organisation.
- Sustainability is now embedded across all levels of the company and has specific governance arrangements attached to it.
- We want our own activities and the electricity system to be carbon-neutral by 2030 and 2040 respectively.

INTERVIEW WITH CHRIS PEETERS AND CATHERINE VANDENBORRE, CEO AND CFO OF ELIA GROUP RESPECTIVELY.



Through our ActNow programme, Elia Group is aiming to undergo a fundamental business transformation and establish an organisational culture that has sustainability at its core. This will ensure that our mission to work in the interests of society is further strengthened.

### How is Elia Group ensuring that sustainability is directly linked to its business activities?

**Catherine Vandendorre:** Our main mission is to accelerate the energy transition. Elia Group's growth strategy is therefore inherently linked to sustainability. However, that doesn't mean we don't have to work on making our own activities more sustainable. Via our ActNow road maps, we have identified both concrete steps and actions to take in this regard.

**Chris Peeters:** Our sustainability actions are not limited to those we undertake in terms of our infrastructure. In our system management activities, for example, we use fewer and fewer assets that emit CO<sub>2</sub> to keep the system balanced. Digitalisation is allowing us to integrate battery technology into the system and encourage demand response. We are also developing ideas and services that will facilitate the decarbonisation of a number of additional sectors. I am thinking here of the integration of electric cars and smart buildings into our grid. In this way, we are also supporting our partners to become more sustainable.

**Catherine Vandendorre:** Our sustainability programme, ActNow, focuses on ensuring maximum impact across five dimensions. These are linked to the Sustainable Development Goals of the United Nations. They are: (1) Climate Action; (2) Environment & Circular Economy; (3) Health & Safety; (4) Diversity, Equity & Inclusion; and (5) Governance, Ethics & Compliance. These dimensions are linked to our mission as a transmission system operator and are also linked to internal changes that we are promoting across the organisation. After all, the financial markets go beyond simply looking at CO<sub>2</sub> emissions alone.



SUSTAINABILITY IS BECOMING AN IMPORTANT DECISION-MAKING CRITERION. INVESTMENT DECISIONS WILL THEREFORE BE BASED BOTH ON THE PRICE OF THE INVESTMENT AND ALSO ON THE ASSOCIATED CO<sub>2</sub> EMISSIONS.

**Chris Peeters**

GRI 102-14



IN THE FUTURE, WE WANT TO BASE OUR FINANCING ON GREEN FINANCIAL INSTRUMENTS SUCH AS GREEN BONDS OR INSTRUMENTS WHOSE FINANCIAL CONDITIONS DEPEND ON SUSTAINABILITY PERFORMANCE INDICATORS LINKED TO ESG CRITERIA.

**Catherine Vandendorre**

### Speaking of the financial markets, Elia Group carried out its first audit regarding its alignment with the EU Taxonomy for the year 2020. How important is green financing?

**Catherine Vandendorre:** Opting for green financing is a conscious choice. It gives us access to a larger group of investors. Moreover, we are increasingly seeing that it also has a positive financial impact of a few basis points. In the future, we want to base our financing on green financial instruments such as green bonds or instruments whose financial conditions depend on sustainability performance indicators linked to Environmental, Social and Governance (ESG) criteria. We carried out the audit because we wanted to show the financial markets that our ActNow programme is more than just hollow words. We proved that we are compliant with a number of regulations, including the fact that our activities are considered environmentally sustainable according to the system laid out in the Taxonomy.

**Chris Peeters:** There are financial reasons for it, but we also want to support a culture of sustainability across the whole of our organisation. We have integrated ActNow into our business planning. That's pretty new. In the past, we said we supported the energy transition; however, ActNow is now forcing us to think about the things we do and how we do them. We also occasionally do things that are a bit contrarian, like building high-voltage substations which use SF6 (a powerful greenhouse gas). We want such issues to be actively considered from different viewpoints and for decisions to be made which strike a good balance between technological progress and meeting a set of goals.

### Can you provide some examples of how ActNow has led to changes in your business planning?

**Chris Peeters:** Sustainability is becoming an important decision-making criterion. As part of our gridplanning activities, our teams are working on producing a CO<sub>2</sub> rating scale. If you opt for a particular solution, it will have a cost and also an impact in terms of CO<sub>2</sub> emissions. Investment decisions will therefore be based both on the price of the investment and also on the associated CO<sub>2</sub> emissions. We are also working on developing an internal carbon price related to the choice of materials. We want

to test the carbon price this year in order to apply it from next year onwards. By embedding these tools and processes across the organisation, we are making everyone across the company aware of the importance of sustainability.

### Elia Group is facilitating the energy transition and helping other companies to decarbonise. What about dimensions such as diversity and security? How far does their social impact extend?

**Catherine Vandendorre:** We always act in the interest of society. When selecting the five dimensions, we highlighted different stakeholders for whom we want to do our best. One such example is diversity. Our decision-making is influenced by wanting to be diverse and inclusive.

**Chris Peeters:** Here, too, there is a cultural dimension. Within Health & Safety, we have defined specific maturity levels as part of our Go4Zero programme. Practical projects which keep our organisation busy lead to our organisation maturing over time. It's not just about meeting targets. It has to become second nature. Our maturity with regard to sustainability will continue to increase over the next 10 years and will also gradually become embedded into the ways of working of many of the subcontractors we employ.

### Where does Elia Group want to be in 10 years with regard to ActNow?

**Chris Peeters:** We have defined where we want to be in 10 to 20 years for all dimensions of the ActNow programme. We want our own activities and the electricity system to be carbon-neutral by 2030 and 2040 respectively. Now we are working on the best way to realise that and how we can accelerate certain things if necessary. Sustainability is now embedded across all levels of the company and has specific governance arrangements attached to it, including at the level of the Board of Directors.

# Company profile



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

Together, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH operate 19,192 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 2021 Integrated Report and 2021 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.

Elia Group acts as a holding company which owns two TSOs: Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH in Germany. The separation and ringfencing of the Elia group's regulated activities in Belgium from its non-regulated activities and its regulated activities outside of Belgium was undertaken to ensure that its future activities in Belgium and Europe would be aligned with its growth strategy. In 2021, this allowed the group to pursue its organic growth and has set the foundations for future inorganic growth.

## REGULATED ACTIVITIES



Elia Transmission Belgium (hereafter referred to as Elia) is the Belgian TSO for high-voltage (30 kV to 70 kV) and extra-high-voltage (110 kV to 400 kV) electricity. It has a natural monopoly as Belgium's only TSO. It develops, builds and operates a robust electricity transmission system (both on- and offshore) and is responsible for devising services and mechanisms which support the development of electricity markets at national and European levels.



Elia Transmission Belgium is part of the Nemo Link joint venture with National Grid, the British electricity and gas utility company. Nemo Link is the first sub-sea interconnector to link Belgium to Great Britain, so allowing the trade of electricity between both countries: traders can buy up to 1,012 MW of capacity in auctions over a number of time frames.

The building of Nemo Link marked a crucial step in the integration of the electricity grids of continental Europe and the UK. The interconnector was commissioned on 30 January 2019, and operates in line with its specific regulatory framework.



50Hertz Transmission (hereafter referred to as 50Hertz) is a TSO which holds a natural monopoly in the north and east of Germany and is a crucial player in the realisation of the German 'Energiewende' - or energy transition. Its grid runs across a distance of around 10,325 km, supplying electricity to 18 million people in the states of Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt and Thuringia, and the city states of Berlin and Hamburg. In 2021, around 56.1% of electricity consumption in the 50Hertz grid area came from renewable sources; it aims to make this 100% by 2032. The shareholders of 50Hertz are Elia Group (80%) and the German state-owned investment and development bank KfW Group (20%).



## NON-REGULATED ACTIVITIES

Our non-regulated business activities are allowing us to develop the key competencies we need to ensure a successful energy transition. They are helping us to embrace innovation, develop sustainable energy markets and shape growth opportunities that increase our societal relevance.



EGI offers consultancy and engineering services related to energy market development, asset management, system operation, grid development and RES integration. As a wholly owned subsidiary of Elia Group and 50Hertz, EGI is able to harness the expertise of two large European system operators, each with a solid track record in delivering high-quality projects and many decades of experience. Its clients are mainly comprised of TSOs, but EGI also supports regulators, public authorities and private developers.



In September 2020, Elia Group announced the official launch of re.alto, its very own corporate start-up and the first European marketplace dedicated to the exchange of energy data and services. The start-up enables the exchange of energy data through its innovative Application Programming Interface (API) platform, so enabling the energy industry to take a huge digital leap forward towards a more widespread adoption of Energy-as-a-Service business models, ultimately hastening the establishment of a low-carbon society.



Elia Group's newest legal entity, WindGrid, will focus on offshore development outside of its current regulated perimeters. In February 2022, the Board of Directors approved the formation of this new subsidiary, solidifying the group's commitment to accelerating the energy transition in the interest of society both in its home countries and abroad. WindGrid will deliver and unlock further revenue streams for the group, whilst enabling it to remain at the forefront of offshore wind development and maintain its relevance in the long term.

# 1

# The Elia Group

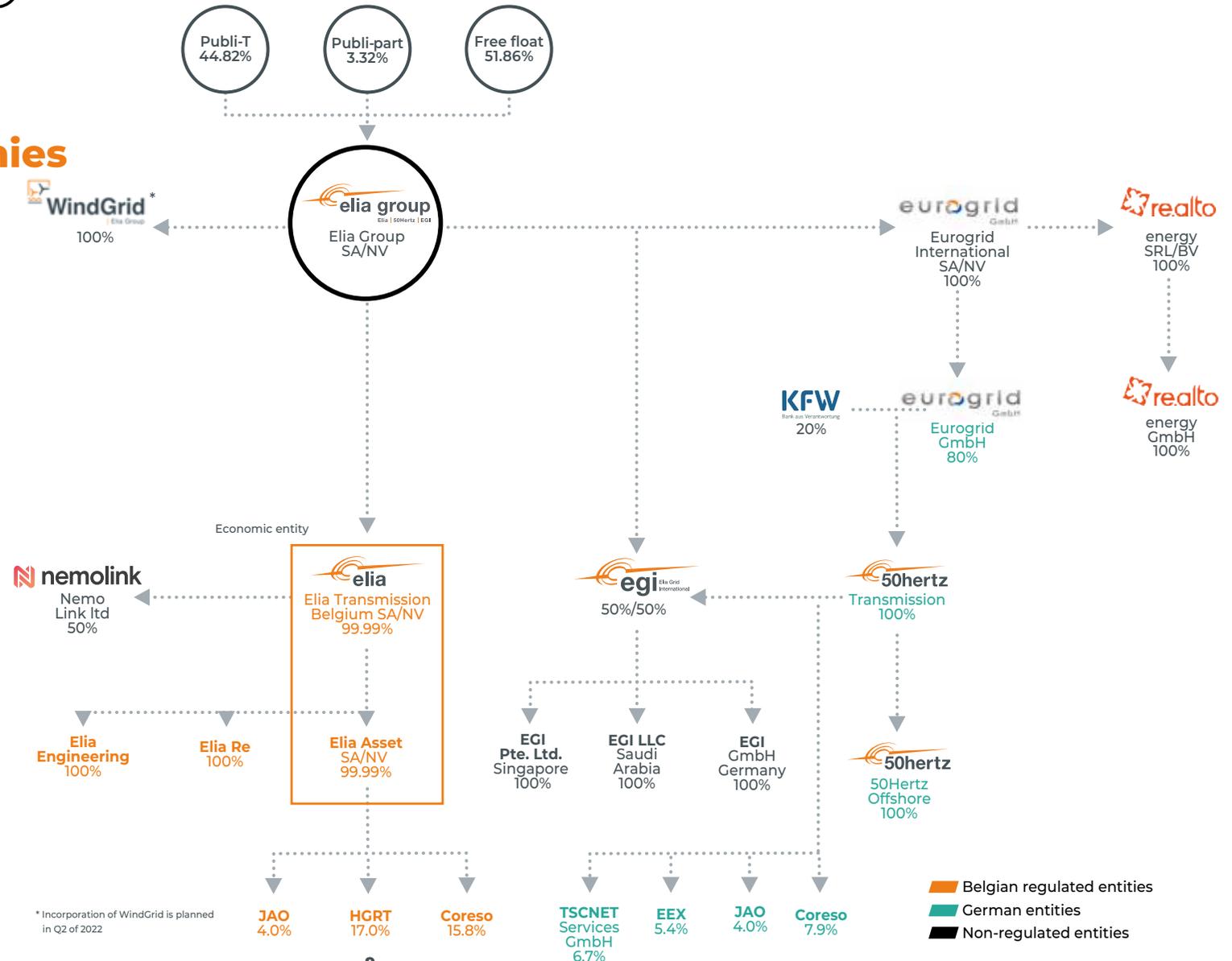


## 1.1. Elia group companies

### 1.1.1. Structure

GRI 102-1, GRI 102-2, GRI 102-5

Elia Group SA/NV acts as a holding company that owns Elia Transmission Belgium SA/NV (the Belgian TSO), Eurogrid International SA (which comprises the activities of 50Hertz Transmission GmbH, one of Germany's TSOs) and Elia Grid International SA (the group's international consultancy branch). Its main shareholder is the municipal holding Publi-T. Elia Group SA/NV (formerly Elia System Operator SA/NV) has been listed on the regulated market of Euronext Brussels since June 2005. For more information, see page 16 of the [2021 Financial Report](#).



\* Incorporation of WindGrid is planned in Q2 of 2022

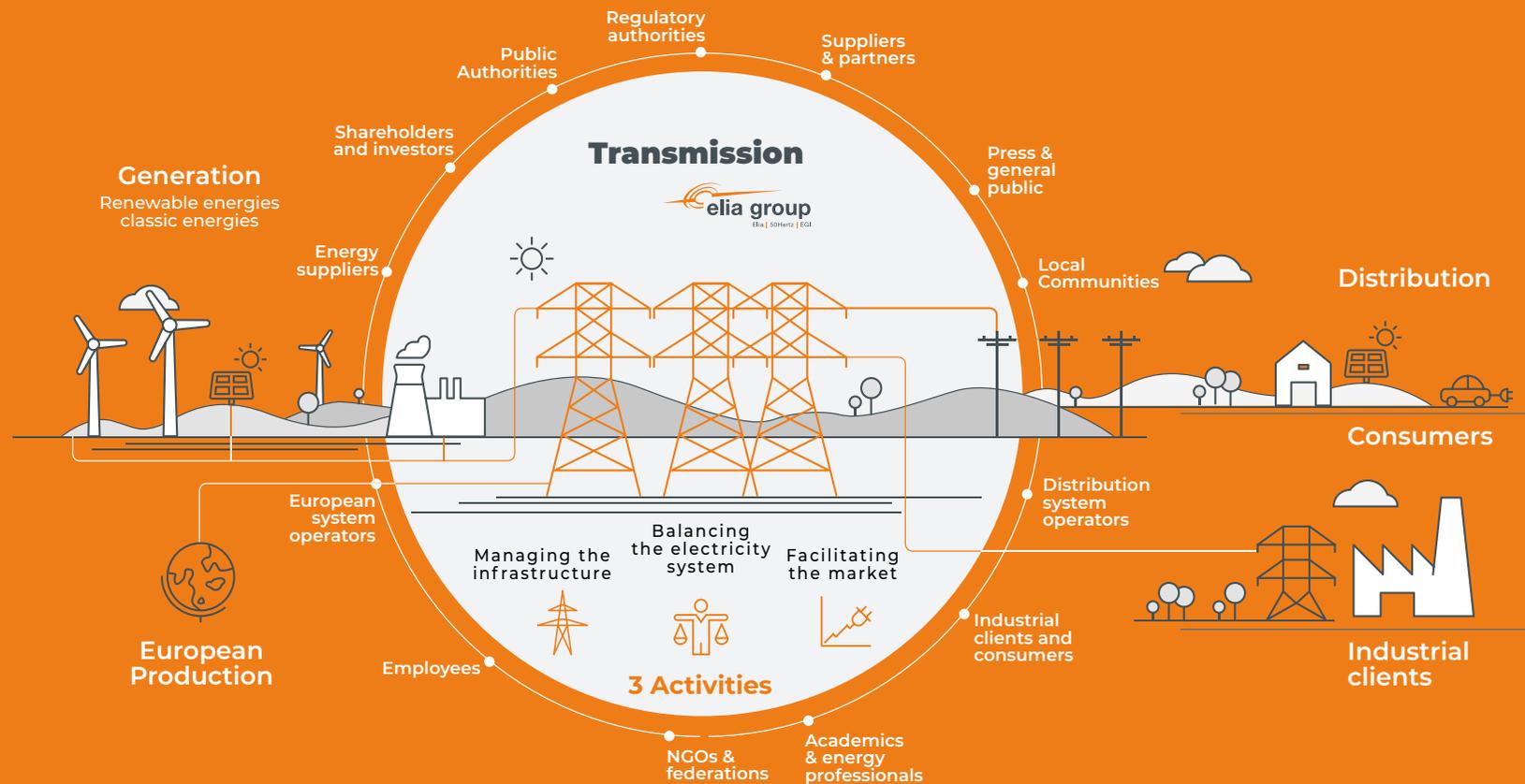
- Belgian regulated entities
- German entities
- Non-regulated entities

## 1.1.2. Business model

GRI 102-1, GRI 102-2, GRI 102-7, GRI 102-9, SDG9

The Elia group is a key player in electricity transmission: it is one of Europe's top five TSOs. In order to successfully drive the energy transition forward, the Elia group develops innovative solutions for the system and market integration of volatile renewable energies. The Elia group ensures that generation and consumption are balanced around the clock, supplying around 30 million end users with electricity. With subsidiaries in Belgium and north and east Germany, we operate 19,192 km of high-voltage connections. The Elia group believes that interconnectors, especially cross-border interconnectors which are also linked to offshore wind farms, are necessary to achieve the goals of the European Green Deal. Given the enormous amount of electricity that will be needed in order to decarbonise society, Europe must harness all potential renewable energy sources, including those which are located far off the coasts of its member states. In addition to its activities as a transmission system operator, the group offers various consulting services for international customers through its subsidiary Elia Grid International SA (EGI), whose activities include focusing on the integration of renewables in countries outside of Belgium and Germany.

# We connect generation & distribution





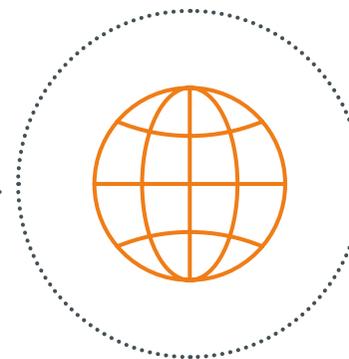
GRI 102-3, GRI 102-4

**ELIA IN BELGIUM**

As the sole operator of the Belgian high-voltage grid, Elia Transmission Belgium SA/NV has a natural monopoly and is therefore subject to regulatory supervision. Its public mandate and responsibilities are an integral part of the legislation that regulates the Belgian electricity market. It is overseen at the national level by the CREG<sup>1</sup>, the federal regulator for the extra-high voltage electricity grid (110 kV-400 kV), and at a regional level by the VREG<sup>2</sup>, CWAPE<sup>3</sup> and BRUGEL<sup>4</sup> - the regional electricity market regulators for the high-voltage electricity grid (30 kV-70 kV). The regulatory system has a significant impact on the organisation's business model. Elia Transmission Belgium SA/NV is also part of the Nemo Link consortium, which operates the first subsea interconnector between Belgium and the UK. Elia Transmission Belgium SA/NV operates a modular offshore grid in the Belgian North Sea which connects offshore wind production on an offshore platform and transports it to the mainland.

**50HERTZ IN GERMANY**

50Hertz Transmission GmbH holds a regional monopoly on the transmission grid in the north and east of Germany. The company is the exclusive operator of the extra-high-voltage electricity grid (150 kV – 525 kV) in this area. 50Hertz Transmission GmbH is therefore subject to regulatory supervision by the national regulatory authority - the Federal Network Agency (BNetzA). The German regulatory system decisively shapes its business model. BNetzA also sets 50Hertz Transmission GmbH's revenue cap when it comes to calculating its network fees. In addition, 50Hertz Offshore GmbH operates the Kriegers Flak Combined Grid Solution (CGS), the world's first hybrid offshore interconnector. The CGS connects the German and Danish electricity grids together whilst also including connections to several offshore wind farms. As a result, the CGS can transmit offshore wind power to either country whilst also being used for cross-border electricity trading.



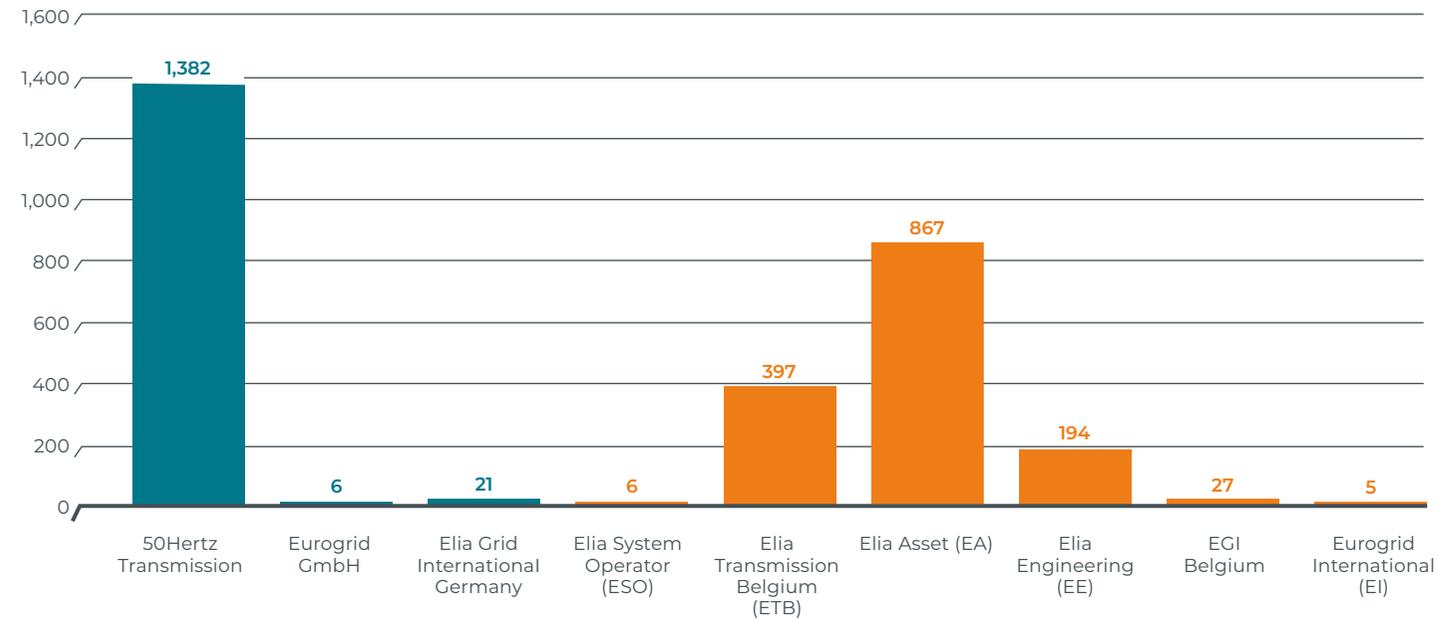
1 CREG: Commission for Electricity and Gas Regulation.  
 2 VREG: Vlaamse Regulator van de Elektriciteits- en Gasmarkt.  
 3 CWAPE: Commission Wallonne pour l'Energie.  
 4 BRUGEL: Régulateur BRUXellois pour les marchés du Gaz et de l'Electricité/BRUsselse Reguleringscommissie voor de Gas- en Elektriciteitsmarkt.

### 1.1.3. Size of the group

GRI 102-1

#### Breakdown by country, company and number of employees

TOTAL HEADCOUNT ELIA GROUP 2021



Please note: three of Elia Transmission Belgium SA/NV's chief officers and two other staff members occupy positions in both Elia Group SA/NV and Elia Transmission Belgium SA/NV, meaning they are counted twice in the figure above.



## 1.2. Grid

### G4-EUS-EU4

Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH operate the extra-high-voltage transmission grids (110kV - 525 kV) in Belgium and in the north and east of Germany, as well as interconnectors to other extra-high-voltage grids. In addition to this grid, Elia Transmission Belgium SA/NV operates

the high-voltage grid (30kV - 70kV) in Belgium. The operation of these grids at different voltage levels means Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH differ in terms of the number of assets they oversee and in terms of the measurement of the grid interruptions ([see 1.3.9. Grid Reliability](#)).

### 1.2.1. Length of lines

#### ELIA IN BELGIUM

Voltage	2019		2020		2021	
	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)
400 kV (DC)	70*	-	70*	-	70*	-
380 kV	40	918	40	923	41	940
320 kV	-	-	49	-	49	-
220 kV	135	300	161	301	162	300
150 kV	628	1939	686	1935	717	1,926
110 kV	-	8	-	8	-	9
70 kV	317	2,404	304	2,399	324	2,370
36 kV	1,917	8	1,915	8	1,865	8
30 kV	75	22	75	22	75	22
Total Lines/Cables	<b>3,182</b>	<b>5,599</b>	<b>3,300</b>	<b>5,596</b>	<b>3,292</b>	<b>5,575</b>
<b>TOTAL</b>	<b>8,781</b>		<b>8,896</b>		<b>8,867</b>	

\* The Nemo Link interconnector – total length 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.

#### 50HERTZ IN GERMANY

Voltage	2019		2020		2021	
	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)	Underground/ submarine cabling (km)	Overhead lines (km)
400 kV (DC)	15	-	15	-	15	-
380 kV	55	7,250	55	7,330	55	7,330
220 kV	293	2,607	293	2,397	293	2,342
150 kV	270	-	295	-	295	-
Total Lines/Cables	<b>633</b>	<b>9,857</b>	<b>658</b>	<b>9,727</b>	<b>658</b>	<b>9,672</b>
<b>TOTAL</b>	<b>10,490</b>		<b>10,385</b>		<b>10,325</b>	

### 1.2.2. Substations and switches

#### ELIA IN BELGIUM

	2019	2020	2021
substations ≥ 150 kV	300	299	300
substations < 150 kV	507	507	507
HVDC* Converter station	1	2	2
<b>TOTAL</b>	<b>808</b>	<b>808</b>	<b>809</b>

\* HVDC: High Voltage Direct Current

N.B.: Please note an error has occurred in the reporting for year 2020, the number of HVDC Converter stations was 2 (instead of 1) as mentioned in the above table.

#### 50HERTZ IN GERMANY

	2019	2020	2021
# substations	65	65	65
# switch gears	9	9	9
HVDC Converter station	2	2	2
<b>TOTAL</b>	<b>76</b>	<b>76</b>	<b>76</b>



## 1.3. Guiding principles

### 1.3.1. Memberships

GRI 102-12, GRI 102-13, SDG17

As outlined in the table below, the Elia group is a member of a number of societies and associations and plays a role in different initiatives linked to renewable energy, climate and environmental protection, human rights and the harmonisation of the European electricity market at global, European and local levels.

	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.	✓					✓

## 1.3.2. Values, principles and standards

GRI 102-16, GRI 102-17, GRI 102-26

For Elia Group SA/NV, long-term success is defined by acting in the interest of society. This is reflected in the company's vision: "A successful energy transition for a sustainable world".

The Elia group 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 Group 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 (see Section 2. Strategy).



### Code of Ethics

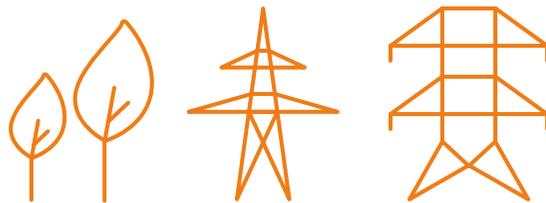
Integrity and ethics are a critical aspect of our internal interactions. The Board of Directors and the Executive Management Board regularly communicate about these principles to clarify the mutual rights and responsibilities of the company and its employees. These rules are communicated to all new employees,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

The Code of Ethics (published in 2021) 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.

Acting in as honest and independent parties when interacting with all stakeholders is an important guiding principle for

all our employees. The Code of Ethics explicitly states that Elia Group SA/NV prohibits bribery in any form, the abuse of prior knowledge and market manipulation. Elia Group SA/NV and its employees do not accept gifts or hospitality to gain any competitive advantages. Facilitation payments are not permitted by Elia Group SA/NV. Disguising gifts or hospitality as charitable donations is also a violation of the Code of Ethics.

In addition, the Code of Ethics ensures that discrimination is not tolerated within the organisation; it prohibits all forms of racism and discrimination and promotes equal opportunities for all employees through fair assessments of their work. This applies regardless of an individual's ethnicity, gender, religion, political opinion, social origin, age, sexual orientation or physical ability. Elia Group SA/NV's internal policy on discrimination and equal opportunities is based on the International Labour Organization's Convention C111 on Discrimination. Lastly, the Code of Ethics seeks to ensure that staff use and treat the IT systems and data they have access to in a confidential manner, in line with data protection requirements.



## Code of conduct

Following the entry into force of European Regulation (EU) No. 596/2014 on market abuse, Elia Group SA/NV amended its Code of Conduct, which aims to prevent staff (including individuals with leadership responsibilities) from breaking any laws regarding the use of privileged information and market manipulation.

The Code of Conduct lays down a series of regulations and communication obligations for transactions undertaken by staff in relation to their Elia Group SA/NV securities, in accordance with the provisions of the Market Abuse Regulation and the Act of 2 August 2002 on the monitoring of the financial sector and other financial services. This Code of Conduct is available on the organisation's website [here](#).

## Corporate Governance Charter and internal rules of procedure of the Board of Directors, the Board's advisory Committees and the Executive Management Board

The Corporate Governance Charter and the internal rules of procedure of the Board of Directors, the Board of Directors' advisory committees and the Executive Management Board can be found in the organisation's online document library [here](#).

The responsibilities of the Board of Directors and of the Executive Management Board are described in detail in the Articles of Association of the company and are therefore not reiterated in the internal rules of the Board of Directors and the Executive Management Board.

In March 2021, Elia Group SA/NV finalised a new version of the Corporate Governance Charter in order to comply with the group's new structure and governance; these were changes undertaken following the introduction of the new Belgian Code of Companies and Associations and the 2020 Corporate Governance Code.

## 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 ([Elia Transmission Belgium SA/NV](#) and [50Hertz Transmission GmbH](#)) and is based on four pillars: confidentiality; non-discriminatory treatment of suppliers; transparency; and avoidance of conflicts of interest. Employees involved in procurement and payment processes are regularly provided with training and awareness-raising sessions related to these topics.

## Cultural Behaviours

To encourage a shift in organisational culture, the Make A Difference (MAD) programme was launched. MAD includes six key behaviours, which represent the corporate culture that we want our employees to embody. They form the basis for the way we all approach our work - both internally (in teams and departments) and externally (with partners and stakeholders outside the Group).

The MAD behaviours are a prerequisite for delivering on our vision and mission and for our continued positive impact on our stakeholders and the energy value chain.

These behaviours are modified and adapted for staff at Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH, in order to accommodate local differences in culture. The six core values reflect fundamental principles that are deeply rooted across the Elia group. These six behaviours form the basis of our Code of Ethics, and the guidelines and principles that drive all of Elia group's activities.

### MAD DIFFERENCE



#### Feedback

We give feedback to and ask for feedback from colleagues at all levels of the Group. In this way, we show appreciation for their work and strive for continuous improvement.



#### Simplification

We consider the ways in which projects can be simplified, eliminating unnecessary complications in what is already a very complex environment.



#### One Voice

We have open and constructive debates before taking a decision. Once a decision is taken, everyone commits to it fully and is united in their understanding of and communication about it.



#### Co-creating the future

We are aware of the radical changes occurring in our sector (such as digitalisation and decentralisation) and play an active role in shaping them.



#### One company

Each employee's responsibilities transcend the boundaries of their own job or department. All members of staff consider issues from a company-wide perspective and support the choices made by Elia Group as a company.



#### Impact

We carry out our work and projects in the best possible way by focusing on the actions that make a difference and have a tangible impact on areas including safety, the system, society, the environment, and our performance.

### 1.3.3. Roles and responsibilities within the company

GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-26, GRI 102-32, GRI 102-33, GRI 103-3

#### ELIA IN BELGIUM

Elia fully complies with corporate governance requirements.

In addition, internal management systems based on recognised standards such as early public acceptance are used in sustainability areas which are material. In the area of health and safety, Elia Transmission Belgium SA/NV holds a Safety Culture Ladder Level 3 certification. In the area of information security management, the organisation launched a programme in line with ISO 27001 with a view to obtaining ISO 27001 certification in 2022. The existing environmental management system is currently being aligned with ISO14001.

#### 50HERTZ IN GERMANY

50Hertz Transmission GmbH expresses its commitment to responsible corporate governance in its sustainability mission statement and corporate charter. These state that in the areas of human rights, labour standards, environmental protection and anti-corruption, the company acts in accordance with the ten principles of the UN Global Compact. Employees also have access to comprehensive company documentation that includes all valid guidelines, directives, work instructions, process manuals and company agreements.

Furthermore, certified management systems (such as ISO 45001 in the area of health and safety and ISO 27001 in information security management) or internal management systems based on recognised standards, (like the framework of early public participation according to VDI 7000, for example), are used in areas which are material. The organisation's existing environmental management system is currently being aligned with ISO 14001. An audit of this is due to be carried out during the fourth quarter of 2022.

Sustainability lies at the heart of our business strategy. The group-wide sustainability programme ActNow reflects this. ActNow defines five areas of focus: our so called dimensions of sustainability management (see chapter 2 for more information on ActNow). Our ambitions are consolidated at group level and steered by the Group Sustainability Office (GSO), which is part of the Group Strategy Department. The GSO reports (via its sponsors) to individuals from the Executive Management Board who are responsible for sustainability: the Group Chief Financial Officer oversees the ActNow dimensions of Climate Action and Environment & Circular Economy; and the Group Chief Alignment Officer oversees the ActNow dimensions of Diversity, Equity and Inclusion, Health & Safety and Governance, and Ethics and Compliance. The Group Sustainability Office works

closely with different business units and local sustainability managers to set targets in line with the group's sustainability commitments.

The local entities of Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH implement these goals via local action plans that define the activities they should focus on. These local action plans are monitored and steered by local Sustainability Boards which meet several times a year. The sponsors of these Boards are members of the executive management committees in both countries. In addition, Dimension Leaders were appointed to each of the five ActNow dimensions to monitor and steer the development and implementation of the local action plans in Belgium and Germany.



**ELIA IN BELGIUM**

Led by the Chief Community Relations Officer, the Environment & Corporate Social Responsibility (CSR) Department has defined a roadmap of measures that the organisation needs to follow as it expands its sustainability reporting. All environmental reporting and sustainable communication with external stakeholders is coordinated by the Community Relations Department.

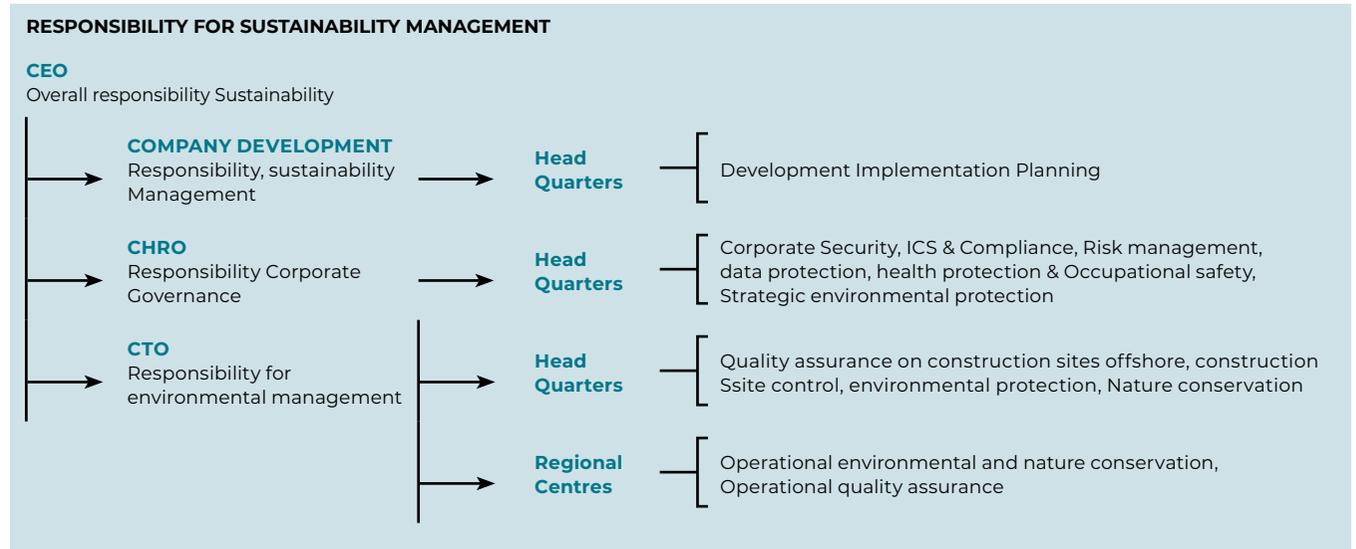
The responsibilities linked to sustainability are clearly defined, as outlined in the figure below.



**50HERTZ IN GERMANY**

Under the supervision of 50Hertz Transmission GmbH's Chief Executive Officer, the local CSR manager (who is part of the Corporate Development Department) has defined a sustainability roadmap for the implementation of ActNow; the Communications & Public Affairs Department has refined the associated reporting processes.

The responsibilities linked to sustainability are clearly defined, as outlined in the figure below.



### 1.3.4. Legal and regulatory framework

The Elia group complies with all applicable legislation. Its business activities are subject to numerous regional, national and European laws and regulations. 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 2021 Financial Report](#).

The Elia group actively monitors the emergence of European, national or local regulations

#### A European Green Deal

In December 2019, the European Commission published its [European Green Deal](#), an ambitious package of measures that aims to make the EU the first climate-neutral continent in the world and is based on the Commission's 2018 publication [A Clean Planet for all](#). This strategy is in line with the 2015 Paris Agreement, which aims to keep the average global temperature increase well below 2°C (preferably 1.5°C). All EU member states have also agreed to reaching the goal of climate neutrality.

2021 was a particularly important year in terms of making the Green Deal goals a reality, since in June 2021, the Commission presented its so-called “Fit for 55” package. This aims to reduce greenhouse gas emissions by at least 55% (compared with 1990 levels) by 2030. The package covers wide-ranging policy areas – from renewables to energy efficiency, as well as alternative fuels (for e-mobility), land use, energy taxation, effort sharing and emissions trading. The Elia group in particular monitors the Energy Efficiency Directive, the Renewables Directive and the Alternative Fuels Infrastructure Regulation. An Elia group position paper on the “Fit-For-55” package is publicly available<sup>5</sup>.

In addition, in December 2021 the Energy Performance of Buildings Directive was published, as well as a revision of the gas package.

#### GRI 419-1

During the reporting year, the Elia group companies did not receive any significant fines or non-monetary sanctions for failure to comply with social or economic legislation and regulations.

<sup>5</sup> <https://www.eliagroup.eu/en/publications>

#### ELIA IN BELGIUM

One of the core principles of corporate governance laid down by the legislation governing the electricity industry in Belgium is the strict separation between the composition of and responsibilities incumbent upon Elia Transmission Belgium SA/NV and Elia Asset SA/NV's Board of Directors and Executive Management Board.

Additional information about the legislation and regulations which are relevant to our business activities can be found on our website ([link](#)).

In 2021, as required by law, Elia Transmission Belgium SA/NV published its most recent biennial study on Belgium's adequacy and flexibility needs for the coming decade (2022-2032).



#### 50HERTZ IN GERMANY

In the reporting year, the following laws were of particular note. These have an influence on the integration of sustainability into business activities.

- The amendment to the Climate Protection Act increases the greenhouse gas reduction target from 55% to at least 65% by 2030 and 88% by 2040. The target year for reaching climate neutrality was brought forward from 2050 to 2045. Concrete measures to achieve the target will be ensured in future by individual laws and ordinances. These will also have a significant influence on 50Hertz's business activities.
- The Supply Chain Due Diligence Act describes requirements regarding the due diligence obligations of companies. The aim is to improve the protection of human rights in global supply chains. The supply chain extends from a company's own business operations to its direct and indirect suppliers. Important components of the law include businesses being required to carry out a risk analysis, implement risk management and introduce a complaints mechanism and transparent reporting. From 2024, the law will apply to companies with more than 1,000 employees.
- A jacket ordinance was passed in 2021 that recasts or amends the Federal Soil Protection and Contaminated Sites Ordinance, the Landfill Ordinance and the Gewerbeabfall Ordinance. The ordinance will apply from 2023.

## 1.3.5. Anti-corruption

GRI 205-1, GRI 205-2

Due to their legal status as electricity TSOs, Elia Transmission Belgium 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 for non-confidential market information.

The Elia group companies have company charters, guidelines and other documents regarding the behaviour which is expected of our employees. These documents set out 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 flow are translated into organisational measures that are binding throughout the company.

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

The reference framework for internal control and risk management, established by the Executive Management Board and approved by Elia Group SA/NV Board of Directors, is based on the COSO II framework. The framework has five closely linked basic components, providing an integrated procedure for internal control and risk management systems: control environment, risk management, control activities, information and communication, and monitoring. The use and inclusion of these concepts in Elia Group SA/NV's various procedures and activities enables the company to control its activities, improve the effectiveness of its operations, optimally deploy its resources, and ultimately achieve its objectives.

Elia Group SA/NV offers its employees the opportunity to express their concern about an (alleged) breach of the Code of Ethics without fear of sanctions and/or unfair treatment. In addition to the existing reporting channels, an external system Ethic-sAlert for reporting integrity breaches has been implemented that is compliant with the EU Whistleblowing Directive. Internal employees as well as external stakeholders can report via this

platform their suspicions about possible breaches of the Code of Ethics which may harm Elia Group SA/NV's reputation and/or interests in a protected manner.

Violations of these codes can be reported to the local management or HR, directly to the Compliance Officer or by using the external system after which they will be handled objectively and confidentially in line with the whistleblowing procedure.

Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH compliance officers state that no such breaches were reported by internal employees or external stakeholders in 2021.

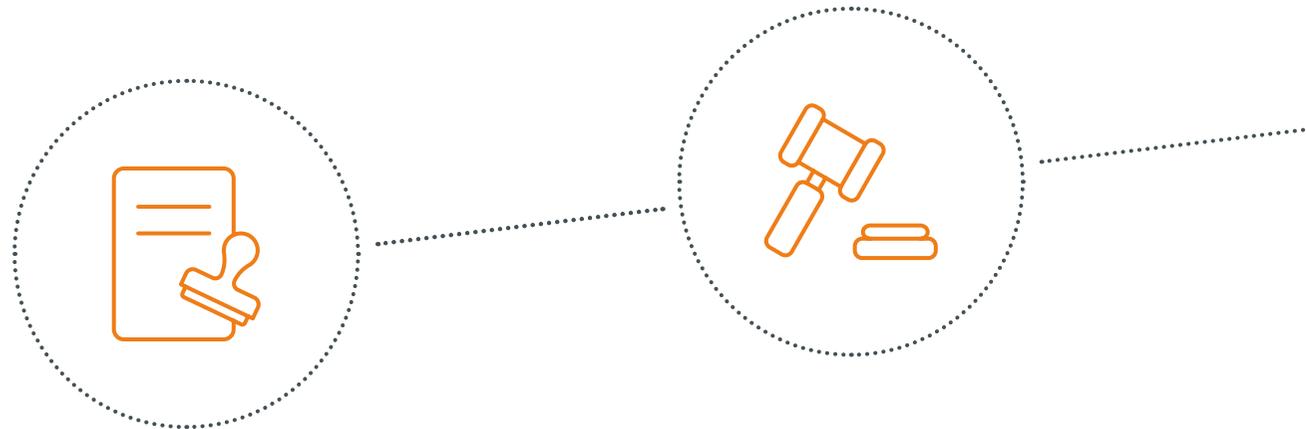
 **For detailed information about these topics, please refer to section Features of the internal control and risk management systems in the Financial Report.**

### ELIA IN BELGIUM

In 2021, no relevant findings related to fraud were reported during the specific fraud risk audits in the finance and purchasing processes.

### 50HERTZ IN GERMANY

In addition to training being offered to staff about issues of compliance, a web-based compliance training course was made available to staff in March 2021 (almost 90% of staff completed this course). The next round of regular training is scheduled for spring 2023. Due to the increasingly close integration of governance, risk and compliance matters, internal control systems (ICS) are also being continuously developed and increasingly linked to risk management. Thus, during the course of regular risk assessments, control mechanisms are also updated accordingly.



## 1.3.6. Risk management

GRI 102-30, GRI 102-11, GRI 201-2

The Risk Management framework of Elia group is strongly linked to COSO framework, which gathers best practices for assessing business risks. In line with these guidelines, risk management takes place at different levels in the organisation (strategic, business/ operational, project...) and relies on Elia group's strategy and risk appetite, the level of risk our organisation is prepared to accept in pursuit of its objectives. This risk appetite is a guidance based on 5 matrices which capture financial, reputational, health and safety and operational/societal risks and impacts. Once a risk is identified as substantive based on the corporate risk appetite, a dialogue takes place to make sure relevant contextual factors are adequately taken into account in the assessment. The most substantive risks are integrated into the risk reporting and the evaluation of the adequacy between risks and responses is then challenged up to the level of the Executive Management Board and the Board of Directors. If the (aggregated) risk is below the critical level defined by the risk appetite, the risk is assessed as medium and a cost-benefit analysis determines the use of control measures to reduce risks. For a few cases where it facilitates decision-making, the risk appetite has been translated into more operational criteria, which are used by the operational entities.

There are processes in place which aim to identify and assess key risks, define appropriate responses to them, communicate them to the Board of Directors and monitor the effectiveness of mitigation measures. All the information collected throughout these processes is recorded in risk registers. Regular communication between risk managers and risk owners allow these registers to be kept up-to-date. The most important details are summarised in risk reports, three of which were presented to the Board of Directors and Audit Committee in 2021.

Since 2017, Elia Transmission Belgium SA/NV has been responding to the CDP Climate Change Questionnaire that addresses the company's management of environmental impacts, climate-related risks and opportunities. Elia Transmission Belgium SA/NV obtained a C score in 2021 for the year 2020.

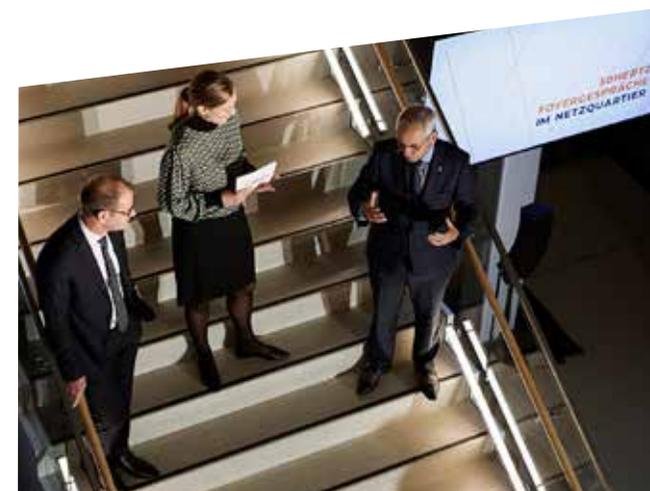
In 2021, climate-related risks were assessed and integrated even more firmly into risk management processes across all the Elia group with a regulatory point of view but also taking physical climate risks into account. Risk analyses highlighted the organisation's climate change vulnerability and the need to tackle this through specific projects. For example following the July 2021 floods in Belgium, new risks were taken into account and our ESG programme ActNow was updated with the addition of a new objective: climate change resilient infrastructure.

 **For detailed information about risk management, please refer to section Risk management and uncertainties facing the company in our Financial Report 2021.**

## 1.3.7. Political influence

Laws and regulations have a strong influence on Elia Transmission Belgium SA/NV's and 50Hertz Transmission GmbH's operations. The different authorities at federal and regional levels grant the Elia group companies their operating licence and contribute to the determination of the legal framework according to which the TSOs must realise their public mission. Regional governments and authorities are responsible for granting permission to build the transmission infrastructure. Regulatory authorities determine the regulatory frameworks in which these activities have to be undertaken.

In this context, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH act in compliance with all the regulations that affect the operation of the transmission grid. The Elia group companies are responsible for contributing to the political debate and to the development of regulations. We carry out our advisory role in a transparent manner. As legal monopolies with public responsibilities, Elia group companies communicate their viewpoints with the best interests of society in mind.



The Elia group is a trusted advisor regarding topics such as the fulfilment of the energy transition, ensuring a secure supply of electricity as renewable energy increases, and the expansion of the grid.

As an increasing amount of energy policies that impacts the activities of Elia Transmission Belgium SA/NV, 50Hertz Transmission GmbH and the societies in which they operate is set at a European level, a European Affairs Team at Group level was created. The team monitors all relevant legislation and regulation (see section on the Green Deal above) and participates in European public and political debates through the means of public position statements.

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

## ELIA IN BELGIUM

Part of the responsibilities of the Public & Regulatory Affairs and External Relations Department includes communication with political representatives. A Corporate Reputation Committee composed of representatives from all internal departments that have external contact with (political) stakeholders has been set up to coordinate interactions with these stakeholders.

Elia Transmission Belgium SA/NV is an important player in Belgium that has a solid understanding of the national, regional and local electricity systems. The organisation therefore occupies a strong position from which to provide analysis, advice and recommendations to the authorities so that informed decisions can be made.

The Elia group's Code of Ethics ([see also section 1.3.2. Values, principles and Standards](#)) is applicable to all our employees. It addresses relevant laws, conflicts of interest and professional deontology. In 2021 (and as in the past), Elia Transmission Belgium SA/NV made no donations to politicians or political parties.

## 50HERTZ IN GERMANY

As the activities of those who pass laws or regulations have a strong impact on 50Hertz Transmission GmbH's business activities, the company publishes and makes position papers available to politicians in a transparent manner. The Communication & Public Affairs Department is responsible for this. When developing viewpoints, we are committed to involving political stakeholders and regulators as early in the process as possible. This gives all parties the opportunity to present their point of view, improves the quality of information that is used and builds trust between different parties. We ensure that employees who are active in societal and energy policy are guided by clearly defined principles with respect to the way they communicate and act. For the 2021 federal elections, for example, the Communication & Public Affairs Department published a position paper entitled [Doing more of the right things faster](#), which provides an overview of the energy policy decisions which urgently need to be addressed from the point of view of a transmission system operator. As part of a roundtable initiative with the General Works Council and the Mining, Chemical and Energy Industrial Union (IG BCE), 50Hertz Transmission GmbH held a number of discussions with stakeholders from the world of politics, business and science about how the phase-out of fossil fuels and climate-neutral management can succeed. The results of this discussion are summarised in the summary paper entitled [With new energy for strong industrial jobs](#).

In addition, 50Hertz Transmission GmbH launched the initiative "Together. Faster. Climate-Neutral" in 2021 and, together with other grid operators, energy and industrial companies, developed concrete proposals and published them in December 2021. These are aimed at accelerating the expansion of the electricity grid so that it can transport higher volumes of electricity generated by renewable energy sources. Further information about the initiative can be found [here](#) in German.

The company's communication with political representatives is conducted in a responsible and transparent manner; it does not make any donations to political parties. Ethical principles and guidance related to the representation of political interests have been established, forming the basis of our interactions. A detailed orientation guide, which applies to the whole company and has been approved by senior management teams, explicitly regulates staff conduct in political environments. It states that 50Hertz Transmission GmbH does not make any donations to politicians or political parties and maintains a fair and impartial balance when sponsoring organisations or initiatives. The responsibility for donations to party-affiliated foundations and associations is centrally coordinated by the Communication & Public Affairs Department. Through specific training programmes, 50Hertz Transmission GmbH ensures that its employees who contribute to social and energy policy align their communication and actions with clearly defined principles. The Lobby Register Act passed on 25 March 2021 came into force on 1 January 2022. The lobby register is intended to help strengthen public trust in politics and the legitimacy of the decision-making processes in parliament and government. The aim is to create more transparency with regard to the influence of representatives on this process. As soon as the entry in the German lobby register is officially permitted, 50Hertz Transmission GmbH will record its information on it.

In 2021, 50Hertz Transmission GmbH did not make any donations to politicians or political parties.

## 1.3.8. Security and emergency management

### Critical infrastructure

For Elia group companies, security does not stop at the company's 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.

#### ELIA IN BELGIUM

Following the implementation of the framework related to access screening for our most critical areas (National Control Centres/Regional Control Centres/Data rooms), the Security Department conducted a thorough analysis of all access rights to these areas. Only those individuals who should have access to these areas because of their specific role were retained and included in a screening list. Files on each of the 549 individuals on this list were created and forwarded to the Belgian Federal Public Service (FPS) Economy. After a screening check was conducted by the National Security Authority, these individuals received a positive screening certificate. This means that since September 2021, all individuals who have been granted access to our most critical areas have been screened; moreover, a specific process has been put in place for all new members of staff who need to access these areas.

In order to ensure that our General Data Protection Regulation protocol is adhered to in the best possible manner and to optimise operational efficiency, a new system has been developed in concert with the FPS Economy that involves the automatic forwarding of new digital files.

Based on criteria agreed upon with the FPS Economy in 2020 and in compliance with the legislation relating to critical infrastructure (EPCIP Directive), a list of potential new critical infrastructures was officially handed over to the FPS Economy. This list designates a total of 41 'Critical Infrastructures', of which 19 are new. 3 pieces of infrastructure previously assumed to be 'critical' were not included in this list, since they did not meet the relevant criteria.

In consultation with and in line with guidance from the Security Department, both the FPS and Federal Agency for Nuclear Control (FANC) carried out inspections of all of our Critical High-Voltage Substations in 2021. This involved verifying that the Operator's Security Plan (OSP) complied with all relevant legislation and reality in our substations. Aside from some minor areas that were identified as needing improvement, all audit reports provided positive feedback about the processes in place. The items that needed to be addressed were immediately dealt with or included in an action list.

As part of the joint approach to the OSP related to Elia's critical infrastructure that is linked to the Doel nuclear power station, Elia's Security Department developed a specific protocol with ENGIE, the nuclear power station; this defined the steps to be taken and cooperation needed with regard to alerts and incident management. In line with this, a security exercise was conducted in 2021 which allowed us to improve our processes according to the Plan Do Check Act (PDCA) principle. Furthermore, the process relating to requests for gaining access was digitised.

The provisions included in the CAPEX plan were fully developed in 2021. In addition, a special focus was placed on various high-voltage stations which are of particular importance for society (since they are related to the COVID-19 vaccination drive). After having undertaken an in-depth benchmarking exercise and an analysis of specific security systems, we identified three possible security approaches for regular substations. Based on

these, a new security policy for these regular substations is due to be developed in 2022.

Following the adoption of an online access control system for Elia's high-voltage substations, over 100 such substations were equipped with this new system by December 2021. The Security Department conducted a study which involved replacing the redundant access control system (Offline-Elkey-key) with this new system. The aim of this switch is to ensure we have a high-performing system at our disposal and to considerably reduce our operational costs.

Due to the importance of Elia's offshore activities, the Security Department conducted a thorough study of the specific risks and mitigating measures related to security in offshore installations. In 2022, the Department will focus on the further development of our public-private partnerships for this purpose (including with the military).

The continuous development of our expertise in the field of operational security resulted in the development of various projects which aim to support transversal services. These include the International SOS Travel App: an Elia Group app which offers our employees maximum protection and support during their business trips.

As part of the professionalisation of the alarm raising processes and incident management, a new in-house Security Operations Centre began to be constructed at the Elia headquarters in 2021. The centre is due to be operational in early 2022.

In order to ensure that cooperation between the emergency services and Elia's Security Department is maximised, roadshows were organised for the relevant (local and federal) police districts. These included explanations of our list of Critical Infrastructures and related security measures.

## IT

The further reinforcement of the robustness, security and protection of our IT and network systems is a key recurring component in preserving the confidentiality of critical data.

One of the concrete measures taken in 2021 is the development of a data classification model for Elia group: this enables data owners to easily and correctly classify their data so adequate security measures can be applied. One model for the Group assures consistency.

Best practice and information are exchanged at a national level in the utility sector as well as at a European level (ENTSO-E). We evaluate the threat landscape and associated development to be able to put the right risk mitigation measures in place.



### ELIA IN BELGIUM

A number of concrete measures taken in 2021 in this field are listed below.

- Monthly external scanning of Elia's external perimeter (Elia's public IP addresses) in order to assess the potential vulnerabilities of Internet applications regarding possible cyber risks. In the reporting year, no targeted cyberattacks against Elia were recorded.
- Further development of the information security management system (ISMS) programme launched in 2020, as part of good governance and as an enabler to meet regulatory requirements (NIS Directive, ENTSO-E): design, create and implement an ISMS in line with ISO27001. The ISMS is a framework of policies and controls that aim to manage security and security risks systematically across the entire organisation. The objective is to obtain ISO27001 certification in 2022.
- Phishing campaign: human behaviour is key in countering the threat of phishing. An awareness campaign was launched to inform and warn staff of the risks of phishing mails.
- Successfully passing the external audit regarding compliance with the MVS Security Plan: in the context of the OPDE/CGM programme (the European Common Grid Model) ENTSO-E requires TSOs to comply with a specific set of security measures when exchanging information with other TSOs.
- Appointment of a Data Protection Officer (DPO) to ensure that Elia processes the personal data of its data subjects (staff, customers, providers or any other individuals) in compliance with the applicable General Data Protection Regulation (GDPR).

### 50HERTZ IN GERMANY

As an operator of critical infrastructure, 50Hertz is obliged by the IT Security Act and the Energiewirtschaftsgesetz (EnWG) to ensure that information is securely stored on systems that are necessary for maintaining security of supply. In this context, 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 to an appropriate degree.

The information security management system was recertified in 2020, in accordance with ISO 27001 "IT Security Catalogue pursuant to Section 11 (1a) EnWG". Through an established security process, information security risks are systematically identified and dealt with. In the reporting year, no targeted cyberattacks were carried out against 50Hertz; moreover, no damage caused by information security incidents occurred. In an independent audit which evaluated and certified the operational security of data centres (based on DIN EN 56000), the 50Hertz data centres were designated as "highly available" at Level 3.

As part of the data protection management system (DSMS), the existing e-learning programme was updated and internal and external employees were sensitised and trained in this area.



## Emergency and restoration

### G4-EUS-DMA Disaster/ Emergency Planning and Response

Should an electricity crisis occur (as a result of natural disasters, malicious attacks or a fuel shortage), Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have crisis management procedures in place 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 which must be followed and the definition of reporting and information processes.
- **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) which are intended to bring the electricity system back 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 the grid reconstruction plans of TSOs, who 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.

Simulation trainings 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.

#### ELIA IN BELGIUM

In the reporting year 2021, Elia Transmission Belgium SA/NV Elia successfully conducted three black start tests and various emergency exercises, including risk preparedness tests for crisis staff (a.o. "Heatwave" with French TSO RTE) and 'National Backup Control Centre' tests.

Due to the major floods in Wallonia during 2021 summer, the Emergency plan has been activated in July 2021.

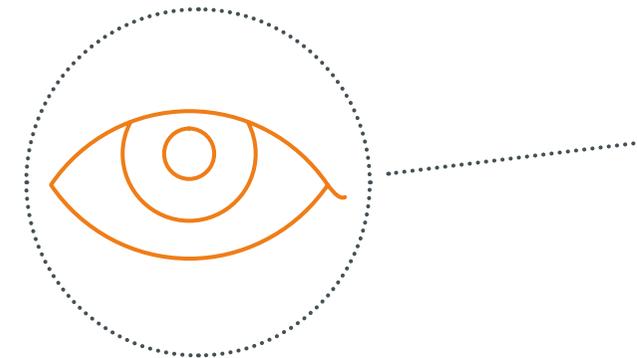
#### 50HERTZ IN GERMANY

50Hertz Transmission GmbH regularly rehearses so-called black starts in order to be prepared to restore the power supply within a short time in the event of a blackout. Such training is undertaken with different partners: both as part of simulations and during network reconstruction tests under real conditions. This ensures safety in the event of a crisis and is also required by law.

In the year under review, a network reconstruction was successfully completed for the second time using a so-called start-up grid. A start-up grid consists of a grid cluster with strategically useful transformer stations, which are simultaneously electrified by a black start unit, in this case a pumped storage power plant.

## COVID-19

As soon as the COVID-19 virus was first located in Europe, task forces were set up to closely monitor the spread of the virus and its impact on Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH. These task forces continue to monitor the situation. Measures that these task forces decide to establish are communicated immediately to all group employees.



### 1.3.9. Grid reliability

G4 EUS, DMA

In order to meet the demand for electricity at all times, both Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH must assure their customers that their grid is reliable. As TSOs, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH provide infrastructure with adequate electricity interconnections to enable the smooth functioning of markets and systems. This is the best guarantee of security of supply.

However, even where markets and systems function well and are interconnected, the risk of a power outage still exists.

The actions established to cope with a large-scale power outages caused by exceptional events are described in the previous section.

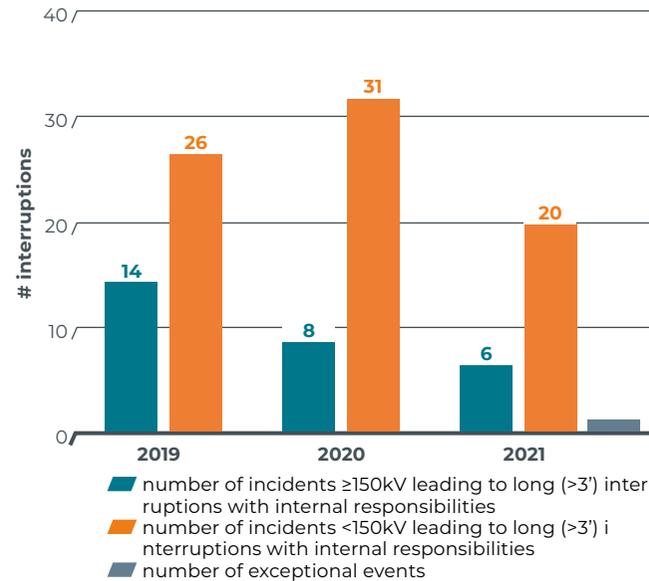
#### Grid availability and interruptions

ELIA IN BELGIUM

In order to assess the availability of the grid for a specific year, the number of incidents for which we Elia Transmission Belgium SA/NV are responsible and which have led to at least one customer interruption that lasted for more than three minutes (the international standard) is recorded. Any interruption caused by customer errors, thunderstorms, third parties, birds, etc. and considered as exceptional events, are not included in this record.

The major floods in the Belgian Province de Liège in July 2021 had a large impact on the grid. Due to rising water, an urgent power outage was planned for, the flooding was considered as a “force majeure” and naturally categorised as an exceptional event.

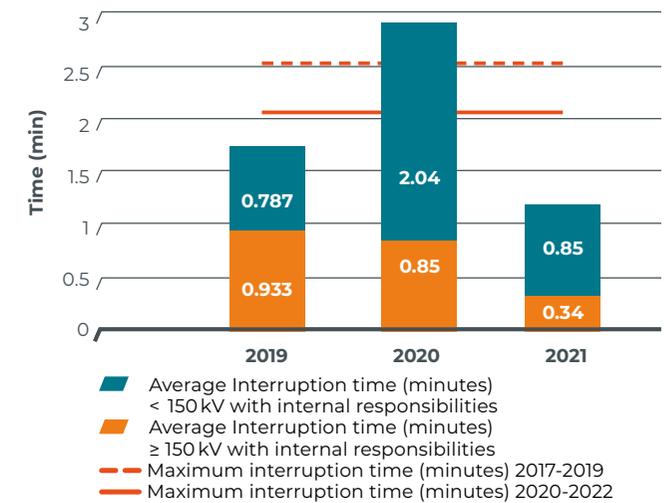
#### GRID INTERRUPTIONS



Most interruptions take place along the local transmission grid (< 150 kV), since most customers are connected to the local (regional) transmission grid rather than the federal transmission grid. When considering specific grid interruptions, the **average interruption time (AIT)** is also calculated. This provides a measure of the interruption time that would have been experienced if all the customers connected to the grid had experienced an interruption at the same time. AIT is calculated as Energy Not Supplied / Yearly Average Power.

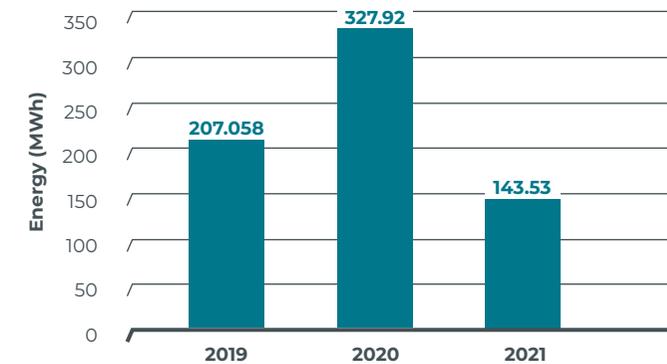
The **maximum interruption time** is the reference value used for calculating the Average Interruption Time (AIT) Incentive relating to continuity of supply by CREG, the Belgian federal regulator. For the period 2020-2022, its value is 2.1 minutes.

#### AVERAGE INTERRUPTION TIME



Energy not supplied (ENS) refers to all energy not supplied to our customers during outages of more than three minutes caused by Elia’s internal problems. However, ENS does not take into account the impact of major events.

#### ENERGY NOT TRANSPORTED/NOT SERVED



The ENS score achieved in 2021 was lower than last year when a series of storms caused several technical failures.

## Grid availability

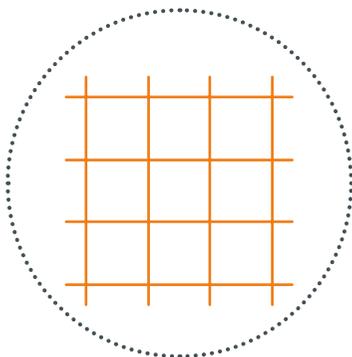
Onshore availability represents the availability of the interface points between the Elia grid and our customers' grids. It takes into account all the interruptions caused by intrinsic risks (weather, third parties, animals outside a building, etc.) or by internal Elia problems (e.g. material failure, human error) which lasted for more than three minutes, but excludes interruptions directly caused by Elia's customers.

### CALCULATION METHOD:

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

	2019	2020	2021
Onshore grid availability at connection points	0.99999671	0.99999362	<b>0.99999564</b>

In 2021, onshore availability in Belgium remained at a very high level (above 0.99999).



## 50HERTZ IN GERMANY

50Hertz Transmission GmbH operates the extra-high-voltage grid in the north and east of Germany. Its reliability is demonstrated through the occurrence of the number of faults per 100 km across the extra-high-voltage grid ( $\geq 150$  kV) area of 50Hertz Transmission GmbH. Faults include network and equipment disturbances that result in transmission capability being restricted or system conditions being violated. Grid disturbances include, among other things, the effects of storms that cause an electrical short circuit. Equipment faults are only taken into account if network elements have caused a fault or have to be switched off. Network elements are lines, transformers, chokes and busbars.

Disturbance Rate DE (disturbance/100km)	2019	2020	2021
50Hertz	1.12	1.20	1.16
Average all German TSO	1.36	1.59	-

The disruption rate for all German TSO will be available in /July 2022



# 2 Strategy



GRI 102-15, GRI 102-29, GRI 201-2

## 2.1. Materiality and objectives

GRI 102-15, GRI 102-29, GRI 102-46, GRI 102-47, GRI 103-1

The energy transition is one of the greatest challenges society is facing this century. With the vision “For a successful energy transition in a sustainable world”, the Elia group is making it clear that it is an active driver of the decarbonisation of society and industry. To this end, it is developing the grid, the system, and the market of the future.

### Definition of our main topics

The annual development of our materiality matrix - which serves as a guide for strategic decision-making, the setting of priority areas for the Elia group, the management of our ESG issues and the transparent reporting we carry out - has been undertaken since 2019.

Our 2021 matrix was based on the sources outlined below.

1. Results from the 2020 internal survey we carried out regarding material topics. Managers from across both Elia and 50Hertz were asked to rate the importance of a number of topics from their own point of view and from the point of view of the group’s external stakeholders.
2. The identification of topics which demonstrate ‘double materiality’ - which cover both the impacts the Elia group has on the external environment and the impacts the external environment has on the Elia group. These topics were identified following the design and rolling out of our ActNow programme: in 2021, we identified the SDGs which our five ActNow dimensions were most closely aligned with. Once these were identified, we used the results of an analysis carried out by S&P Trucost to identify which goals demonstrated double materiality.



### Understanding the matrix

Our materiality matrix consists of three categories: ‘medium’, ‘high’ and ‘critical’ materiality issues based on their importance for the group and our stakeholders (respectively). The chart above reflects the topics that contribute directly to one or more of the UN’s SDGs, and charts the level of importance of each topic for our stakeholders and the group.

3. The results of an external consultation that we undertook with our stakeholders in Belgium at the end of 2020. Different stakeholders - who were selected based on their experience with the energy sector and their different interactions with our business - were selected for this. They included stakeholders that we regularly engage with, including public authorities, direct clients, suppliers, sectoral federations and environmental associations. We ensured that these stakeholders represented diverse voices in terms of the language(s) they spoke; the size of the organisations they represented; where their organisations were based; and whether their organisations were from the public or private sector.
4. The results of a series of roundtables organised in 2021 with different types of German stakeholders (policy-makers, industry, non-governmental organisations, academia) to discuss the most material elements to successfully decarbonise German society.
5. The results of a survey which was carried out following the Elia group's first Capital Markets Day in April 2021, which aimed to collect the views of our financial stakeholders. Note that all topics displayed in the 2021 matrix were identified as material by our financial stakeholders in this survey.
6. The results of studies such as the World Energy Council's World Energy Issues Monitor and other recognised frameworks (such as the Global Reporting Initiative Sector Supplement for Electric Utilities) were considered to ensure completeness. In the future, we will continue to monitor international studies of this kind to make sure our materiality matrices stay up-to-date.

### 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, a survey of the group's most important external stakeholders is due to take place during the third quarter of 2022; this survey will include interviews and workshops.

In the future, our annual Stakeholders Day will be used as an opportunity to systematically gather external stakeholder feedback on the importance of each topic, whilst an internal survey of Senior Management will be used to update the X axis values (importance for the group) assigned to each topic.

Moreover, our Group Sustainability Office (GSO; [see 1.3.3. Roles and responsibilities](#)) will from now on oversee the identification and monitoring of new topics to be considered for inclusion in our matrices.



## 2.2. ActNow – Elia group’s sustainability programme

GRI 102-29, 103-2, 103-3

Sustainability lies at the core of the group’s business strategy. The group’s ActNow programme, which was published in 2021, sets out our long-term sustainability goals. These are aligned with the UN SDGs, demonstrating that the group’s business objectives are explicitly linked to global goals. They are implemented through our business plans and operations. The group reviewed its business units and processes in relation to the SDGs and is improving its sustainability performance accordingly, developing indicators and a roadmap that help us to track our progress. Specific targets that are regularly reviewed and managed have been set.

ActNow is organised around five dimensions: Climate Action; Environment and Circular Economy; Health and Safety; Diversity, Equity and Inclusion and Governance, Ethics and Compliance.

The electricity sector has a major role to play in the decarbonisation of society and tackling of climate change. Electricity as an energy carrier is already the most cost-efficient solution in most sectors. Accordingly, further electrification based on the integration of renewable energy into the system is the most efficient way to realise the energy transition. The Elia group is positioned at the very centre of the energy system and is thus well-placed to identify the best methods for decarbonising the system. In addition to developing the necessary grid infrastructure which will support the integration and transportation of additional volumes of renewable energy across the grid, the Elia group is identifying necessary sources of flexibility which will allow the grid to cope with the variability of renewable energy and is preparing the market and system to operate in a 100% renewable energy context.

With ActNow, the joint study **Decarbonising the energy system – The role of Transmission System Operators** published with 7 other TSOs<sup>10</sup>, and 50Hertz’s strategic initiative *From 60 to 100 by 2032 - new energy for a strong economy*, we are making an ambitious contribution to fulfilling European, national and regional renewable energy and climate targets - as well as decarbonising society - both internally and externally.



Our regular ESG ratings from ESG rating agencies like Vigeo Eiris and Sustainalytics are also providing us with important input to improve our sustainability performance. Further information to Elia Transmission Belgium SA/NV can be found [here](#) and for 50Hertz Transmission GmbH can be found [here](#).

The Elia group supports the European Green Deal through its core business. The demand-driven grid development we undertake and our innovation programmes enable us to integrate ever-increasing amounts of renewable energy into the system, whilst the building and operation of interconnectors enables cross-border European electricity trading to be undertaken. We cover the high investments required for this - where this makes economic sense - through green bonds that we place in the European and international financial markets. We are therefore committed to fully aligning ourselves with the EU Taxonomy to make this market more transparent.

<sup>10</sup> We worked with 7 other TSOs (Terna, RTE, TenneT, Amprion, Red Eléctrica, Swissgrid and APG) to identify the main tools for decarbonising the energy system. These were outlined in a joint paper that was published in July 2021: Decarbonising the energy system – The role of Transmission System Operators.



## 5 Dimensions

## Section



### 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



### 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

Environment

Section 3. – Energy – Market & integration of renewables  
Section 8. – Environmental aspects

Section 8. – Environmental Aspects

Social

Section 5. – Safety  
Section 4. – Human Resources

Section 4. – Human Resources

Governance

Section 1.3. – Guiding principles  
Section 7.3. – Public Acceptance and Stakeholder dialogues

For further details about the key performance indicators and targets which form part of our ActNow programme, please see the section entitled **'Performance' in our 2021 Integrated Report.**

## 2.3. Green finance & EU Taxonomy

Our vision “For a successful energy transition in a sustainable world” requires immense investments to be made in the expansion of the grid to support the integration of renewable energy into the system. This expansion - which includes offshore wind farm connections, the construction of new and necessary grid infrastructure and the construction of cross-border interconnectors - will support the sustainable electrification of society and, ultimately, the achievement of climate neutrality by 2050, in line with the European Green Deal.

### Green Finance

The Elia group will increasingly finance these ‘green’ investments with green bonds. Appropriate frameworks have been established for this purpose.

The publication of the Green Finance Framework and the Euro-grid membership of the Nasdaq Sustainable Bond Network (NSBN) enable us to include this ‘green’ aspect in our financing and accelerate the transition to net zero.

In 2020, Elia Transmission Belgium SA/NV signed a €650 million revolving credit facility (RCF) agreement with a pricing mechanism linked to three sustainability performance targets.

50Hertz Transmission GmbH published its first Green Bond Impact Report in 2021. The report is a mandatory component of the first green bond issued in 2020 (which amounted to €750 million). It was used to finance projects including the grid connections to Ostwind 1 and 2 the connections leading to the offshore wind farms located to the northeast of the island of Rügen.

### EU Taxonomy

Sustainable finance plays an essential role in achieving the EU's policy objectives. The EU Action Plan on Financing Sustainable Growth led to the creation of the EU Taxonomy, a classification system for sustainable economic activities. It was designed to help identify businesses that contribute to climate neutrality. An analysis of eligibility and alignment of Elia group's activities with EU Taxonomy was carried out and a [case study](#) has been published in cooperation with the consulting and auditing firm Deloitte.

 **For comprehensive reporting on the EU Taxonomy eligibility, please refer to Section 9. Reporting on the EU Taxonomy Regulation.**



# 3 Energy – Market and integration of renewables



GRI 302-2, SDG7

### 3.1. Introduction

The key role we are playing in the decarbonisation of the power sector is the best way we can contribute to meeting the Green Deal targets. We see this as our societal challenge and this is what we need to focus on.

We are enabling the decarbonisation of the power sector through our grid development projects. The German and Belgian governments have set targets to ensure that renewable energy covers 65% and 40% of the electricity mix in their respective countries by 2030. We will contribute to meeting these targets by expanding our grids, continuing to develop market products that facilitate the integration of renewable energy sources into them and improving the operation of our systems, so they are ready for a world led by green energy.

### 3.2. Installed capacity in our control areas

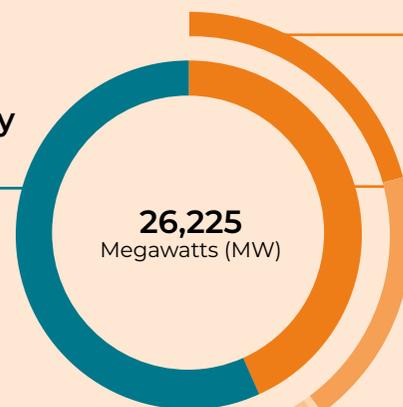
Transmission System Operators (TSOs) operate and maintain electricity grids and transport the electricity produced by the different energy sources across their operating zones.

#### ELIA IN BELGIUM

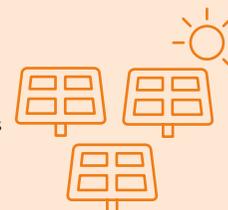
Installed capacity in our grids Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH enable non-discriminatory access to the transmission grid for all electricity generators.



**Conventional energy**  
14,891 MW



Photovoltaics  
5,430 MW



**Renewable energy**  
11,334 MW

Wind  
4,979 MW



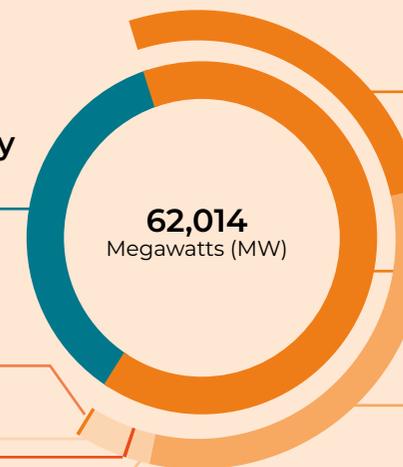
Hydropower  
121 MW

Biomass  
804 MW

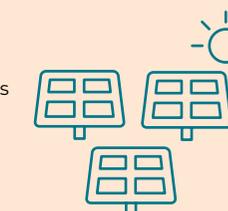
#### 50HERTZ IN GERMANY



**Conventional energy**  
22,544 MW



Photovoltaics  
16,359 MW



**Renewable energy**  
39,470 MW

Onshore wind  
19,748 MW



Installed capacity of sewage, landfill and mine gas  
59 MW

Biomass  
2,037 MW

Hydropower  
174 MW

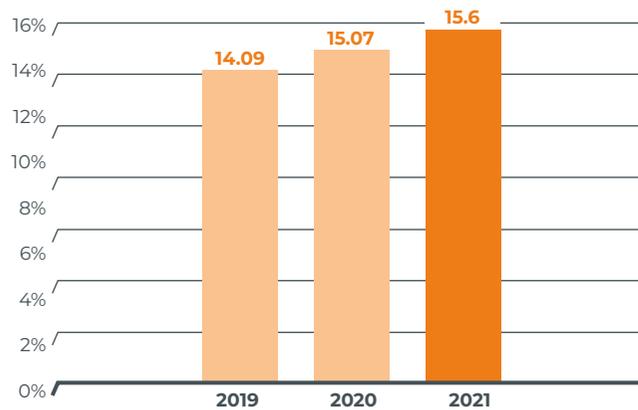
Offshore wind  
1,093 MW

This version of the sustainability report includes corrections relating to data that was included in the original (and printed) version of this report.

### 3.3. Changes to the share occupied by renewable energy in electricity consumption across our control areas

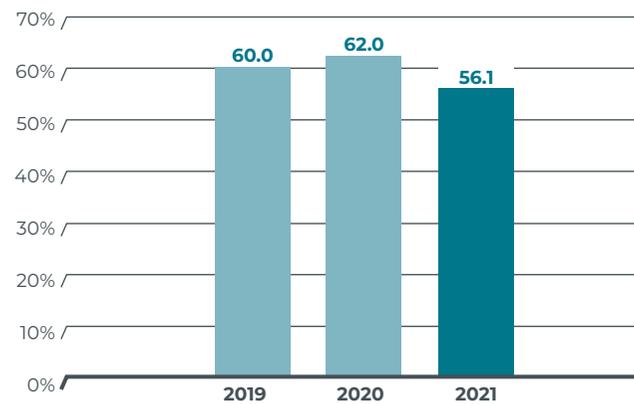
#### ELIA IN BELGIUM

##### CHANGE TO THE SHARE OCCUPIED BY RENEWABLE ENERGY IN ELECTRICITY CONSUMPTION



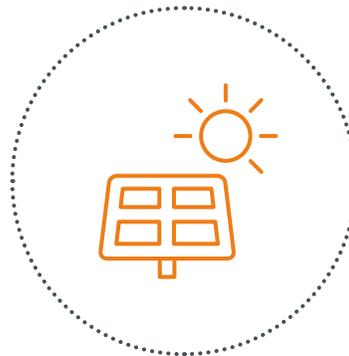
#### 50HERTZ IN GERMANY

##### CHANGE TO THE SHARE OCCUPIED BY RENEWABLE ENERGY IN ELECTRICITY CONSUMPTION



In 2021, an annual average of 56.1 percent of electricity consumption in the 50Hertz grid area came from renewable energies. This was lower than the 62 percent figure from the previous year. The reasons for this were increased electricity consumption in the 50Hertz grid area with a significantly lower wind harvest.

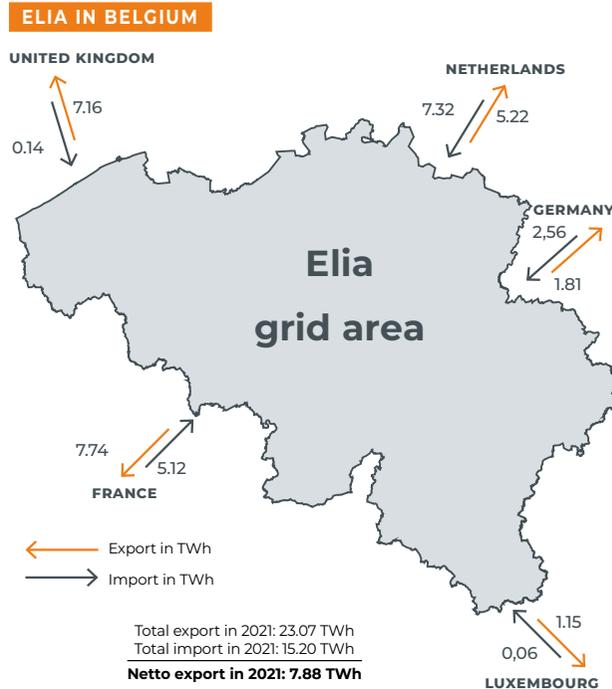
Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH enable non-discriminatory access to the transmission grid for all electricity generators.



### 3.4. Energy imports and exports

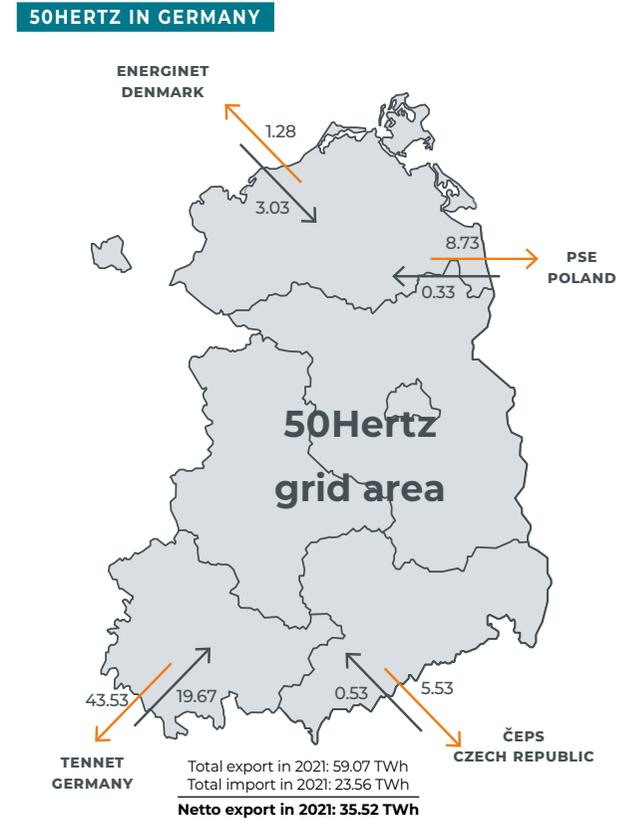
GRI 102-6, GRI 302-2

The electricity system and markets in Europe are already highly interconnected and integrated. The resulting challenges therefore require a transnational approach. HVDC interconnectors, which enable long distance transmission are required in order to strengthen the European electricity market, facilitate the energy transition and overcome the challenges associated with it. They are essential links in the construction of an integrated European electricity grid which facilitates the integration of renewable energy into the system and improves the security of supply.



The Nemo Link subsea interconnector, commissioned in January 2019, connects Belgium and United Kingdom.

ALEGrO, the first electricity interconnector between Belgium and Germany was commissioned in November 2020 by system operators Elia Transmission Belgium SA/NV and Amprion. ALEGrO posted good results for its first year of operation: 93% of availability and exchanges totalling 4.5 TWh. The interconnector has made it possible to balance prices between markets and boost societal wellbeing.



In October 2020, 50Hertz Transmission GmbH and Danish grid operator Energinet jointly organised the inauguration of the world's first hybrid offshore interconnector, the Combined Grid Solution (CGS). The CGS connects two substation platforms in the Baltic Sea both to each other and to the existing land connections of the offshore wind farms. This means that the CGS can transmit offshore wind power to Denmark or to Germany and can also be used for cross-border electricity trading.

### 3.5. Grid losses in our control areas

#### G4-EU12

When electricity is transported, part of the energy is converted into heat, and is known as 'grid loss'. Grid assets such as overhead lines, underground cables, transformers, etc. all have a small amount of electrical resistance which causes them to heat up as soon as an electric current flows through them. Grid losses are therefore the difference between the amount of electricity entering the grid and the amount of electricity supplied. They are unavoidable when transmitting electricity and depend on the voltage of electricity and length of the transmission lines, amongst other factors. The high-voltage direct current (HVDC) technology used in some of the interconnectors is more suitable than conventional three-phase alternating current technology for transmitting large quantities of electricity with low grid losses and optimal control over long distances.

When assessing the carbon footprint of a TSO in line with the Greenhouse Gas Protocol, grid losses-related GHG emissions are accounted for in its indirect GHG emissions (Scope 2).

The energy mix generated and fed into our system determines our carbon footprint. A high integration of renewable energy translates into limited GHG emissions.

The reduction of grid losses is not the only factor that should be considered when developing our grid, since too narrow a focus can lead to adverse effects and even slow down the integration of renewable energy.

 For further details on the group Carbon footprint, see Section 8.2.1. Emissions – Greenhouse Gas Emissions.

#### ELIA IN BELGIUM

In Belgium, there is a distinction between two categories of grid losses:

- Grid losses monitored at federal level ( $\geq 150$  kV) compensated with kind in accordance with federal legislation;
- Grid losses monitored at regional level ( $< 150$  kV)

In 2021, the grid losses of Elia Transmission Belgium SA/NV totalled 1.5 TWh. Its transmission losses expressed as a percentage of total energy (electricity transmitted) were: 2.03%.

<b>Grid losses</b>	unit	2019	2020	<b>2021</b>
Federal level (from 150 kV)	MWh	788,191	717,811	<b>918,071</b>
Regional level (less than 150 kV)	MWh	547,383	539,061	<b>558,922</b>
<b>Grid losses total</b>	MWh	<b>1,335,574</b>	<b>1,256,872</b>	<b>1,476,993</b>

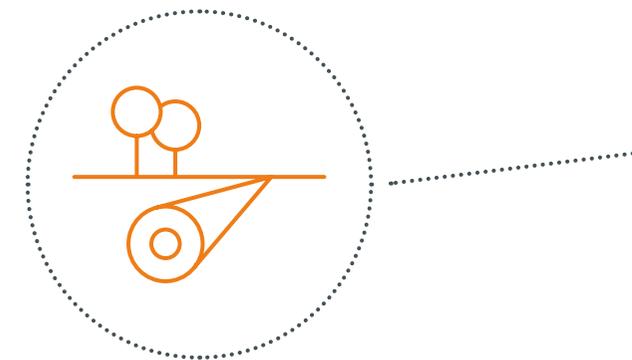
The losses are calculated using the Energy Management Systems (EMS) State Estimator. The EMS models the entire Belgian network, listing each network element. The State Estimator will estimate the state of each network element on the basis of measurements taken in real time and the system modelling parameters.

#### 50HERTZ IN GERMANY

In 2021, the grid losses of 50Hertz Transmission GmbH totalled 2.4 TWh. Its transmission losses expressed as a percentage of total energy (electricity transmitted) were: 2.17%.

50Hertz Transmission GmbH has already planned the South-East Link between Saxony-Anhalt and Bavaria, the first 525 kV HVDC transmission line in its grid area. As mentioned above this technology is more suitable than conventional three-phase alternating current technology for transmitting large quantities of electricity with low grid losses and optimal control over long distances.

To be able to better predict the amount of losses and purchase electricity for balancing out the grid more cost-effectively via the electricity market, 50Hertz Transmission GmbH has developed a new forecasting model based on artificial intelligence (AI). It developed the grid loss model in cooperation with the Fraunhofer Institute for Optronics, Systems Engineering and Image Analysis (IOSB) in Ilmenau.





**4** Human resources

GRI 102-7, GRI 102-8, GRI 103-2, GRI 401-2, GRI 401-3, GRI 405-1, SDG5, SDG8

## 4.1. Management approach

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.

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 the worker’s rights set out in the UN Global Compact.

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

As part of our Sustainability programme ActNow, we have set ourselves specific targets in the areas of “diversity, equal opportunities and inclusion” and “occupational health and safety” (see **5. Safety**). The maintenance and further development of our values-based, open and inclusive corporate culture as well as the promotion of a healthy work-life balance are among the company’s top objectives; they form the strategic basis for all staff-related decisions.

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

There were no reported cases of discrimination in 2021.

## 4.2. Headcount

GRI 102-7, GRI 102-8, GRI 405-1, GRI 401-1

### ELIA IN BELGIUM

(subsidiaries 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)

	2019	2020	2021
<b>Total employees Elia</b>	1,424	1,455	<b>1,491</b>
- full-time	1,295	1,333	<b>1,347</b>
- part-time	129	122	<b>144</b>
- men	1,150	1,170	<b>1,198</b>
- women	274	285	<b>293</b>
- below the age of 30	211	171	<b>157</b>
- between the ages of 30 and 50	828	882	<b>925</b>
- over the age of 50	385	402	<b>409</b>



	2019			2020			2021		
	Men	Women	%women	Men	Women	%women	Men	Women	%women
Directors	5	3	37.50%	5	3	37.50%	<b>5</b>	<b>3</b>	<b>37.50%</b>
Senior Managers	28	5	15.15%	29	6	17.14%	<b>33</b>	<b>7</b>	<b>17.50%</b>
Line Managers	449	128	22.18%	474	140	22.80%	<b>494</b>	<b>148</b>	<b>23.05%</b>
Employees	668	138	17.12%	662	136	17.04%	<b>666</b>	<b>135</b>	<b>16.85%</b>
<b>Subtotal</b>	<b>1,150</b>	<b>274</b>	<b>19.24%</b>	<b>1,170</b>	<b>285</b>	<b>19.59%</b>	<b>1,198</b>	<b>293</b>	<b>19.65%</b>
<b>Total</b>	<b>1,424</b>			<b>1,455</b>			<b>1,491</b>		

The average age of employees is 42.7 years.



**50HERTZ IN GERMANY**

	2019			2020			2021		
	Men	Women	%women	Men	Women	%women	Men	Women	%women
Directors	4	0	0.00%	4	1	20.00%	4	1	20.00%
Senior Managers	38	5	11.63%	37	8	17.78%	32	9	21.95%
Line Managers	68	13	16.05%	86	14	14.00%	88	18	16.98%
Employees	763	249	24.60%	844	290	25.57%	922	313	25.34%
<b>Subtotal</b>	<b>873</b>	<b>267</b>	<b>23.42%</b>	<b>971</b>	<b>313</b>	<b>24.38%</b>	<b>1,046</b>	<b>341</b>	<b>24.59%</b>
<b>Total</b>	<b>1,140</b>			<b>1,284</b>			<b>1,387</b>		

The average age of employees at 50Hertz has fallen slightly compared to the previous year and is now 42.2 years.

## New employee hires and employee turnover

### ELIA IN BELGIUM

(subsidiaries 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)

#### NEW HIRES 2021

New Hires 2021	Unit	2019		2020		2021	
		Number	rate (%)	Number	rate (%)	Number	rate (%)
		132	9%	100	7%	96	6%
New hires per gender	Men	107	81%	73	73%	78	81%
	Women	25	19%	27	27%	18	19%
New hires per age category	< 30 year	51	39%	26	26%	38	40%
	30 < 50 year	70	53%	55	55%	55	57%
	≥ 50 year	11	8%	19	19%	3	3%

#### TURNOVER 2021

Employee Turnover 2021	Unit	2019		2020		2021	
		Number	rate (%)	Number	rate (%)	Number	rate (%)
Turnover		43	3.1%	47	3.2%	74	5.1%
Employees who left Elia per gender	Men	34	2.4%	34	2.3%	63	4.3%
	Women	9	0.6%	13	0.9%	11	0.8%
Employees who left Elia per age category	< 30 year	9	0.6%	6	0.4%	10	0.7%
	30 < 50 year	34	2.4%	23	1.6%	34	2.3%
	≥ 50 year	0	0.0%	18	1.2%	30	2.1%

Remarks:

- New hires include all new employees within the planned budget and all the employees that were recruited as additions to the original budget. Changes in positions are not included.
- 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 = # employees who left (#employees begin of year+#employees end of year)/2

### 50HERTZ IN GERMANY

(subsidiaries included: Eurogrid GmbH, 50Hertz Transmission GmbH, 50Hertz offshore GmbH)

#### NEW HIRES 2021

	2020		2021	
	Men	Women	Men	Women
< 30 years	41	20	12	1
30 - 50 years	52	19	84	34
> 50 years	42	17	46	19
<b>TOTAL</b>	<b>135</b>	<b>56</b>	<b>142</b>	<b>54</b>

#### LEAVERS 2021

	2020		2021	
	Men	Women	Men	Women
< 30 years	2	3	10	4
30 - 50 years	18	4	20	7
> 50 years	13	2	21	5
<b>TOTAL</b>	<b>33</b>	<b>9</b>	<b>51</b>	<b>16</b>

## 4.3. Work-life balance

GRI 401-2

Elia group employees benefit from a family-friendly work environment and the opportunity to enjoy a healthy work-life balance.

The early recognition and prevention of work-related illnesses and the ability to remain employable are integral parts of occupational health and safety at Elia group (see also Section 5. Safety). In order to achieve these goals, Elia Group implements occupational health measures which focus on individual protection and the prevention of health risks. In addition, Elia Group regularly provides medical consultations, vaccinations and advice related to workplace ergonomics to all employees.

A confidential counselling service is available to employees in the event that they should experience stress, conflict or suffer from substance addiction. Employees are also invited to take part in different public sports events.

In order to improve our working environment, an exit interview is always carried out with staff who leave the organisation, in order to better understand their reasons for departure.



### Parental leave

GRI 401-3

#### ELIA IN BELGIUM

In Belgium, every worker has the right to take four months of parental leave (either as full-time leave or part-time leave).

NOTE: It is not possible to report on the total number of employees at Elia Transmission Belgium SA/NV who are or have been entitled to this type of leave, as they may have already taken it whilst working at another company.

#### PARENTAL LEAVE

	2019		2020		2021	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
<b>TOTAL</b>						
Men	75	67%	111	66%	105	67%
Women	37	33%	58	34%	52	33%
<b>Full-time parental leave (≥1 month)</b>						
Men	39	-	34		33	
Women	21	-	18		16	
<b>Total</b>	<b>60</b>	<b>54%</b>	<b>52</b>	<b>31%</b>	<b>49</b>	<b>31%</b>
<b>Parental leave as a deduction of full-time employment</b>						
Men	36	-	77		72	
Women	16	-	40		36	
<b>Total</b>	<b>52</b>	<b>46%</b>	<b>117</b>	<b>69%</b>	<b>108</b>	<b>69%</b>

#### 50HERTZ IN GERMANY

A company agreement is in place which aims to improve the work-life balance of mothers and fathers and support them with their childcare needs. This outlines the company's policy on issues relating to parental leave, support services, flexible working hours, special holidays and sabbaticals as well as career advancement. The 50Hertz headquarters also houses a daycare centre for the children of employees, which is also open to local children from the neighbourhood. In addition, a parent-child office exists for short-term childcare during the working hours if necessary. In job advertisements at 50Hertz, the 'Flexi-Compass' initiative provides candidates with information about possible part-time and flexitime positions. Employees who occupy such positions are given more flexibility with regard to the way they can organise their working hours (and the places they work from), so supporting them to better be able to manage their personal and professional responsibilities. Guidance about such roles can be found in the document on "mobile working". As a result of the COVID-19 pandemic, parents who were affected by the closure of schools and daycare centres were given suitable working time arrangements in this reporting year to enable them to care for their children at home.

#### PARENTAL LEAVE

	2020	2021
Number of employees on parental and care leave	9	14
thereof men	4	6
thereof women	5	20
Number of employees on parental leave 01.01.2021 - 31.12.2021	67	77
thereof men	47	49
thereof women	20	28

## Retirement

G4-EUS-EU15

### ELIA IN BELGIUM

2021	In 5 years		In 10 years	
	men	women	men	women
<b>Percentage of employees eligible to retire</b>				
Directors	0%	0%	0%	0%
Senior managers	0.17%	0%	0.33%	0%
Line managers	1.67%	1%	3.34%	2%
Employees	5.59%	6.83%	7.93%	8.19%
<b>Total (without directors)</b>	<b>7.46%</b>	<b>7.93%</b>	<b>11.99%</b>	<b>10.69%</b>

### 50HERTZ IN GERMANY

2021	In 5 years		In 10 years	
	men	women	men	women
<b>Percentage of employees eligible to retire</b>				
Directors	20%	0%	20%	0%
Senior managers	9.76%	0%	29.27%	0%
Line managers	1.89%	0%	11.32%	0%
employees	5.75%	1.70%	11.58%	3.48%
<b>Total (without directors)</b>	<b>5.60%</b>	<b>1.50%</b>	<b>12.10%</b>	<b>3.10%</b>



## 4.4. Employee surveys

Employee surveys are conducted every two years. In 2020, the survey was organised at group level for the first time and included questions on the topic of diversity in the section on corporate culture. Both the answer rate (87% of employees took part) and results of the survey were very high (commitment index around 70), this demonstrates the high engagement of our workforce.

The detailed results were discussed across the organisation: company-wide fields of action and measures for individual teams were decided upon. The main topics which were established as focus areas at Group level were change management, cross-departmental collaboration and simplification.

Employees are able to share their views about the organisation on a regular basis (see section on stakeholder participation). Initiatives include the “Say it!” employee survey at 50Hertz, which was conducted for the fourth time in 2020. The participation rate was 91% (2017: 91%) and 50Hertz was once again able to achieve an above-average employee commitment index of 71 (2017 survey: 68).



## 4.5. Training

### GRI 404-1

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. In addition to training related to the technical and safety skills which are required to perform our core business tasks (training specifically focusing on safety is detailed in **5.2. Health and safety training**), Elia group employees are offered individually tailored further training and the opportunity to complete relevant qualifications.

The increase of teleworking due to the COVID-19 outbreak has also had an impact on the way training is provided, virtual training sessions have been held in order to ensure training continuity. The catalogue of available training has expanded to webinars accessible by every employee of the Elia group.

Systematic succession planning ensures that sufficient numbers of potentially suitable employees are available for all management positions and that vacancies can be filled internally wherever possible. To this end, talent is identified and promoted - for example through programmes for “young professionals” that are jointly developed and offered across Elia group. Programmes for upgrading employee skills and encouraging career transition also exist (this includes programmes related to innovation, “intrapreneurship”, leading the change and external education).

Elia group attracts qualified young talent via its own in-house training programmes. These include a 24-month trainee programme, internships and students completing diplomas, bachelor or master’s degrees (in cooperation with a local universities).

An additional Elia group talent programme was launched in the third quarter of 2020. Talent@Elia Group is one of the top projects included in the Elia Group SA/NV Business Plan. This project was established to ensure our organisation can succeed in 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.

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

### ELIA IN BELGIUM

The average number of hours dedicated to training and further education, excluding regular safety instructions, was 13.92 hours per employee in the reporting year. The overall tendency is to have shorter and impactful training sessions.

### 50HERTZ IN GERMANY

In 2021, a total of 108 student employees and 10 trainees were employed at 50Hertz Transmission GmbH. Currently, 30 young people are completing industrial or commercial training programmes at the organisation. The trainee ratio was therefore 2.1 percent. The average number of hours dedicated to training and further education, excluding regular safety instructions, was 12.56 hours per employee in the reporting year. In addition, managers can take part in specific training modules developed by the organisation to develop their own management skills.

## 4.6. Remuneration policies and incentive systems

GRI 102-38, GRI 102-41

Elia group's remuneration policy focuses on attracting and retaining the best talent, rewarding performance and supporting a culture of feedback and continuous development where possible.

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 category (which are discussed during "weighing committees").

In accordance with local legislation, Elia Group subsidiaries are obliged to prepare a report which transparently outline 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 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 the environment of sustainable corporate governance, such as compliance with occupational health and safety and, at 50Hertz Transmission Belgium, successful social dialogue.

In addition, with the Elia Group share programme, employees have the opportunity to benefit from the business' success during the previous financial year. For the ninth time in 2021, 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 in its consolidated financial statements; 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 corporate governance statement included in the 2021 Financial Report.

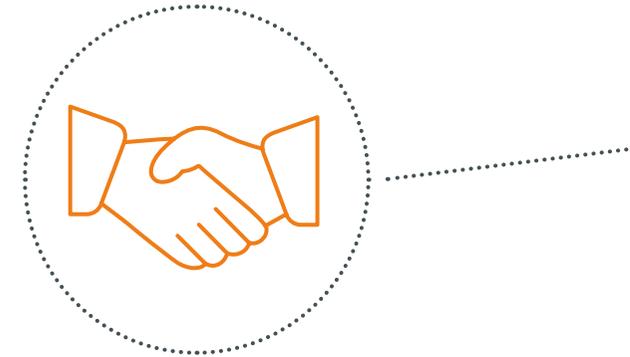
### ELIA IN BELGIUM

Elia negotiates collective agreements for its 'non-exempt' staff<sup>11</sup> 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 2021, the Sustainability risk rating score has been added as a new sustainability-related collective target to the variable remuneration of the staff and Executive Management Board of Elia Transmission Belgium SA/NV.

Elia transparently discloses the total remuneration of the members of the Board of Directors and of the Executive Management Board of Elia Transmission Belgium SA/NV and Elia Asset SA/NV in its consolidated financial statements; these include the fixed and variable total remuneration that management staff receive as well as company pensions and other benefits.

Elia is willing to disclose its annual total compensation ratio (as is carried out by 50Hertz). We are working internally on the calculation method and making every effort to achieve this soon.



### 50HERTZ IN GERMANY

Fair remuneration for all employees is a matter of course for 50Hertz. Additional offers for retirement benefits and health round off the offer they provide to staff as an attractive employer. The remuneration policies will be further developed in line with future requirements in order to ensure it remains as an attractive employer. 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 was negotiated for 50Hertz in 2020 and the relevant parties decided to continue discussions surrounding general working conditions (skeleton wage agreement). Remuneration in line with requirements and performance is supplemented by extensive benefits and a company pension scheme.

50Hertz discloses the total remuneration of its management in its consolidated financial statements in a transparent and voluntary manner; these include the fixed and variable total remuneration of management staff, as well as their company pensions and other benefits.

The pay ratio (which expresses the relationship between the remuneration paid to the highest-paid employee and the median salary of all employees) is 7.7.

<sup>11</sup> non-exempt staff are entitled to be paid for the overtime work they carry out; exempt staff are not paid for this overtime - they are compensated through other means

## 4.7. Social dialogue and co-determination

GRI 407-1, 402-1

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. A cross-company discussion takes place in Elia Group SA/NV's European Works Council with representatives from Elia and 50Hertz.

The company ensures that employment-related decisions are impartial and non-discriminatory via this discussion process (that involves monthly meetings and preliminary consultations with union representatives) at local and Group levels.

### ELIA IN BELGIUM

All employees are covered by collective agreements

Social consultation at Elia Transmission Belgium SA/NV involves information provision, discussions and negotiation via the statutory consultative bodies, such as the Works Council, the Committee for Prevention and Protection at Work and the trade union delegation. These bodies include employee and employer representatives. Each body plays an advisory for certain matters and a decision-making mission for certain matters.

In addition to these legal bodies, we involve our social partners in social consultation and discussions via involvement in working groups to jointly prepare the implementation of our strategy. Via these consultations and discussions we want to involve them early in the evolution of our activities and the changes and opportunities this will bring for our organization and our way of working.

### 50HERTZ IN GERMANY

The Supervisory Board of 50Hertz Transmission GmbH is composed of six members and is contractually required to comprise equal numbers of employee and employer representatives (this goes beyond legal requirements). In a total of four Supervisory Board meetings were held in 2021; throughout these, the Management Board informed and advised the Supervisory Board about the current course of business, the organisation's economic situation and the status and development of risks. A committee of spokespersons with information and consultation rights represents the interests of senior executives. The Works Council is responsible for representing employees at 50Hertz

who are covered by collective agreements and those who are not. 50Hertz is committed to addressing employee concerns through joint events such as those organised by the Electricity Industry Group Committee and the Netzer Working Group. In addition, the company regularly sends guest speakers and lecturers to IG BCE educational events. In order to promote employee involvement in trade union affairs, taster courses on co-determination are offered. A youth and trainee representative committee (JAV) looks after the interests of young people at the company. The JAV works closely with co-determination bodies.



## 4.8. Diversity, Equity, Inclusion

GRI 405-1

As part of the group-wide ActNow programme, the Elia group is committed to promoting diversity and providing equal opportunities for all employees.

Elia Group published a Diversity, Equity & Inclusion (DEI) Charter outlining the management team's commitment to further embedding DEI across the organisation. In addition, in order to track and progress towards the fulfilment of our DEI ambitions, Elia Group developed a DEI data dashboard.



### Diversity, Equity & Inclusion

	2019	2020	2021	Target
Women in leadership positions	17.24%	20.43%	22.11%	n.a.
Women in total workforce	21.13%	21.93%	22.23%	Currently being defined.
# Nationalities	27	32	37	n.a.
% Foreign nationalities in total workforce	2.63%	3.02%	3.32%	n.a.

Around 50 DEI ambassadors ensure the establishment of an open and inclusive corporate culture across the company. To this end, workshops to raise awareness of diversity and inclusion issues were offered and held in the reporting year. The Diversity Break, which encourages staff to discuss such issues together and was developed in 2020, was further developed in 2021. For example, new blind conversations took place which almost 100 colleagues participated in, during which employees were invited to anonymously express their views regarding the topics of equality, diversity and inclusion.

To respond to some of the topics raised during these conversations, a series of training modules for employees was developed; these modules focus on challenging unconscious bias and encouraging an inclusive culture and leadership practices. The format will be continued and evaluated in the coming year. An awareness-raising event was also held for managers.

In 2021, a 'Diversity & Inclusion Scan' was launched to better understand where we stand today in relation to these areas of action. This will lead to the development of a roadmap which will guide us as we improve in these areas.



## Diversity within Board of Directors and Executive Management Board of Elia Group SA/NV

### DIVERSITY WITHIN THE BOARD OF DIRECTORS

Number of directors as at 31 December 2021		2021
Men	Aged between 35 and 54 years	1
	Aged 55 or older	8
Women	Aged between 35 and 54	2
	Aged 55 or older	3

When searching for and appointing new non-executive directors, special attention is paid to encouraging diversity in terms of age, gender and complementarity of skills.

### DIVERSITY WITHIN THE EXECUTIVE MANAGEMENT BOARD

Number of Executive Management Board Members as at 31 December 2021		2021
Men	Aged between 35 and 54 years	1
	Aged 55 or older	3
Women	Aged between 35 and 54	1
	Aged 55 or older	0

When searching for and appointing new members of the Executive Management Board, special attention is paid to encouraging diversity in terms of age, gender and complementarity of skills.



**ELIA IN BELGIUM**

In 2021, Elia Transmission Belgium SA/NV received the Top Employer label for the fourth time in a row; this label rewards companies that offer their employees an excellent working environment. Elia stood out in particular in the area of talent acquisition and for the work it has done on its corporate values.

The proportion of women in Elia’s overall workforce is 19.65% as of 31 December 2021 (the proportion of women at every responsibility level is disclosed in **4.2 Headcount**).



**DIVERSITY WITHIN THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT BOARD**

**Number of people on the Board of Directors of Elia Transmission Belgium SA/NV as at 31 December 2021**

		2021
Men	Aged between 35 and 54 years	1
	Aged 55 or older	7
Women	Aged between 35 and 54	2
	Aged 55 or older	4

In accordance with the Act of 29 April 1999 relating to the organisation of the electricity market, the Code of Companies and Associations and the Articles of Association of Elia Transmission Belgium SA/NV, at least one third (1/3) of Board members must be of the opposite gender to the remaining two thirds. This one third rule is applied proportionately to the independent and non-independent directors. In addition, the composition of the Board of Directors is balanced in terms of each member’s gender, complementarity of skills, experience and knowledge, in accordance with the Code of Companies and Associations and the internal rules of the Board of Directors.

**Number of people on the Executive Management Board of Elia Transmission Belgium SA/NV as at 31 December 2021**

		2021
Men	Aged between 35 and 54 years	1
	Aged 55 or older	4
Women	Aged between 35 and 54	3
	Aged 55 or older	0

The composition of the Executive Management Board is balanced in terms of each member’s gender, complementarity of skills, experience, knowledge and native language. When searching for and appointing new members of the Executive Management Board, special attention is paid to encouraging diversity in terms of age, gender and complementarity of skills.

## 50HERTZ IN GERMANY

	%
Share of women in management	20
Share of women on the Supervisory Board	33
Share of women at senior management	22
Share of women at line management	17
Share of women in total workforce	<b>25</b>

One of 50Hertz's concrete targets includes increasing the proportion of women in the total workforce (both in leadership positions and in senior management positions) to at least 30% by 2030. The proportion of women in the total workforce was 25% (the proportion of women at every responsibility level is disclosed in **4.2 Headcount**).

In 2020, as an addition to the company-wide network called "50:50 - the women's network", the "Women in Leadership" initiative was launched. This aims to promote female junior staff. This has already had a positive effect: in 2021, 50Hertz was once again named "Best Employer for Women" by Brigitte magazine. In addition, 50Hertz took part in "Girls Day" (a programme which encourages young girls to study science, technology, engineering or mathematics) for the third time in the reporting year. Due to the COVID-19 measures, around 20 girls were able to participate in a virtual business game on the energy transition. In addition, 50Hertz supports the "EnterTechnik" programme, which involves young women taking part in three-month internships with that have a technical focus.

Promoting diversity and equal opportunities at 50Hertz also means giving people with health impairments the same opportunities as staff without health impairments. An inclusion agreement which was negotiated and signed by the Works Council, the Speakers' Committee and representatives with disabilities outlines measures to support people with health impairments in their working lives. An internal inclusion team is responsible for

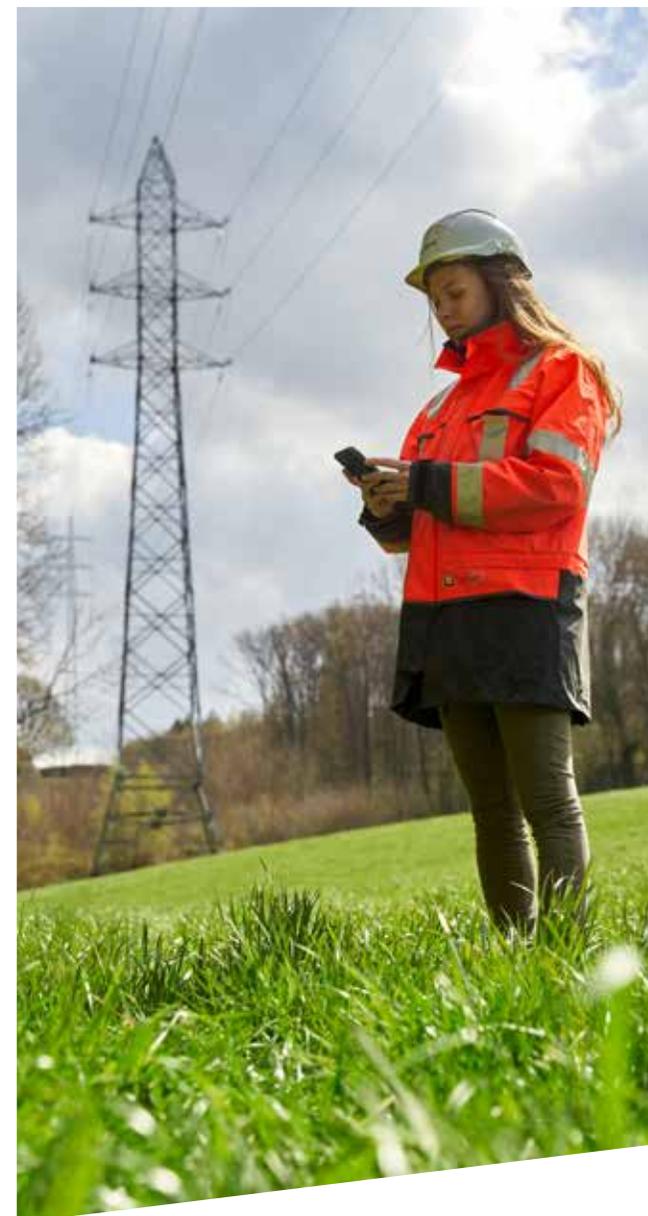
implementing and monitoring this agreement. In the reporting year, the proportion of severely disabled employees and employees with equal rights in our workforce was 1.4 per cent. In the year under review, a total of 23 employees with disabilities were employed in the company.

In accordance with the job-specific requirements in different commercial and technical areas, this number is due to be successively increased in the future. To this end, 50Hertz is cooperating with the Annedore-Leber-Berufsbildungswerk, a special training centre that supports people with disabilities, to make it easier for young people with disabilities to find a job. In the year under review, two interns from the organisation were given an insight into the job profiles at 50Hertz. One former trainee from the organisation was hired by 50Hertz some years ago.

To strengthen governance arrangements related to diversity and equal opportunity issues, an Equal Opportunities Officer was appointed for the first time in the year under review. She provides staff with an independent and anonymous reporting channel that they can use to report cases of discrimination through. There were no reported cases of discrimination in 2021.

50Hertz is a signatory of the Diversity Charter, an initiative which aims to promote diversity in companies and institutions. 50Hertz participated in the nationwide Diversity Day for the third time in the reporting year and raised awareness about this amongst its employees.

Furthermore, 50Hertz has an agreement in place with AfB gGmbH. The organisation disposes of client IT hardware and is a recognised inclusion company which offers disabled people a job and contributes to the avoidance of additional GHG emissions by processing and marketing used IT equipment.



# Diversity and inclusion



## BLIND CONVERSATIONS

A To ensure that our employees were given an opportunity to discuss diversity, equity and inclusion (DEI) in an open and safe environment, we organised almost 100 blind conversations with staff from across Elia and 50Hertz. For each conversation, two colleagues were brought together virtually to chat anonymously about DEI and what they thought we were doing well, what they thought could be improved and what DEI actions we could take.

Each session was supported by a DEI expert. We are now using the feedback from these discussions to inform our journey towards becoming an inclusive organisation. Our areas of focus include promoting gender equality and supporting staff from different ethnic backgrounds to feel supported. We want to provide staff with an inclusive environment in which no form of discrimination is tolerated and everyone feels safe and comfortable to be themselves.



## EXTERNAL INSPIRATION TO RAISE AWARENESS

What do Hassan Al Hilou, Hanan Challouki and Ann Wauters have in common? Well, they all shared their vision with staff from Elia last year: they inspired our colleagues and increased awareness about gender equality. Hassan Al Hilou, an entrepreneur, spoke about the strength held in diversity. Hanan Challouki provided insights into developing an inclusive work culture and Ann Wauters shared a personal story about her international career and how diverse staff members can build strong teams and deliver better results.

# 5 Safety



## 5.1. Management approach

GRI 103-2, GRI 403-1, GRI 403-2, GRI 403-3, 403-6, 403-8

As high-voltage electricity transmission system operators, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH operate assets and infrastructure where accidents, asset failure or external attacks may cause harm to people. The safety and welfare of all individuals (Elia group's staff, subcontractors and third parties) is a key priority for the group and its subcontractors. Elia Group's subsidiaries have implemented 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. An Elia Group Safety Officer position was established in 2020.

The prevention of accidents and work-related illnesses is a top priority for Elia Group's subsidiaries. Occupational health and safety measures are included in the corporate strategy. The latter is underpinned by the Health and Safety at Work Guideline, which is binding for all employees. Occupational health and safety practices have been improved over the past few years. These improvements have focused on the establishment of safe and healthy workplaces and the strengthening of a culture of prevention by making occupational safety a corporate value. This ensures that aspects of occupational safety are anchored in the thinking and actions of all employees and implemented across all support and core functions.

Every employee is instructed to recognise hazards, report them immediately, and submit suggestions for promoting safe and healthy working conditions.

As part of our commitment to health and safety, considerations related to occupational health and safety and injury and illness prevention are integrated into our corporate strategy at group level: they form part of the group's ActNow programme. Our group-wide ambition is to ensure that all our employees and subcontractors arrive home safe and sound every day.

To make this happen, we have defined four strategic health and safety objectives:

- **We aim for zero accidents.**

Elia Group is committed to making sure that everyone returns home safe every day. This includes all of our employees, our subcontractors and individuals who work on or in the vicinity of our infrastructure.

- **We maintain a solid culture of safety.**

Reaching our health and safety goal requires more than just procedures and guidelines. We actively work towards ensuring that everyone is personally involved in ensuring their own safety and the safety of their colleagues.

- **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. Elia Group is committed to actively developing 'safety leadership' in all of its employees.

- **We ensure and promote the health and wellbeing for our staff.**

The strategic roadmaps developed by both Health & Safety departments (in Belgium and Germany) have been aligned with these 4 strategic objectives.

In order to further raise employee and supplier awareness about occupational health and safety issues, specific campaigns are carried out on a regular basis across the organisation. The translation of relevant documents and campaign content into other languages (particularly for different suppliers who do not operate in any of the languages we use across the Group) is being planned.

The early detection and prevention of work-related illnesses and the preservation of employability are also important 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.



## COVID-19

The COVID-19 pandemic has had - and continues to have - an impact on the private and professional lives of Elia Group's employees. Over the past two years, the situation regarding the virus and its spread has been constantly monitored and measures were implemented in accordance with the requirements of the SARS-CoV-2 occupational health and safety regulation. In addition, all employees have been able to undertake rapid antigen tests at least twice a week since the end of February 2021. All meeting rooms at company sites were equipped with measuring devices to ensure regular ventilation.

### ELIA IN BELGIUM

Our safety record for 2021 is overshadowed by a fatal accident which occurred on 29 September as one of our members of staff was carrying out maintenance activities. An investigation into the incident has been completed and a series of prevention measures are being put in place to avoid such incidents in future. The event has truly reinforced our resolve to make sure that everyone returns home safe every day.

Elia Transmission Belgium published its Global Prevention Plan 2020-2025 which outlines its health and safety strategy for the years to come. It includes a solid health and safety framework with the transformation we want to undergo, which will see all staff members demonstrating visible and exemplary safety leadership. After obtaining a Safety Culture Ladder level 3 certificate 2020, an intermediate audit of our practices in this area was carried out in 2021. The audit reconfirmed that Elia Transmission Belgium's practices are aligned with a level 3 on the Safety Culture Ladder scale, included recommendations for the organisation and indicated that the organisation was making positive progress towards a level 4 certification. The use of the Safety Culture Ladder is also being rolled out for our contractors to use and adhere to.

In addition to sector-specific risks, we also address risks related to road safety and raise employee awareness about risks and good practice as road users (motorists, cyclists and pedestrians) in professional and private settings.

We also address risks related to the wellbeing of our employees through the Care4Energy programme that ensures their wellbeing by targeting their mental, physical, emotional and personal development. A series of campaigns related to health and wellbeing management were launched throughout 2021, leading to high numbers of staff taking part in related activities.

Elia Transmission Belgium SA/NV performs psycho-social risk analyses in a structured and proactive way to understand and mitigate such risks with regard to its employees. Employees can also take part in different public sports events.

COVID-19 pulse check surveys are carried out by Elia Transmission Belgium SA/NV on a regular basis. As part of this, employees have been invited to fill out surveys related to how they have been coping with the pandemic and associated lockdowns, and how the organisation can better support them.

### SOHERTZ IN GERMANY

Occupational health and safety are integrated into the corporate strategy. This is also underpinned by the health and safety guideline, which is binding for all employees. Occupational health and safety has been systematically developed in recent years as part of a continuous improvement process. In addition to creating safe and healthy workplaces, the focus was on strengthening a culture of prevention by integrating occupational safety as a corporate value. This ensures that the aspects of occupational safety are anchored in the thinking and actions of all employees and implemented in all support and core functions. As part of the annual audit plan, eight internal audits were conducted in 2021 to ensure the continuous development of the health and safety management system. The implementation of the requirements for the occupational health and safety management system (OH&S) in accordance with DIN ISO 45001:2018 was again confirmed in the reporting year in a supervisory audit by an external auditor without any non-conformities. Health protection and occupational safety topics are an integral part of weekly meetings held by senior management and Eurogrid GmbH Supervisory Board.

Furthermore, employees can participate in various public sports events. Another service made available to employees is an app that offers personalised coaching in the areas of exercise, mindfulness and nutrition (including workouts, physio sessions, meditation and recipe ideas). Since July 2021, the app has provided users with support for finding the right medical care and booking appointments for specific medical concerns.

COVID-19: All employees were offered COVID-19 vaccinations on site until June 2021. Initial and booster shots were also offered to employees from November 2021 onwards. These measures have helped to ensure that no major infection incidents occurred amongst the workforce in 2021.



## 5.2. Health and safety training

GRI 403-5, 403-7

The Elia group continuously trains its staff. Training for all employees who work on technical 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.

The Elia group also provides training materials, training and tests for subcontractors.

### ELIA IN BELGIUM

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.

Safety flashes are also sent out to our own staff and subcontractors on an ad hoc basis; such messaging includes good practice reminders or the identification of specific risks associated with particular tools.

Due to the nature of our activities, even during the COVID-19 pandemic, training dates and schedules could not be altered. Training sessions were therefore adapted to be delivered as webinars or delivered on work sites with appropriate protection measures in place.

### 50HERTZ IN GERMANY

Training for operational staff across our regional centres are delivered on six days per year. Staff who work in administrative settings are given training on at least once per year.

In cases where staff are required to wear personal protective equipment (PPE) to protect them from falls from a height, such staff must complete annual practical exercises related to the use of PPE and rescue missions from heights and depths.

The content of annual training related to overhead line pylons and transformers is determined on the basis of the rescue concept: a uniform level of knowledge is promoted amongst employees, alongside the exchange of knowledge across sites.

Training related to rescuing people in distress at sea was carried out in the reporting year. Both the rescue measures undertaken by staff and the PPE they used proved to be effective.



## 5.3. Inspections

GRI 403-2, GRI 403-3

Occupational health and safety protection is not limited to our own employees.

Elia group's stringent standards also apply to external subcontractors working across all of Elia group sites. During the contracting process and later, every effort is made to ensure that suppliers comply with Elia group's strict safety requirements.

Both the Safety Team and management carry out inspections on a regular basis.

### ELIA IN BELGIUM

After the successful introduction of the Safety Culture Ladder certification system in 2020, an intermediate audit of our practices in this area was carried out in 2021. The audit reconfirmed that Elia Transmission Belgium's practices are aligned with a level 3 on the Safety Culture Ladder Scale, included recommendations for the organisation and indicated that the organisation was making positive progress towards a level 4 certification. The use of the Safety Culture Ladder is also being rolled out for our contractors to use and adhere to. Operational managers and the Safety Team regularly visit our sites to observe how activities are organised and carried out, both by our own teams and those of our subcontractors.

Safety-related visits of our workplaces and staff behaviour are an essential part of the dynamic risk management system. Listening to and observing management allows methods and equipment to be adapted. Moreover, management coaching allows staff to be supported to properly implement the company's methods and behaviours.

We have adapted these safety-related visits to promote specific behaviours that characterise a proactive safety culture throughout the company: Transparency and the Willingness to Learn.

In the reporting year, 1142 construction sites visits were carried out.

Besides the safety-related visits for our own personnel Elia Transmission Belgium NV/SA also has a dedicated Contractor Safety team which performs at least 175 visits per year. The visits are aligned with those performed with our own staff. The focus of the visits points out the responsibility of the work leader and is aiming to create real safety leaders.

### 50HERTZ IN GERMANY

50Hertz Transmission GmbH ensures that its suppliers comply with the highest safety standards by having specially trained staff carry out construction inspections.

Transparent and binding regulations for ensuring that occupational safety measures are enforced by external companies working in 50Hertz Transmission GmbH's control area are in place. Quality assurance measures related to construction sites which are used by subcontractors are included in all new contracts. The latter include clauses stipulating that 50Hertz Transmission GmbH has an unrestricted right to carry out inspections of these sites. In the reporting year, 538 construction site inspections were carried out (933 in 2020). Overall, the quality of construction site inspections was improved and their number reduced. This was achieved by introducing an IT-supported system and by concentrating inspection tasks on the work of operational quality assurance officers at each individual site.

Safety and environmental protection incidents that involved external companies working on behalf of 50Hertz Transmission GmbH were analysed with the external companies concerned in accordance with a defined process. Measures to avoid similar accidents and incidents were defined, implemented and documented following guidance of a central evaluation committee. In accordance with this process, a total of 69 environmental incidents, accidents, near-accidents and safety-related incidents were evaluated in the year under review.

In July 2021, the managing directors of all overhead line construction companies working for 50Hertz Transmission GmbH

were invited to a "Dialogue on Occupational Safety" in order to share their views about accidents and their possible causes (including difficulties linked to dealing with subcontractors, promoting a culture of safety and awareness-raising measures). Further regular events of this kind are planned in future. In addition, safety instructions from 50Hertz Transmission GmbH are due to be distributed directly to its subcontractors; moreover, its checks of subcontractors are due to increase.



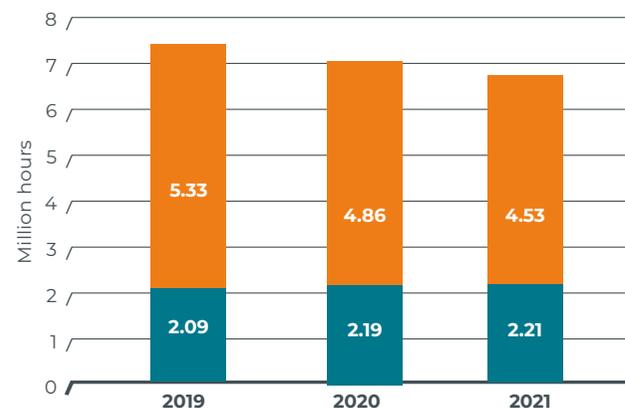
## 5.4. Accidents

GRI 403-9, GRI 403-10

Our goal is zero accidents for our own employees, subcontractors, distribution system operators and anyone else who works with our facilities.

### ELIA IN BELGIUM

#### WORK PERFORMED



Number of hours performed by subcontractors (Million)  
Number of hours performed by Elia employees (Million)

Safety is Elia’s number one priority; we therefore provide figures for both our employees and subcontractors.

Our safety track record for 2021 is overshadowed by a fatal accident on the 29th of September with one of our employees during maintenance activities. The incident investigation has been performed and a series of prevention measures are being implemented to avoid reoccurrence. The event has truly reinforced our resolve to make sure that everyone returns home safely every day!

### 50HERTZ IN GERMANY

There has been an increase in accidents involving subcontractors involved in overhead line construction from the middle of the year onwards. In response, the “Dialogue on Occupational Safety” (see 5.3 above) was launched. These subcontractor accidents include 27 accidents that caused minor injuries (involving reversible health damage; for example, minor cuts, bruises, etc.); 2 accidents that caused moderate injuries (involving probable reversible health damage, such as bone fractures); and 1 accident that caused severe injuries (involving irreversible health damage, such as the amputation of a limb).

Within the framework of ActNow, from 2022 onwards, reporting relating to accident rates will be extended to include occupational accidents experienced by subcontractors.

#### 50HERTZ ACCIDENTS STATISTICS

	2019	2020	2021
Work-related accidents at 50Hertz (with at least two days of downtime)	0	6	8
Frequency rate*	0.6	3.9	2.6
Severity rate**	0.00	0.03	0.01
Number of accidents in contracted companies	18	12	30

\* Number of occupational accidents with lost time (≥1 day) x 1,000,000/number of hours actually worked

\*\* Number of days lost due to occupational accidents in calendar days x 1,000/number of hours actually worked

#### ELIA ACCIDENT STATISTICS

			2019	2020	2021
Employees	#employees injured with at least 1 missed workday	Men	4	1	7
		Women	0	0	1
	#work related fatalities	Men	0	0	1
		Women	0	0	0
	Accident rate <sup>(1)</sup>		1.9	0.5	3.6
	Total recordable injury (TRI) rate <sup>(2)</sup>		5.7	5	6.8
Accident severity <sup>(3)</sup>		0.05	0	0.14	
Fatal accidents	Nr.	0	0	1	
Contractors	#accidents (with & without lost time)	Total	41	27	48
		Accident rate <sup>(1)</sup>	3.4	3.9	6
	Total recordable injury rate (TRI) <sup>(2)</sup>	7.7	5.5	10.6	
	Fatal accidents	Nr.	0	0	0

(1) Number of work-related accidents with missed time (>1day) x 1,000,000/number of hours worked

(2) Number of work-related accidents x 1,000,000/number of hours worked

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



# 6 Suppliers and human rights

## 6.1. Management approach

SDG 12, GRI 102-9, GRI 103-2, GRI 204-1, GRI 308-1, GRI 308-2, GRI 414-1

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. Elements relating to sustainability are included in contracts and general purchasing terms and conditions, which are signed by our suppliers.

By embedding strong ethical principles into the procurement process, the Elia group seeks to have a positive impact on the wider environment in which it operates. It also aims to avoid risks arising from non-compliance with certain supply chain rules and norms. A Head of Group Procurement was hired in order to enhance this process.

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

In order to use this set of principles as a way to have a positive impact on the supply chain, we set up a risk-based approach. We assess the risks linked to all purchasing categories based on traditional supply chain risks and supply chain sustainability risks. A matrix was drawn up to prioritise supplier engagement activities. To rationalise resource and impact management, we aim to focus on those suppliers who are most relevant from that risk perspective.

In order to improve our accounting of GHG emissions related to our supply and value chain (the scope 3 of GHG emissions, please also refer to section **8.2.1. Greenhouse gas (GHG) emissions**) related to new assets and construction work, we are improving our CO<sub>2</sub> accounting process in order to better identify sources of emissions; this will enable us to focus our efforts on addressing and reducing them. We will also transition from using internal carbon pricing (ICP) on a case-by-case basis in our purchasing decisions to integrating ICP into all parts of the investment decision-making process. 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, so enabling us to compare different options available.

## 6.2. Suppliers and expenditure in the Eurozone

GRI 201-1, GRI 203-1, GRI 203-2, GRI 204-1

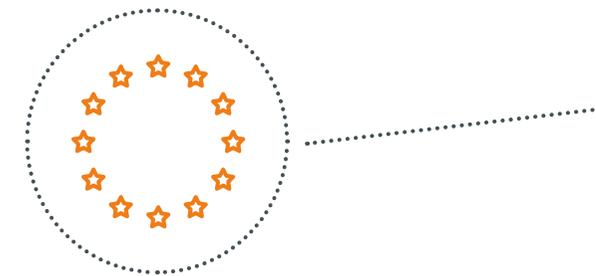
### ELIA IN BELGIUM

A Sustainability Supplier Self-Assessment questionnaire was developed to be used as part of the procurement process for specific purchasing categories in order to understand supplier level of engagement in terms of ethical conduct, and social, health and safety and environmental considerations.

In order to better estimate the GHG emissions related to our works, we are carrying out the Green Works Initiative, we have agreed with several of our contractors that they would gather and provide us with detailed quantitative information during the construction phase of a selection of projects.

Procurement outside of Eurozone countries is very limited (below 5%) and the large majority of such procurement is related to IT and consultancy services. The environmental impact of a supplier is also considered in the awarding criteria. Elia complies with the EU and Belgian standards in terms of environmental, social responsibility and worker wellbeing considerations.

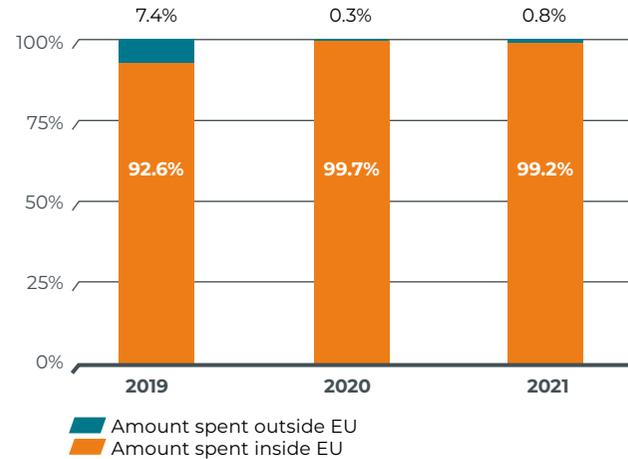
A specific evaluation of safety considerations is carried out separately since it is crucial to have suppliers on board that share the same values when it comes to the importance of this area.





### 50HERTZ IN GERMANY

#### SPLIT YEARLY SPEND EURO VS NON-EURO SUPPLIERS



As outlined in rules and regulations adopted by senior management, 50Hertz Transmission GmbH pays its taxes on time and in accordance with the law. In so doing, 50Hertz Transmission GmbH is modelling behaviour that supports the sustainable distribution of the value generated by the company. This benefits structurally weak regions located in 50Hertz Transmission GmbH's grid area.

50Hertz Transmission GmbH is committed to economic development in the region within which it operates. Indeed, in 2021, goods and services amounting to € 765 million were purchased from companies headquartered in Germany. Of this, €304 million went to companies headquartered in the 50Hertz Transmission GmbH grid area. This corresponds to a ratio of around 39.8%.

In the reporting year, 50Hertz Transmission GmbH approached the WifOR institute and asked them to carry out an input-output analysis of its contribution to Germany's gross domestic product (in terms of direct, indirect and induced economic and fiscal effects). Within the framework of above-average labour productivity and a gross value added ratio of almost 50% (average energy supply 43%), the direct value added contribution to the German GDP amounted to €710 million. The total value added amounts to €1.9 billion if indirect effects (caused by the demand for inputs) and induced effects (through the expenditure of directly and indirectly generated income) are included. In addition, almost 16,000 jobs in Germany were supported by these spillover effects. Within its grid area, 50Hertz creates about 6,000 jobs, which amounts to 35% of the jobs created by 50Hertz in Germany.

There were no legal disputes regarding tax issues in the year under review.

Due to its stable economic situation, 50Hertz Transmission GmbH has not claimed any financial support from the state related to the COVID-19 pandemic.

## 6.3. Human rights

### GRI 414-1

The Elia group acknowledges its responsibility with respect to human rights and respects the rights of its employees, customers and consumers with regard to privacy, personal safety, freedom of expression and property rights. The Elia group also assumes responsibility for ensuring that social standards are complied with along the supply chain. For this reason, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are not only members of the United Nations Global Compact, but are also committed to the core labour standards of the International Labour Organization (ILO).

In order to ensure that our business partners also comply with internationally binding rules on human rights - such as the prohibition of forced and child labour - sustainability and ethics are essential components of our evaluation of suppliers and service providers evaluation. Elia Group suppliers commit to a common and binding Supplier Code of Conduct (SCOC), which is a key part of all Elia Group supplier contracts. Suppliers must accept the SCOC when submitting a bid and are obliged to comply with it. Human rights are also included in the clauses of the General Purchasing Conditions.

Further developments in this area are currently being discussed at Group level. For example, in the future, suppliers will be asked about their approach to sustainability, including human rights due diligence, via an external service provider; their responses will be recorded in a balanced score card. Initial proposals for this are expected during the course of 2022. In addition, Elia Group raises awareness of sustainable actions to take in regular discussions with stakeholders across the supply chain, furthering their understanding of compliance with ethical principles and guidelines related to sustainable development.

All procurement at Elia Group is undertaken in accordance with procurement guidelines. These state that procurement (> €100.000) is carried out via the Purchasing Department. A multi-level strategy prevents any misuse and increases control over all procurement-related activities. The 'four eyes principle' is guaranteed at all times. The procurement guidelines, purchasing manual and the General Purchasing Conditions form a framework which aims to prevent corruption across all of our locations.

### 50HERTZ IN GERMANY

Based on the human rights due diligence requirements anchored in the German National Action Plan (NAP), 50Hertz Transmission GmbH conducted an analysis of its direct and indirect supply chains. As a result, four human rights risks were identified as a priority:

- Occupational health and safety;
- Environmental protection and health;
- Employment and working conditions;
- Freedom of association and expression.

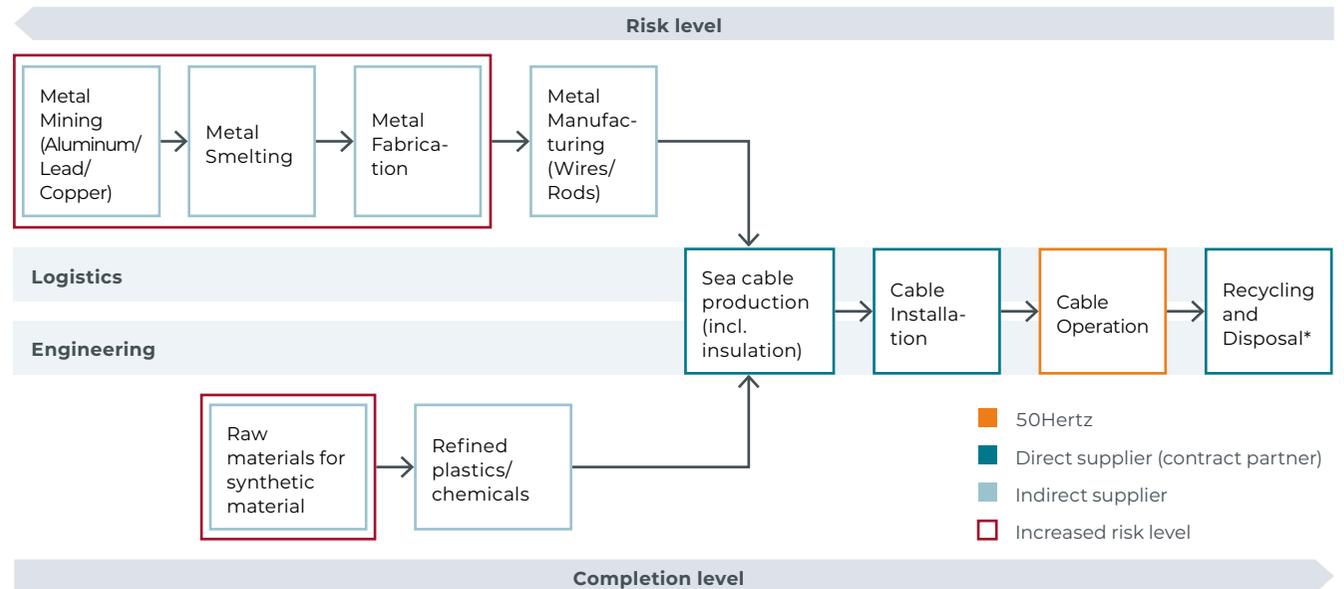
50Hertz Transmission GmbH is examining these as part of an in-depth analysis of the submarine cable value chain, which is complex. Additionally, their construction requires high levels of investment. This analysis includes interviews with 50Hertz Transmission GmbH 's direct suppliers in order to determine and track

the risk potential of steps along the value chain and to develop suitable measures to address any issues along the latter.

In the spring of 2021, an intensive stakeholder discussion about human rights in the submarine cable supply chain was held with key production and construction suppliers. Suppliers adopt a risk-based approach to mitigate the risk of human rights violations across their supply chains (these include adhering to a mandatory Code of Conduct, undertaking supplier assessments and audits, and the use of a whistleblower system). 50Hertz Transmission GmbH 's approach for determining risks in the supply chain was shared during this discussion.

Sustainability-related changes will continue to be embedded into the supply chain management process over the coming years.

### SEA CABLE SUPPLY CHAIN



\* Currently deprioritised due to non applicability (end of product life cycle still unknown)

# 7 Stakeholder engagement



## 7.1. Management approach

GRI 102-40 GRI 102-42, GRI 102-43, GRI 103-2, GRI 413-1

Involving stakeholders upstream helps to improve their understanding of society's need for a grid, and can optimise the associated processes. The Elia group regularly contacts and exchanges information with different stakeholder groups.

The Elia group's stakeholder environment is continuously analysed and defined. Depending on the topic, Elia and 50Hertz 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.

Hybrid and virtual event formats were increasingly used for discussions with internal and external stakeholders throughout 2021. Examples include the 50Hertz Transmission GmbH round-table discussions which led to the publication of the New energy for strong industrial jobs paper and the Elia Group Stakeholders Day, during which its Roadmap to net zero study was launched. These discussions and events involved high amounts of participation (both in person and online). Furthermore, in cases where internal communication was still being disseminated via physical channels, most messaging was digitalised. For example, meetings for staff were held as hybrid or virtual events throughout 2021.

### ELIA IN BELGIUM

Within Elia Transmission Belgium SA/NV, a Corporate Reputation Committee was created, presided over by the Chief External Relations Officer in order to follow up on links established by different departments with external stakeholders.

Elia Transmission Belgium SA/NV organises many stakeholder discussions and events. The method and frequency of engagement for each stakeholder group and their links to the material topics are summarised in the table below;

Elia Transmission Belgium SA/NV uses a wide range of different means to ensure the encouragement of public participation and feedback (further details are included about these in the next section). A public reference framework exists which seeks to mitigate the impacts of new infrastructure projects (further details about this are included in the next section).

Stakeholder group	Mode of Engagement	Frequency	Main topics / expectations
Employees	<ul style="list-style-type: none"> <li>– Performance management</li> <li>– Intranet</li> <li>– Donations</li> </ul>	– Regular	<ul style="list-style-type: none"> <li>– Employees - Human development</li> <li>– Employees - Wellbeing</li> <li>– Community involvement</li> </ul>
Customers	<ul style="list-style-type: none"> <li>– Customer satisfaction survey</li> <li>– Users' Group / Working Groups</li> <li>– Elia extranet</li> <li>– Annual</li> </ul>	– 4 to 6 times a Year	<ul style="list-style-type: none"> <li>– Transmission services</li> <li>– Environment</li> <li>– Fair operating practices</li> </ul>
Society	<ul style="list-style-type: none"> <li>– Social events</li> <li>– Engagement via own employees</li> </ul>	– Regular	– Community involvement
Shareholders	<ul style="list-style-type: none"> <li>– Shareholder meeting</li> </ul>	– Regular	– General corporate performance incl. the contribution to society
Regulators	<ul style="list-style-type: none"> <li>– Reports</li> <li>– Communication</li> </ul>	– Regular	– Fair operating practices

**50HERTZ IN GERMANY**

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 past experience, enabling the company to continuously develop its standardised public participation toolbox. In addition, 50Hertz Transmission GmbH often participates in wider public discussions regarding the quality of public participation; for example, it is a founding member of the RGI and a member of the DialogGesellschaft e. V and the Bertelsmann Foundation's Alliance for Diverse Democracy.



	FINANCIAL SECTOR			ENVIRONMENT/ SOCIETY							MARKET						
	Shareholders	Investors	Rating agencies	German Federal Network Agency	Political decision-makers	Non-governmental organisations	Citizens' initiatives	Trade unions	Public	Media	Employees	Research and education	Suppliers	Generators	Distribution system operators	Major consumers	Transmission system operators
<b>DIALOGUE</b>																	
<b>OWN FORMATS</b>																	
Reports	✓	✓	✓	✓	✓	✓						✓					
Press conferences		✓								✓							
Telephone conferences		✓	✓														
Co-determination								✓			✓						
Information sessions		✓									✓		✓				
Conventions/conferences														✓	✓	✓	✓
Scientific advisory committee												✓					
Partnerships with higher education institutes												✓					
Research work												✓					
Network meetings for visitor groups					✓							✓					
Visitor groups					✓							✓			✓		✓
Cultural events									✓		✓						
Learning activities for children and teenagers									✓		✓						
Media relations work									✓		✓						
Outreach activities					✓		✓		✓		✓						
Publications							✓		✓		✓						
<b>FOREIGN FORMATS</b>																	
Guest lectures								✓				✓					
Committees					✓			✓									
Work and network meetings						✓		✓							✓		✓

## 7.2. Community relations and public acceptance

GRI 102-21, GRI 102-29, GRI 102-43, GRI 102-44, G4 EUS Stakeholder Participation

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 voice can be heard, so establishing relationships of trust with them.

A transparent and consistent approach which aims to meet societal requirements and community expectations significantly improves community acceptance of our projects. Furthermore, this approach must be clearly communicated to different stakeholders from the outset of projects so that their concerns and anxieties can be addressed. To achieve this objective, the responsible 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.

Against the backdrop of the COVID-19 pandemic, we have adapted how we inform citizens and local authorities of our plans: we now use more digital communication channels, including 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 the relevant health and safety restrictions.

### ELIA IN BELGIUM

Elia Transmission Belgium SA/NV has made sure to involve civil society and regional experts at an early stage of its two most important projects in Wallonia and Flanders: Ventilus 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. This stakeholder engagement is ongoing and the group of individuals and organisations involved has widened. Specific reports related to the best types of technology to use as part of the projects were delivered. For the project in Flanders, a participatory approach was undertaken; as part of this a project facilitator gathered a group of independent experts and citizen, municipality and civil society representatives together in order to answer all their questions and respond to different scenarios proposed by local communities.

Elia Transmission Belgium SA/NV communicates and cooperates transparently with its stakeholders throughout the entire project development process. In addition to holding legally required preliminary public information meetings, we also organise “info-markets”, which are information sessions for local residents. During 2021, 18 information sessions linked to the official permit process were organised. These information sessions were supplemented by invitation letters; citizen information packs; brochures; flyers; roll-ups; press conferences and press releases; digital newsletters; Facebook posts; information videos; telephone hotlines; and mailbox provision.

It is crucial for us to make sure interested stakeholders are able to find our website and the information they need. Our website includes a specific section which is dedicated to providing information about our current and future infrastructure projects [[link infra projects](#)]. Moreover, two separate websites were created to provide our stakeholders with information about our two most important projects [[boucle-du-hainaut](#) and [Ventilus](#)].

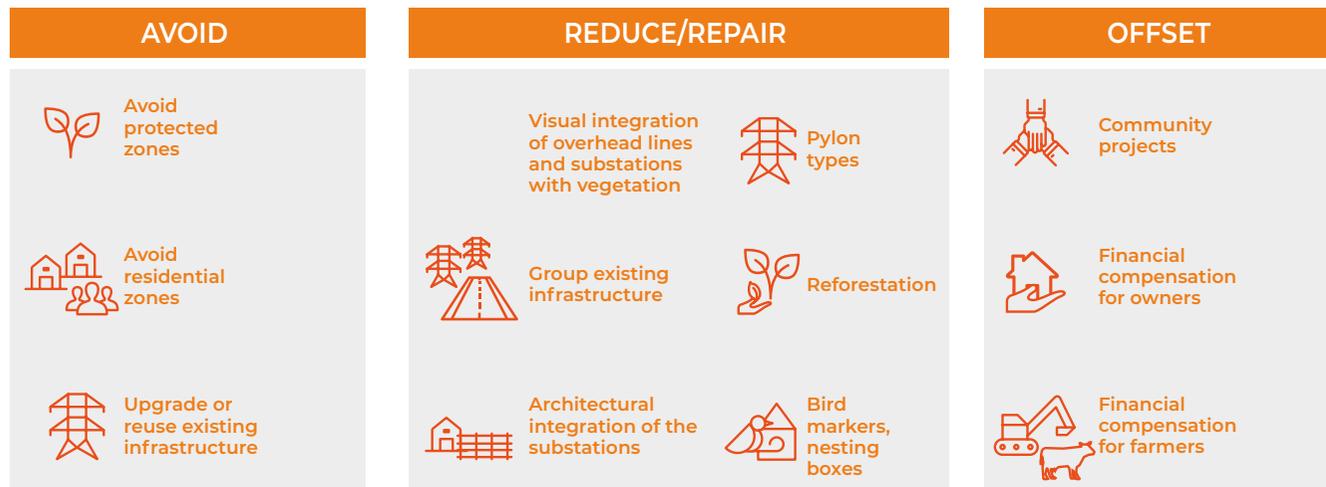


We also communicate with our stakeholders via social media: we have corporate LinkedIn and Facebook accounts and we run a Facebook page entitled 'Elia Projects' which provides information about our infrastructure projects. We have also a YouTube channel that we use to disseminate content about our activities and projects.

Moreover, Elia Transmission Belgium SA/NV strives to limit the impact of its projects on the areas we work in. In this vein, we developed a public reference framework to mitigate the impact of new infrastructure projects, preventive and compensatory measures are adopted as part of this, based on the following principles:

- transparency: the conditions are clear and available to everyone;
- non-discriminatory: the policies apply to everyone uniformly;
- proportional: the measures and compensations are proportional to the impact of the work;
- proactive: the organisation will notify individuals or organisations which are impacted by the measures or are eligible for compensation.

**OUR APPROACH**

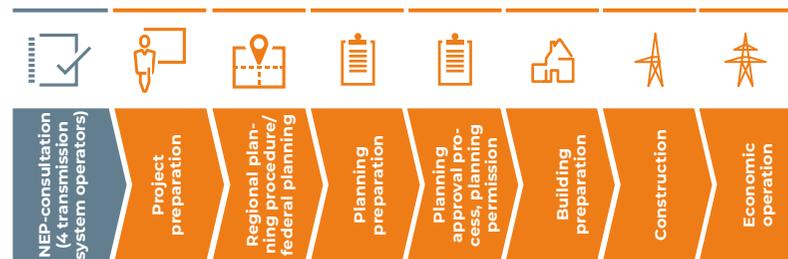


**50HERTZ IN GERMANY**

50Hertz Transmission GmbH follows best practice related to public participation, such as Guideline 7000 of the Association of German Engineers (2015), the quality criteria of the Alliance for Diverse Democracy (2017) and the quality criteria published by the Citizen Participation Network (2013).

When planning and implementing grid expansion projects, 50Hertz Transmission GmbH ensures that it adopts a participatory approach, undertaking regular discussions with stakeholders. This is because the involvement of relevant stakeholder groups plays an important role in sustainable grid expansion. Regional and local stakeholder groups are identified alongside any issues, questions and fears they might have regarding projects in their area. This allows a participation roadmap to be developed and implemented with stakeholders from the area; this roadmap is aligned with sound early public participation standards and with project-specific aspects. This is because the information and participation needs of citizens vary across the regions where existing capacities are reinforced or new substations and lines are being built. 50Hertz Transmission GmbH would like to take its participatory approach one step further by inviting stakeholders for discussions held where they live. It is only in this way that the organisation will be able to further improve its planning activities - such discussions will allow the organisation to take local knowledge on board and apply it during its project work.

Discussions with relevant stakeholders start at a very early stage in project planning. Stakeholders are asked to provide their feedback on the grid development plan and on grid reinforcement and expansion projects. Such stakeholder engagement takes place according to clearly defined specifications, which specify the format they must embody. Throughout the course of the COVID-19 pandemic, the company adapted the channels it used in line with the measures that were being enforced: virtual communication channels were employed and an additional space for exchange with mayors, residents and representatives of associations was created in telephone consultation hours previously announced in the local press, which was actively used. Furthermore, digital communication channels and tools which facilitate citizen participation were explored and employed, enabling the



company to maintain regular contact with existing stakeholders and reach new ones. Against this backdrop, user the company's website was evaluated in terms of its user-friendliness and the behaviour it encouraged in new users; the structure and design of the information it held was then adapted and improved in line with the findings. During the reporting year, early public participation was also used for construction activities, such as ecological construction monitoring.

Due to the COVID-19 pandemic, information tours which had been planned with the DialogMobil (a vehicle which is equipped with information material about our projects) had to be postponed during the first half of 2021. The first tour, which comprised eight stops and related to the Südharz grid connection, started at the end of June. Further information tours relating to the Mecklar-Vieselbach, SüdOstLink, Güstrow-Parchim-Süd-Perleberg and Hansa PowerBridge projects were then undertaken.



**TARGET GROUPS**

	PUBLIC PARTICIPATION							
Policy and administration	✓	✓	✓	✓		✓	✓	✓
Citizens' initiatives	✓			✓	✓			
Residents		✓	✓	✓	✓	✓	✓	✓
Public interest bodies	✓		✓		✓		✓	
NGOs	✓		✓	✓				✓

**PARTICIPATION**

World Café								
Group conferences			✓		✓			
Planning panels		✓		✓				
Dialogue mobile		✓	✓	✓	✓	✓		
1:1 discussions	✓	✓		✓				
Advisory board		✓	✓	✓	✓	✓	✓	

**DIALOGUE**

Work groups (across all Federal states)		✓	✓	✓	✓	✓	✓	
Information market	✓*	✓	✓		✓			
Press talks			✓		✓			
Hotline		✓	✓	✓	✓	✓	✓	✓
Launches								✓
Regional events		✓	✓	✓	✓			
Project presentations	✓	✓	✓	✓	✓			

**INFORMATION**

Public relations	✓		✓	✓	✓	✓	✓	✓
Newsletter			✓	✓	✓	✓	✓	✓
Printed material		✓	✓	✓	✓	✓	✓	✓
Website	✓	✓	✓	✓	✓	✓	✓	✓

\*As part of the consultation on NEP, the 4 transmission system operators are holding information and dialogue events, where selected procedures, methods and used data will be presented for the 1st draft of the NEP. Subsequent to this, opinions about it can be given.

## 7.3. Stakeholder dialogues

GRI 102-21, GRI 102-44

### Communication events

Despite the hygiene measures introduced following the COVID-19 pandemic, regular contact between the Elia group and its stakeholders continued. Communication methods and channels were adapted and expanded to include virtual and hybrid events, and appropriate social distancing measures were followed depending on the event type.

Elia Group SA/NV organised its first Capital Markets Day, a virtual event relating to the Group's offshore and sustainability strategies in April 2021.

The Elia Group Stakeholder Day was held for the second time as a hybrid event in the year under review. It included panel discussions and presentations from different speakers. The Elia group study Roadmap to net zero was presented throughout the event. The latter focused on three key topics: the energy balance (which explores how Europe will access the renewable energy it needs to reach net zero); flexibility (which explores how a well-designed renewable energy system will be able to manage fluctuations in the energy supply); and adequacy (which addresses how dispatchable capacity will be needed to cover longer phases of low renewable energy infeed). The different energy scenarios explored in the study, alongside the assumptions made as part of them, were discussed throughout the event.

The Elia group also interacts with its stakeholders via two social media platforms: Twitter and LinkedIn. The corporate LinkedIn account has over 35,000 followers, while its Twitter account has over 4,000 followers. Whilst stakeholders are able to be kept informed about company developments via these channels, stakeholders are also able to ask questions and provide the company with feedback via them.

#### ELIA IN BELGIUM

A series of events (including stakeholder events and press conferences) were held throughout 2021. Some of these were organised as in-person events, whilst others were digital or hybrid events.

Elia Transmission Belgium SA/NV celebrated its 20th year anniversary in November 2021, the Full of Energy event.

#### 50HERTZ IN GERMANY

The focus of many events throughout 2021 was the *From 60 to 100 by 2032 - new energy for a strong economy initiative*, through which 50Hertz Transmission GmbH aims have 100% of the energy demand in its grid area covered by renewable energy by 2032.

Together, 50Hertz Transmission GmbH and the General Works Council and the Mining, Chemical and Energy Industrial Union (IG BCE) held a series of roundtable discussions with representatives from politics and business which culminated in a final big event at the company's headquarters and the publication of a paper entitled *New energy for strong industrial workplaces in 2021*. Stefan Kapferer, the CEO of 50Hertz Transmission GmbH, and IG BCE head Michael Vassiliadis invited several key figures to these discussions, including several minister presidents, state secretaries and ministers and senators responsible for energy across the company's grid area. The guests included Dr. Reiner Haseloff (the Minister President of Saxony-Anhalt), Bodo Ramelow (the Minister President of Thuringia) and Michael Kretschmer (the Minister President of Saxony), as well as the Federal Government's Commissioner for Eastern Germany Marco Wanderwitz. Additional guests included the heads of the Federation of German Industries (BDI), the German Association of Energy and Water Industries (BDEW), the Association of German Chambers of Industry and Commerce (DIHK), the German Renewable Energy Federation (BEE) and Germany Trade and Invest (GTAI). The series of roundtables therefore included guests from energy-intensive industries from the chemical, steel, copper, glass, paper and cement sectors in the 50Hertz Transmission GmbH control area, but also new companies that are interested in sustainable investment, such as companies from the automotive industry, battery suppliers or the owners of large data centres. Renewable producers, scientific institutes, think tanks and other associations also took part in the discussions. In a joint summary, 50Hertz Transmission GmbH and IG BCE recorded the goals and

demands that were raised during the roundtable discussions. 50Hertz Transmission GmbH CEO Stefan Kapferer summarised what politics and business will tackle together in future: 1. electricity must become cheaper; 2. the expansion of renewables and the needed grid infrastructure must be accelerated; and 3. climate protection should be given priority in permit procedures in future.

In order to further develop the strategic ambition, the initiative "Together. Faster. Climate-Neutral." was launched. Stakeholders from industry, associations and NGOs were called upon to develop a catalogue of pragmatic proposals for action. The goal was to accelerate the expansion of renewable energy and electricity grids - key factors for a successful energy transition. The initiative included a consultation and analysis phase, as well as an evaluation phase that was led by a panel of three experts (Prof. Dr. Barbara Praetorius, HTW Berlin; Dr. Felix Matthes, Öko-Institut; and 50Hertz CEO Stefan Kapferer). The catalogue of measures that was produced is intended to serve as a basis for the newly elected federal government to identify and work on action areas which aim to speed up the energy transition. In addition to 50Hertz Transmission GmbH, Aurubis, RWE Renewables, TÜV Nord Systems, TenneT, Vattenfall Wärme, Wacker Chemie and the major distribution system operators from east Germany (who joined forces as part of the Arbeitsgemeinschaft der Flächennetzbetreiber Ost, or ARGE FNB Ost), are also part of the "Together. Faster. Climate-Neutral." initiative

Over 600 guests took part in the second "Electricity Market Forum", a joint event which was held online by the four German TSOs: 50Hertz, Amprion, TenneT and TransnetBW. During this cross-sector discussion that involved representatives from industry and civil society, the challenges presented by the energy transition and possible solutions to these were discussed by different expert panels. The topics included the acceleration of the energy transition; shaping the market design so it is adapted to the new challenges; joint ways to expand renewable energy; and the building of the necessary infrastructure which will be able to transport this energy.

## Customer satisfaction survey

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

The main objective of these surveys is to provide the organisation with an overview of the Key Performance Indicators (KPIs) related to the quality of services offered and the way these have changed over time.

### ELIA IN BELGIUM

250 stakeholders took part in the biennial stakeholder survey. The KPIs measured by the Elia Satisfaction Index reflect how stakeholders evaluate Elia Transmission Belgium SA/NV's products and services. The Customer Effort Score reflects the ease of doing business with Elia Transmission Belgium SA/NV, whilst customer satisfaction relates to account management and image. The overall aim of the survey is to identify the organisation's strengths and weaknesses as perceived by its stakeholders in order to further optimise its relationship with them.

Elia Transmission Belgium SA/NV's Satisfaction Index was 69%, reflecting the high quality of products and services it offers. The majority of its stakeholders described collaboration with Elia Transmission Belgium SA/NV as "easy".

### 50HERTZ IN GERMANY

In 2020, a customer survey was carried out for the second time. A total of 1,054 customers were asked to fill out an online evaluation of the company; these customers included balancing group managers (BKV), network and metering point operators and customers who are directly connected to its grid.

## Elia's User Group

### ELIA IN BELGIUM

Elia Transmission Belgium SA/NV regularly organises User Group meetings and working groups.

The User Group provides a platform that allows Elia Transmission Belgium SA/NV to maintain an ongoing dialogue with its main customers and partners. Every year, about four User Group plenary meetings are scheduled to inform market participants and stakeholders about important and strategic topics related to our business.

User'Group	Session	Link to material topic
Plenary meetings	<b>23.02.2021</b> - EU Outlook - Annual network operation overview 2020	 <a href="#">20210223 Meeting (elia.be)</a>
	<b>08.06.2021</b> - Overview Reserves 2020/2021 – auction prices	 <a href="#">20210608 Meeting (elia.be)</a>
	<b>25.06.2021</b> - Adequacy and flexibility study for Belgium 2022-2023	 <a href="#">20210625 Meeting (elia.be)</a>
	<b>28.09.2021</b> - Load development in BE (CLIMACT)	 <a href="#">20210928 Meeting (elia.be)</a>
	<b>13.12.2021</b> - The roadmap to Net Zero - CRM reorganization	 <a href="#">20211213 Meeting (elia.be)</a>

Three working groups support these plenary meetings.

Working Groups	Description
<b>System Operation and European Market Design</b>	mainly addresses topics related to the operation of the high-voltage grid and capacity calculation, as well as initiatives and developments linked to the European integration of the electricity markets
<b>Belgian Grid</b>	addresses issues associated with the grid and related mechanisms, products and services that are of interest to customers
<b>Balancing</b>	mainly addresses operational, technical and market-related issues in order to prepare for the challenges Elia Transmission Belgium SA/NV's balancing market will face in the coming years

The Balancing working group oversees two task forces. The task forces are set up on an ad hoc basis to handle specific issues when necessary.

Task Forces	Description
<b>Implementation of Strategic Reserves</b>	aimed at informing and consulting market players and stakeholders about all relevant issues linked to the implementation of strategic reserves
<b>iCAROS</b>	aims to discuss topics related to future asset coordination procedures with the relevant stakeholders

## Contact centers

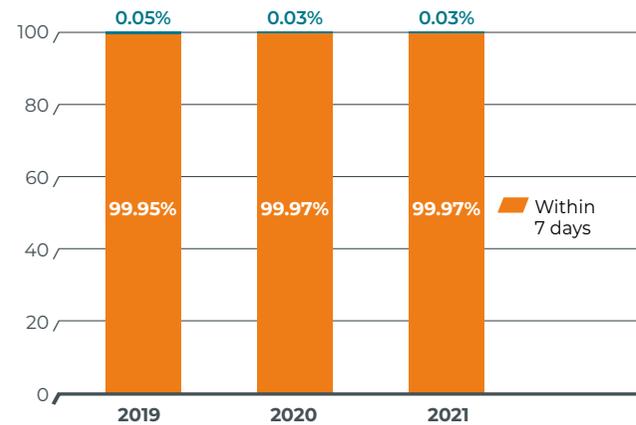
### ELIA IN BELGIUM

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.

Because of 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.

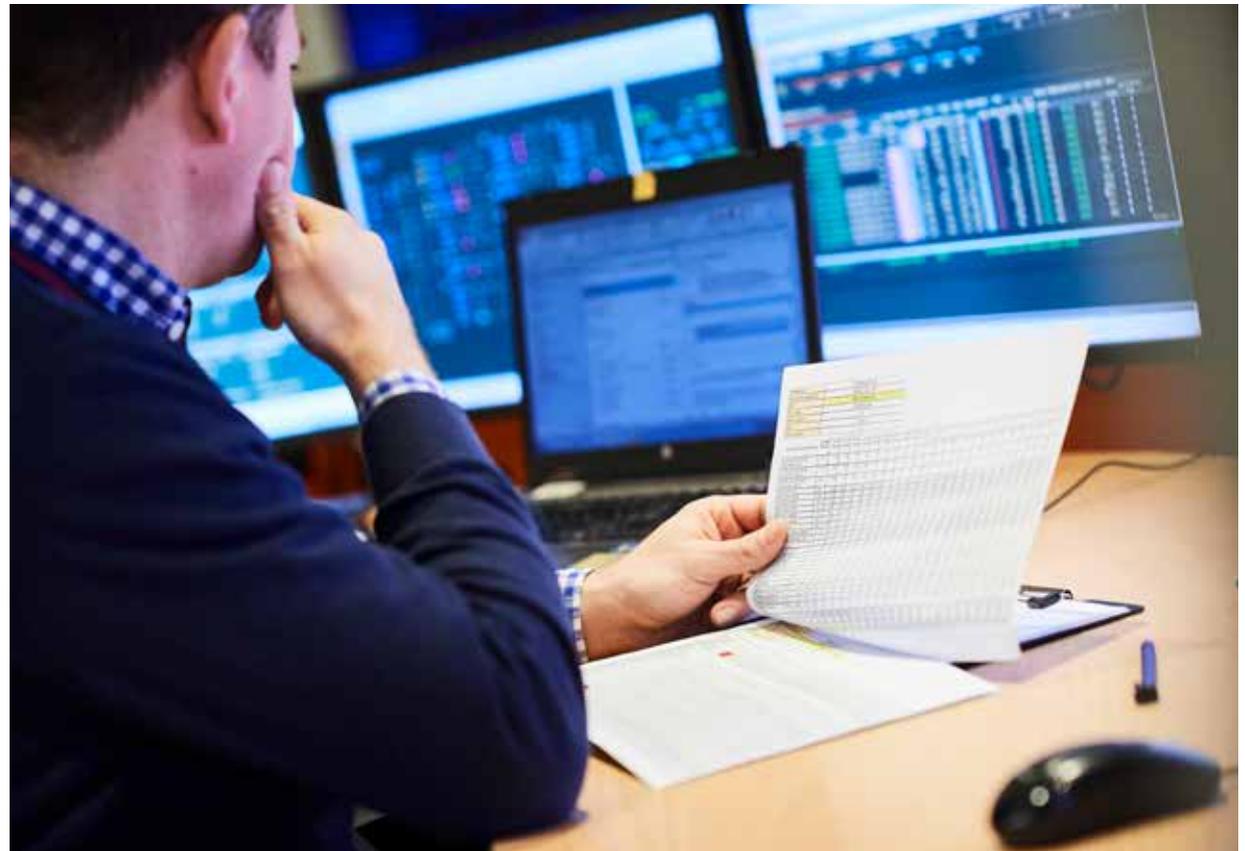
There are statutory time frames within which Elia Transmission Belgium SA/NV must answer the requests (7 working days following their receipt).

#### % OF REQUEST HANDLED BY OUR CONTACT CENTRE



In 2021, our contact centres received 81,796 requests.

Should the request via a contact centre arise, Elia Transmission Belgium SA/NV offers information and free electromagnetic field measurements to the owners of land and buildings located near Elia Transmission Belgium SA/NV facilities. In 2021, we performed 50 measurements in Flanders.



## 7.4. Cooperation and innovation

### SDG 11

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.

We worked with 7 other TSOs (Terna, RTE, TenneT, Amprion, Red Eléctrica, Swissgrid and APG) to identify the main tools for decarbonising the energy system. These were outlined in a joint paper that was published in July 2021: Decarbonising the energy system – The role of Transmission System Operators

In 2021, Elia Group and Malaysian electric utility company Tenaga renewed their cooperation agreement for exchange of best practice, this agreement confirms their joint ambitions and secures their increased cooperation on issues such as grid development, asset management, renewable energy integration and market operations.

Along with various European environmental organisations and other TSOs, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are founding members of the Renewables Grid Initiative (RGI), which promotes grid expansion across Europe to support the effective integration of renewable energy and disseminates information about innovative participation practices.

### Innovation

The Elia group continuously seeks solutions and new technologies which will support its teams in their daily activities, in line with its top priorities: quality, efficiency, reliability and safety.

The annual Elia Group's Open Innovation Challenge competition involves start-ups from around the world presenting solutions to the challenges system operators face.

In 2021, fifth Open Innovation Challenge focused on solutions for offshore wind integration. The challenge sought innovative solutions that would make offshore operations more safe, efficient, cost effective and sustainable. Of the 78 teams that originally applied to participate in the competition, five finalists presented their solutions and concrete projects to the international audience and panel of judges during a livestreamed event in Berlin. After five exciting pitches, the judges – which included staff from Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH and external offshore experts – selected the young start-up company TideWise from Brazil as the winning team. TideWise developed an unmanned surface vehicle with advanced sensors that collects air, surface and underwater data to perform remote inspections and surveys in near real-time. The vehicle uses artificial intelligence for optimal control and enables offshore inspections in situations where the risk and cost of deploying people on site is too high. In addition, the unmanned TideWise vehicle can carry a drone. The company received €20,000 and the opportunity to develop their project within the Elia group.

In October 2021, Elia Transmission Belgium SA/NV hosted a hackathon across the course of three days which aimed to support the development of new energy services for consumers. The hackathon involved start-ups, companies, professionals, students, NGOs and other creative minds solving one of the five proposed challenges. On the final day, a panel of judges selected a winner.

In October 2020, Elia Group SA/NV launched re.alto, its own corporate start-up which aims to accelerate the digitalisation of the energy sector. re.alto seeks to make energy data easy to access and integrate, enabling the energy industry to take a giant digital stride towards a more widespread adoption of Energy-as-a-Service business models, ultimately driving a low-carbon energy future.

In the reporting year, the Elia group Innovation Week also took place under the motto “Co-creating the future with our ecosystem”. As part of this, the most innovative projects from across the organisation related to the five ‘Moonshot’ fields (which are specific areas of focus for the Innovation Team) of system management, consumer centricity, infrastructure, asset management and offshore were presented to staff. For the first time in the Innovation Week's history, external partners were invited to take part in the event, helping to present their projects with staff from the group.

In order to promote innovative thinking even more, the Elia group has created another space, The Nest, in which innovative projects are enabled and supported through prototyping and testing of innovative ideas in an agile environment.

Given the spread of electrification, decentralisation and integration of ever-increasing amounts of renewable energy into the grid, the Elia group launched its own incubator in May 2020: The Nest. Its aim is to encourage and develop digital transformation projects in an agile manner and simplify company processes. Furthermore, The Nest strives to develop new business models and enhance the quality and efficiency of the company's activities and internal processes.

### ELIA IN BELGIUM

Belgium's energy system operators teamed up with 60 companies, public bodies and academic institutions as part of Internet of Energy (IO.Energy). The ecosystem was launched in February 2019 to bridge the gap between digitalisation and sustainability and promote innovation in the energy sector. It aims to develop

new services through the exchange of data between all sector players. The focus is on end users, who will be able to tailor their generation and consumption to grid needs using a digital communication platform. In October 2020, the first project 'sandboxing' came to an end. Eight Belgian pilot projects were completed.

We are constantly on the lookout for efficiency gains and new technologies – be it in terms of system operation, grid development, infrastructure or maintenance. In line with this, a drone helicopter was used for the first time to undertake long-range power line inspections near Trois-Ponts in Wallonia, Belgium. The images these drones took of high-voltage pylons could then be analysed using artificial intelligence and compiled into a status report that points out areas for repair. This process renders inspections safer and more efficient: lines remains in service and staff are not required to climb the pylons. These beyond visual line of sight (BLVOS) drones may ultimately replace helicopter inspections.

Elia, alongside the 8 other Belgian electricity and gas system operators and their federation, Synergrid, has been awarded the title of SDG Voice 2021 by the Federal Minister for Climate, Environment, Sustainability and the Green Deal, Zakia Khattabi, and her administration, the Institute for Sustainable Development (IFDD).

#### 50HERTZ IN GERMANY

Active consortium management and participation in research and development projects is an integral part of 50Hertz Transmission GmbH's approach to innovation. Through different partnerships with both academic and industrial partners, the organisation focuses primarily on the areas of new technologies and digitalisation, energy markets and system security, the integration of renewable energy into the system (including the development of the grid to support this) and supporting industry in the decarbonisation of its processes. Its commitment to such areas is reinforced through its Scientific Advisory & Project Board (see below) and its work with industry and the science world.



Twenty-one of Germany's most renowned scientists met twice in the year under review as part of the newly established Scientific Advisory & Project Board (SAPB). The latter addressed strategic topics including the German government's hydrogen strategy and the challenges the country will face on the path to climate neutrality. The SAPB also addressed topics including concrete applications for 50Hertz Transmission GmbH 's everyday business; these related, for example, to future energy scenarios and grid reconstruction projects in a world with more and more renewable energy. In addition, the SAPB approved two project outlines; these were developed with scientists and 50Hertz Transmission GmbH throughout the course of the year. The results are expected to be made available in the first quarter of 2022. In future, the SAPB will focus on the establishment of a consumer-centric market design.

As a further component of the *From 60 to 100 by 2032 - new energy for a strong economy* initiative, 50Hertz Transmission GmbH is contributing its expertise as an associated partner to three real laboratories for the energy transition. In addition, 50Hertz helped to construct a number of power-to-heat plants in Hamburg, Parchim, Rostock, Stralsund and Neubrandenburg (among other places) under the motto *Exploiting instead of curtailing?*. Each of these projects focus on sector coupling or the use of hydrogen.

In future, millions of electric cars are due to drive around Germany and will need to be charged regularly. In order for them to also contribute to system stability, data exchange via a smart metering infrastructure will be required. Therefore, in a joint project with Elli and Bosch.IO (which are subsidiaries of Volkswagen AG and Robert Bosch GmbH), the distribution system operator Stromnetz Berlin and 50Hertz are investigating and testing what type of data exchange will be required for this and how flexibility can be provided by a network of electric cars. For 50Hertz Transmission GmbH, this is an important part of its *From 60 to 100 by 2032* initiative.

## 7.5. Community engagement

GRI 413-1

The Elia group is committed to creating a sustainable future for all of its stakeholders. This also means that we take our societal responsibility seriously. That's why Elia Transmission Belgium SA/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.

### ELIA IN BELGIUM

#### Local added value / Supporting local initiatives

In addition to undertaking compensation and mitigation measures, an additional approach was developed to compensate local communities for any disruptions caused during works on high-impact projects (such as building new overhead lines or high-voltage substations).

Despite these measures, new infrastructure and assets do have a lasting impact on the surrounding environment. By making a financial contribution to community funds which are made available to local communities affected by infrastructure works, Elia Transmission Belgium SA/NV helps to improve the living environment of residents.

The amount set aside for community funding associated with some infrastructure projects is set at their beginning. Once the necessary permits have been obtained, Elia Transmission Belgium SA/NV replenishes the fund. Since 2017, Elia Transmission Belgium SA/NV has been collaborating with the Be Planet Foundation to develop and support local citizen initiatives which facilitate the ecological transition. Elia Transmission Belgium SA/NV has established a structural partnership with the public utility foundation Be Planet to develop and support ecological transition initiatives by citizens in municipalities where Elia 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.

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.

The Be Planet Public Benefit Foundation is to ensure that the funding is used in line with its objectives and that the citizen projects which are chosen to receiving funding are carefully selected. Each chosen citizen project must have a positive impact on the ecological transition and must contribute to sustainable development.

We undertake a number of biodiversity measures with the ecological engineering consultant, Ecofirst (for further details, see **8.3. Biodiversity and Landscape integration**). Major achievements which were carried out with Ecofirst in 2021 include the selection of 28 projects that will be implemented with backing from the landscape/biodiversity fund aimed at the towns and cities affected by the **Boucle de l'Est** project.

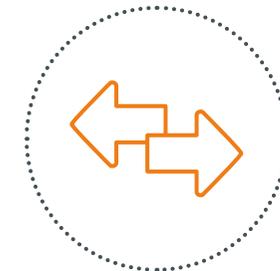
Several of our project managers had the opportunity to share their passion for technology by working with the Technical Academy of East and West Flanders, delivering classes to 10- to 12-year-old students interested in the world of technology.

#### Donations

In 2021, 1.63 tonnes of our hardware (including laptops, docking stations, printers, screens and carrying cases) were donated to schools and non-profit organisations.

In the aftermath of the July 2021 floods that caused a large amount of damage in the Belgian Province of Liège, Elia Transmission Belgium SA/NV provided financial and in-kind donations to two organisations which amounted to €20,000. Elia Transmission Belgium SA/NV also donated €10,000 to the Red Cross.

Given the COVID-19 pandemic, the yearly Sinterklaas party (which is usually organised by the Social Fund for Employees) has not been held for the last two years. The €50,000 budget intended to be used for the 2021 party was donated to a non-profit organisation that provides birthday presents for children living in poverty.



## 50HERTZ IN GERMANY

50Hertz Transmission GmbH supports numerous projects across its grid area which primarily relate to education in the fields of culture, energy and the environment and youth and social affairs. Clear management and organisational structures are in place which facilitate our involvement in community and social activities. The Communications and Public Affairs Department is responsible for overseeing this - it coordinates with senior management to set goals, coordinate activities and, if necessary, investigate possible projects to get involved in, alongside the Legal Department and the Compliance Committee. Our internal guidelines for donations and sponsorship outline the general principles staff should follow in terms of support for different activities (these include assessment criteria and the organisational process staff should follow, particularly with regard to transparency). When providing donations to organisations or sponsoring them, employees must ensure that the relevant cause(s) are aligned with our corporate values and that such support is geared towards sustainability, offers true added value for society and the general public, and is given in line with the above guidance.

50Hertz Transmission GmbH seeks to act as a good corporate citizen, particularly in terms of the area surrounding its headquarters (also known as the 50Hertz Netzquartier): it seeks to make the urban district residential and make the area attractive for its residents. For example, the Energiebündel daycare centre is open to the children of 50Hertz Transmission GmbH employees and also youngsters from the neighbourhood. In the reporting year, the organisation's partnership with the Hamburger Bahnhof Museum for Contemporary Art in Berlin was extended by three years. As part of this, outstanding work carried out by graduates from different art academies in the 50Hertz grid area are exhibited on an annual basis. In the future, the Rundgang 50Hertz exhibition (as it is known) will be held digitally.

Educating children and teenagers about the energy transition is of great importance for the organisation. An interactive exhibition called Energie gemeinsam wenden ('Changing energy together'), developed by 50Hertz Transmission GmbH and the Unabhängiges Institut für Umweltfragen e.V. (Independent Institute for Environmental Issues), teaches students about dif-

ferent aspects of the energy transition in an engaging way. Some parts of this exhibition (which are quite technical) can be used by schools in their physics and biology lessons. In the future, the exhibition will be adapted and made available in a digital format.

In addition, both partners are developing an online game related to grid development and the energy transition. The game involves young people playing different roles (such as local residents, farmers, conservationists, tourism managers, etc.) and considering different grid expansion possibilities. Using a points-based system, players can explore and discuss the different options, working together to find the best possible path for such projects. The game will be released in 2022.

50Hertz Transmission GmbH also supports selected cultural projects across its grid area. In 2021, the soprano Anna Prohaska was supported as part of the renowned "Artist in Residence" programme series organised by the Konzerthaus Berlin. From the 2022 season onwards, we will focus on supporting the digitalisation of the concert hall's activities. The Mecklenburg-Vorpommern Music Festival was again supported by us in 2021.

As in previous years, 50Hertz Transmission GmbH was actively involved in different sports-related initiatives throughout its grid area in 2021. Examples include the Rennsteig-Herbstlauf run in the Thuringian Forest, the Baltic Sea relay marathon in Dierhagen, the junior division of the BR Volleys and activities organised by a large number of local non-profit institutions.





## COOPERATION WITH ECOFIRST AND BEPLANET

Elia and Ecofirst selected 28 projects to support through Elia's landscape and biodiversity fund. The projects, which are based in the municipalities and cities which are being affected by the Boucle de l'Est project, include initiatives which will focus on building resilient forests, building ponds and fish ladders, setting up nesting boxes and planting orchards. The total amount Elia will be committing to these projects is €340,000.



## MUNICIPALIA

Elia sees cities and municipalities as important partners: we are highly committed to engaging in productive discussions with them. In this vein, in 2021, Elia participated in Municipalia, a fair for local authorities in Wallonia. We welcomed attendees to our information stand, giving them the opportunity to explore our projects through the use of VR glasses.



## INFORMATION AND PARTICIPATION

Elia believes it is important to give children a taste of the wonderful world of technology at an early age. In 2021, we organised a number of projects to encourage this, as follows:

- In Mortsel, a playground was briefly transformed into one of our construction sites. We designed a number of signs which were tailored to the children at the playground, to give them a flavour of what one of our construction sites might look like. It was an original way to encourage them to learn!
- Schools located near one of our sites can ask to be taken on a site visit. For example, students from the Mosa-RT school visited the Massenhoven-Van Eyck project site. Our staff were on hand to deliver a fun and educational visit for them.

- Elia developed a game about the energy transition for young learners. Our ElectriCITY educational kit contains a board game and activities for students who are in primary and secondary school. More than 1,000 kits were distributed to schools across the country in 2021 - that's a whole lot of educational fun!
- Along with the Techniek Academie, a number of our project leaders visited schools in West Flanders to provide them with information about some of our projects. Our engineers were asked a lot of interesting questions that made them think hard!

# 8

# Environmental aspects

## 8.1. Management approach

GRI 102-11, GRI 103-2

High-voltage transmission grids play an essential role in the energy transition and the decarbonisation of society and industry. Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are therefore developing their transmission grids in line with long-term needs. 50Hertz Transmission GmbH is a pioneer in the integration of renewable energy into the overall electrical system: in 2021, an annual average of nearly 60% of electricity consumption in the 50Hertz grid area was met by renewable energy.

The Elia group is investing large sums in the development of its onshore and offshore high-voltage grid in order to support the integration of renewable energy into the system and in the construction of interconnectors to facilitate the integration of the European energy market. One of the biggest challenges we face is maintaining and expanding this grid while ensuring that our environmental impact is minimised. When developing and building our grid, we always strive for socially acceptable and economically efficient solutions. To this end, we try to limit the construction of new infrastructure and prefer to optimise and improve existing infrastructure wherever possible. We apply the avoid-reduce-offset approach described in **7.2. Community relations and public acceptance**, which involves seeking to ensure that our corporate and construction sites have the lowest impact possible on the environment, local habitats and people. The geographical areas we operate in as transmission system operators, environmental impact assessments (EIA) are always undertaken as part of permitting requests; these are conducted in the early stages of infrastructure projects. They allow potential environmental, social, cultural and health-related impacts to be identified and analysed during both the construction and operation phases.

The planning, operation, maintenance, conversion and expansion of the transmission grid in Belgium and in the north and east of Germany are based on national and European framework conditions and regulations related to the environment and sustainability. These requirements are constantly updated

and adapted. Laws are also in place which determine emissions thresholds (such as those related to EMF or noise); these are taken into account during the permitting phase.

Moreover, we adopt the precautionary principle of reducing and avoiding possible negative impacts by conducting studies (linked to electric and magnetic fields (EMF) or noise, for example), by calculating our carbon footprint, implementing mitigation measures and, most recently, by considering climate risks in our risk management process.

The Elia group Supplier Code of Conduct contains additional principles related to environmental protection and resource conservation. The Elia group has developed a whole set of measures to be introduced and compensations measures to be granted (see **7.2. Community relations and public acceptance**, **7.4. Cooperation and innovation** and **8.3.1. Environmental aspects - Mitigation and compensation measures**)

Further details and compensation policies available on [our website](#).

The suppliers are obliged to specific quality and natural conservation measures by contract. This includes the precautionary principle of environmental protection.

The further development of operational environmental protection and energy management also includes raising awareness and actively involving employees who are motivated to act in an environmentally conscious and energy-efficient manner. To this end, environmentally relevant briefings are held annually or on an ad hoc basis in regional centres as well as in central and supporting teams such as those which work in purchasing or facility management.

The legal requirements regarding training related to waste, water protection and the transportation of hazardous goods are all met. In addition, annual training courses are held for the group's employees. Individual company departments are trained as and when they need to be.

We also work on the supporting awareness of sustainability considerations (including with regard to the environment and transport) amongst our contractors during the construction phase of a project by providing them with guidelines and specifications regarding the quality that Elia group expects on its construction sites.

The Elia group companies ensure that all relevant information and all necessary resources for the fulfilment of strategic and operational goals related to energy efficiency and environmental protection are made available where necessary.

Commitments to ecological and social sustainability, environmental and climate protection and resource conservation are integral parts of our corporate strategy. Under ActNow, the group's sustainability programme, Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have set themselves clear ambitions related to climate protection, biodiversity and circularity. The Elia group is going to focus on the energy efficiency of our substations, eco-design and the enhancement of biodiversity in and around them (avoidance of herbicides).

In 2021, a project focusing on circularity in procurement was launched. Moreover, an internal carbon price (IPC) was introduced as an additional parameter which needs to be considered in the procurement process (see also **6.1. Suppliers and Human Rights – Management Approach**).

We are aiming to be ISO 14001 certified by 2022 in Germany and 2023 in Belgium.



#### ELIA IN BELGIUM

The Community Relations Department is responsible for the appropriate handling and implementation of all tasks relating to environmental and nature conservation issues, quality management and the management of related tasks. Within this department, the Environment & Corporate Social Responsibility Team provides advice regarding process control and ensures that the environmental and quality approaches are correctly implemented.

A team member is involved in multi-functional teams for the procurement processes for specific goods and services (e.g. waste management, transformers).

The Community Relations Department informs and guides staff about relevant environmental obligations. Ad hoc training is organised in order to communicate such changes to staff and ensure they have a solid understanding of environmental management topics (e.g. noise management, electric and magnetic fields (EMF), compensatory measures).

As the two new overhead high-voltage lines, Ventilus and Boucle du Hainaut, are being planned, Elia Transmission Belgium SA/NV undertook a comparative study regarding pylons that could be used to reduce the environmental impact (in terms of visual impacts and the impact of EMF) of our work. This study also considered the technical feasibility and costs of such pylons. The study's results confirmed that the current use of pylons is most favourable; however, it also indicated that another pylon type – the Wintrack pylon – could be considered from an environmental perspective.

#### 50HERTZ IN GERMANY

Environmental protection activities are documented internally in our Annual Environmental Reports. The environmental report for the reporting year 2021 will be available in March 2022. Given this, some of the figures below are based on estimated values, since they have not yet been confirmed; these are clearly noted below.

The existing environmental management system is currently being aligned with the internationally recognized ISO 14001 in order to increase its level of maturity. Certification is planned for 2022.

Staff members dealing with waste, water protection and hazardous goods are all sufficiently trained. In 2021, environmental and nature conservation specialists were trained on issues relating to nature conservation during maintenance and repair work. Likewise, numerous employees were trained in the use of separator systems. The *Agreement on Quality Assurance on Construction Sites* is included in new contracts with suppliers. It includes, among other things, the precautionary principle related to environmental protection. Compliance with this agreement is regularly checked as part of IT-supported construction inspections. In the year under review, more than 500 construction inspections were carried out.

Another step towards the consistent reduction of our environmental impact is the development of the compactLine mast design. The latter is characterised by lower mast heights, narrower lines and a full-wall mast with a smaller circumference. In the future, the project should reduce the impact of overhead lines on the landscape and nature in sensitive areas. The design allows a new 380 kV line to be integrated into sections of existing 220 kV lines.

## 8.2. Emissions

SDG 13, SDG7, GRI 201-2, GRI 302-3

N.B.: The transmission of electricity does not release effluents or emit significant amounts of gases such as SOx and NOx. The only SOx and NOx emission sources related to our activities are associated with our fleet of vehicles, these are therefore de facto integrated into our efforts to reduce related GHG emissions.

### 8.2.1. Greenhouse gas (GHG) emissions

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, G4-EUS-EN15, G4-EUS-EN15, G4-EUS-EN16, G4-EUS-EN21

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 development of its grid.

As part of the ActNow programme, we have set ourselves four major goals which are aligned with the European Green Deal and which guide our actions.

The key role we are playing in the decarbonisation of the power sector is the best way we can contribute to meeting the Green Deal targets. We see this as our societal challenge and this is what we need to focus on. As part of our corporate challenge to reduce our own GHG emissions, we are committed to operating a carbon-neutral power grid by 2040, making our own activities carbon-neutral by 2030, assessing and reducing the carbon footprint of our supply chain and setting up an internal carbon price for our new investments.

For further details about the key performance indicators and targets which form part of our ActNow programme, please see the section entitled **'Our performance' in our 2021 Integrated Report**.

### Carbon footprint: our main GHG emission sources

We assess our carbon footprint by calculating our greenhouse gas (GHG) emissions. We have identified the main sources of our emissions.

#### SCOPE 1- Direct greenhouse gas emissions from owned or controlled sources

These emissions are mainly caused by SF<sub>6</sub> gas leaks from our installations; they are also linked (to a lesser extent) to the natural gas consumption for heating and fleet fuel consumption.

Sulphur hexafluoride (SF<sub>6</sub>) is used as insulation and switching gas in gas-insulated high-voltage switchgear. It has great electrical properties, is non-toxic and is also very chemically stable. However, the global warming potential of SF<sub>6</sub> is 23,500 times higher than CO<sub>2</sub>.

There is currently no alternative to SF<sub>6</sub> for switchgear at 220 kV and 380 kV levels. SF<sub>6</sub> is therefore used in closed circuits in switchgears, meaning emissions are very limited. The pressure vessels are monitored on a regular basis to check for potential leaks. Despite this, however, some leaks due to the seal technology and the necessary gas handling cannot be avoided entirely.

Both Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH fall under the loss rate to which SF<sub>6</sub> producers and users are voluntarily committed (0.6%).

Additionally, the use of an alternative to SF<sub>6</sub> is being explored: we are currently taking part in pilot projects with manufacturers as part of this. Concrete steps regarding the GHG emissions related to our fleet of vehicles have also been planned with a concomitant impact on the related SOx and NOx emissions.

#### Our societal challenge

#### Our corporate challenge

OBJECTIVE 1 Speed up decarbonization of the power sector	OBJECTIVE 2 Reach carbon neutrality in system operation by 2040	OBJECTIVE 3 Reach carbon neutrality in own activities by 2030	OBJECTIVE 4 Move towards a carbon neutral value chain for new assets and construction works
<u>Our focus:</u> - Grid dev - Market dev & system operation - Electrification	<u>Our focus:</u> - Grid losses - Balancing and redispatch	<u>Our focus:</u> - Offices and substations - SF <sub>6</sub> - Mobility	<u>Our focus:</u> - Procurement and technical design
<b>System</b>	<b>Scope 2</b>	<b>Scope 1 &amp; 2 &amp; 3</b>	<b>Scope 3</b>

## SCOPE 1

### ELIA IN BELGIUM

Elia Transmission Belgium SA/NV has developed an investment and maintenance policy to minimise the risk of SF<sub>6</sub> leaks. Manufacturers must guarantee a very stringent maximum percentage of SF<sub>6</sub> loss throughout the lifetime of the equipment they build. Our maintenance policy aims to ensure that operations involving compartments filled with SF<sub>6</sub> keep leaks to a minimum. The total volume of SF<sub>6</sub> gas installed on the grid (36 kV to 380 kV levels included, excluding the Nemo Link substation) in 2021 was 150.921 tonnes. The consumption of SF<sub>6</sub> gas (replacements and top-ups in the event of a leak) is closely monitored using a system that tracks each cylinder of SF<sub>6</sub>. The SF<sub>6</sub> leakage rate for all facilities was 0.10% in 2021.

Research on SF<sub>6</sub>-free high-voltage equipment (switchgear/circuit breakers) is currently being carried out: proofs of concept have been included in new framework agreements with manufacturers. The first pilot project related to this was started in the reporting year: a zero-emissions high-voltage circuit breaker was installed in the Marcourt substation in the Walloon region. Over the next three years, the performance and efficiency of the new circuit breaker will be monitored by our Asset Management and Engineering Primary Systems (EPS) staff in collaboration with Siemens Energy. Its potential deployment on a larger scale across our grid will also be considered.

A second project is also being prepared; this will involve the installation of our first gas-insulated switchgear (HV GIS) substation by 2024 using the same technology

With regard to the fleet of vehicles we use for technical interventions (small vans and trucks), we have started a testing phase for small vans and aim to implement zero-emissions cars as from 2023, designing in parallel the necessary charging infrastructure. We are closely monitoring the market for such technology for trucks, since the technology is not mature yet.

In order to mitigate GHG emissions from employee commuting, a new commuting programme called *Orange is the New Green* was set up as part of ActNow:

- This new programme aims to transform staff understanding of commuting and encourage associated behaviour changes. It is in line with the group's efforts to promote further soft mobility and adapt working practices (such as the use of public transport, cycling and working from home) and electrify our fleet of vehicles. Additionally, we have started offering mobility budgets to our exempt staff instead of a company car (if they so wish).
- The new programme aims to ensure that 75% of commuting undertaken by group staff will be low-carbon (i.e. undertaken using public transport, bicycles, electric vehicles or some form of shared mobility - or will be avoided, as staff will be working remotely) by 2025; by 2030, we aim to ensure all of our vehicles are electric.



### 50HERTZ IN GERMANY

50Hertz Transmission GmbH, along with 13 other companies, is sponsoring a research project at ETH Zurich. The aim of this project is to investigate the suitability of alternative gases which can replace SF<sub>6</sub> as insulating and switching gases in switchgear. The research programme will run for three years. In the year under review, a 123 kV switchgear with an alternative gas mixture was commissioned for the first time in the Charlottenburg substation. This reduces the greenhouse effect by 99% compared with equivalent substations that use SF<sub>6</sub>. In addition, recycled SF<sub>6</sub> was placed on an equal footing with brand new SF<sub>6</sub> and the organisation has decided to use it in the future. In this way, 50Hertz Transmission GmbH is making an important contribution to reducing the amount of SF<sub>6</sub> which is actually produced. According to a voluntary commitment by SF<sub>6</sub> producers and users, the loss rate measured against the total stock of SF<sub>6</sub> may only be 0.6 per cent in Germany - at 50Hertz Transmission GmbH this rate was significantly lower at 0.14 per cent in the reporting year.

In addition to electricity consumption, our fleet of vehicles (which are crucial for being able to quickly access different parts of our grid area) also have an impact on our carbon footprint. In 2021, these vehicles produced 1,586 tonnes of CO<sub>2</sub>. As part of ActNow, 50Hertz Transmission GmbH set itself the objective of achieving a zero-emission vehicle fleet by 2030. For this purpose, the existing fleet was analysed and a roadmap for the replacement of vehicles was developed, including supporting measures, such as the establishment of the required charging infrastructure around our administrative sites.

<sup>12</sup> Source: IPCC Fifth Assessment Report, 2014 (AR5)

<sup>13</sup> The innovation takes the form of a cut-off chamber comprising a vacuum interrupter in a chamber containing pressurised dry synthetic air (80% nitrogen and 20% oxygen).

### **SCOPE 2 - Indirect greenhouse gas emissions resulting from the generation of purchased or acquired energy consumed by the organisation (technical and administrative consumption)**

These emissions are mainly due to grid losses that are unavoidable when transmitting electricity and over which Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have no direct influence.

Power losses along lines and cables are an inevitable and inherent part of electricity transmission, as well as a source of CO<sub>2</sub> emissions related to grid operation. This will continue to be the case until power generation is completely carbon-neutral. The reduction of grid losses is not the only factor that should be considered when developing the transmission grid, since too narrow a focus can lead to adverse effects and even slow down the integration of renewable energy.

When evaluating the possible construction of new transmission infrastructure, it is important to always consider the system perspective and to take into account its impact on grid losses alongside its impact on GHG emissions.

For more information, see section [3.5. Grid Losses in our control areas](#).

### **SCOPE 3 - All other indirect greenhouse gas emissions (not included in scope 2) that occur along the value chain (outside the company), including both upstream and downstream emissions and which are linked to our activities through the purchase of goods and services, staff commuting, business travel, etc.**

Construction work and materials were unsurprisingly identified as the main sources of emissions. Several steps were initiated in 2021 in order to improve calculations regarding these main sources and implement measures to reduce their emissions.

With respect to new assets and construction work, we are in the process of improving the CO<sub>2</sub> accounting process in order to better identify the sources of emissions, enabling us to focus our efforts on addressing and reducing them. In 2021, an initial screening of Scope 3 emissions was undertaken on a spend-basis, the main components were purchased goods and services,

capital goods, and upstream emissions. We will also transition from using internal carbon pricing (ICP) on a case-by-case basis in our purchasing decisions to integrating ICP into all parts of the investment decision-making process. The CO<sub>2</sub> Accounting Platform initiative, which is currently being developed, aims to provide our suppliers with a tool which they can use to record the emissions related to their goods and services, so enabling us to compare different options available.

We have set ourselves the goal of establishing comprehensive Scope 3 reporting by 2023 and setting Scope 3 reduction objectives by the middle of the decade.

#### **ELIA IN BELGIUM**

Elia Transmission Belgium SA/NV began its journey of calculating the GHG emissions related to its infrastructure projects through the *Green Works Initiative*: by calculating the GHG emissions of a series of pilot projects, hot spots and reduction measures are being identified and will guide our work in this area over the coming years.

Elia Transmission Belgium SA/NV is legally required to carry out regular mobility surveys (Plan de déplacements d'entreprise) in order to report on the modes of transportation used by its employees. As part of the Orange is the New Green initiative, the organisation therefore decided to invite all of its employees to complete an online questionnaire about their commuting patterns (which included new questions about the impact of COVID-19 on their commuting patterns and which measures they think would be effective for encouraging them to switch to greener commuting). The results of this survey will help to guide the organisation as it takes decisions regarding mobility.

#### **50HERTZ IN GERMANY**

Different means of transport are used for business purposes. Air travel was responsible for 48.4 tonnes of CO<sub>2</sub> equivalent in the reporting year. In addition, employees used the long-distance transport services of Deutsche Bahn. According to Deutsche Bahn, long-distance transport can be considered to be CO<sub>2</sub> neutral. In 2021, all GHG emissions related to business-related air travel were offset for the third year running.



## Carbon footprint accounting

G4-EN15, G4-EN16

### ELIA IN BELGIUM

#### GREENHOUSE GAS EMISSIONS IN T CO<sub>2</sub> EQUIVALENT\*

Direct (scope 1)	Share	2019	2020	2021
SF <sub>6</sub> leakage	2.92%	5,875.00	5,663.00	3,403.98
Fleet (diesel)	2.84%	3,815.47	3,156.61	3,309.52
Fleet (fuel)	0.38%	349.21	324.41	447.81
Heating (natural gas)	0.77%	782.14	632.67	900.16
Heating (fuel)	0.02%	43.23	34.92	25.25
Airco	0.00%	71.46	196.20	0.00
<b>Total direct emissions</b>	<b>6.93%</b>	<b>10,937.00</b>	<b>10008.00</b>	<b>8,086.72</b>
Indirect (scope 2)				
Regional grid losses	81.41%	93,055.11	91,640.37	95,016.74
Electricity consumption	11.66%	13,614.93	13,614.93	13,614.93
<b>Total indirect emissions</b>	<b>93.07%</b>	<b>106,670.04</b>	<b>105,255.30</b>	<b>108,631.67</b>
<b>Total Scope 1 &amp; Scope 2 emissions</b>	<b>100.00%</b>	<b>117,607.04</b>	<b>115,263.30</b>	<b>116,718.39</b>

\*The following assumptions have been made for this calculation:

- only regional grid losses are taken into account

- the consumption of the HV substations is the result of an estimate based on metering data of 60 sample stations

The scope of Elia's carbon footprint accounting includes emissions by Elia Transmission Belgium SA/NV, Elia Asset SA/NV and Elia Engineering SA.

In the reporting year, direct (Scope 1) and indirect GHG emissions (Scope 2) were reported for the fourth time.

The total Scope 3 emissions were calculated on a spend-basis for the first time in 2021, they amounted to approximately 258 kilotonnes CO<sub>2</sub> equivalents for 2019.

Since 2017, Elia Transmission Belgium SA/NV has been involved in an initiative run by the CDP, an international, non-profit organisation which runs a global environmental disclosure system for

companies, investors and cities. We answer their climate change questionnaire, through which companies must outline how they handle climate-related risks and opportunities and disclose their carbon footprint.

The organisation's carbon footprint corresponds to 1.604 tonnes of CO<sub>2</sub> equivalents per transmitted GWh including grid losses and 0.298 tonnes of CO<sub>2</sub> equivalents per transmitted GWh excluding grid losses (basis: 72.75 TWh).

N.B. carbon intensity was expressed in CO<sub>2</sub> equivalent per GWh in last year report: 1.65 tonnes of CO<sub>2</sub> equivalents per GWh transmitted including grid losses and 0.34 tonnes of CO<sub>2</sub> equivalents per GWh transmitted excluding grid losses (basis: 69.937 TWh).

### 50HERTZ IN GERMANY

#### GREENHOUSE GAS EMISSIONS T CO<sub>2</sub> EQUIVALENT

Direct (scope 1)	Share	2019	2020	2021
SF <sub>6</sub> - Leakage	0.60%	4,257	8,300	5,984
Mains backup system*	0.00%	7	0	0
Fleet	0.16%	1,521	1,351	1,586
Gas	0.02%	147	145	151
<b>Total direct emissions</b>		<b>5,932</b>	<b>9,797</b>	<b>7,721</b>
Indirect (scope 2)				
District heating*	0.03%	264	287	346
Electricity consumption	0.17%	1,728	1,441	1,662
Grid losses	96.84%	922,080	812,520	959,904
Energy consumption own facilities	2.18%	20,373	19,453	21,607
<b>Total indirect emissions</b>		<b>944,445</b>	<b>833,701</b>	<b>983,519</b>
<b>Total Scope 1 &amp; Scope 2 emissions</b>		<b>950,377</b>	<b>843,498</b>	<b>991,240</b>

\* The values stated are estimated values as at 31.12.2021. The following calculation bases and emission factors were used to determine the CO<sub>2</sub> equivalents: SF<sub>6</sub>/IPCC 5th ARS, Fleet/direct usage fuel, Energy Electricity, District heating, Gas/Umweltbundesamt 2017 Scope 2 Guidance)

The scope of 50Hertz's carbon footprint accounting includes emissions by 50Hertz Transmission GmbH.

In the reporting year, direct (Scope 1) and indirect GHG emissions (Scope 2) were reported for the third time.

The total Scope 3 emissions were calculated on a spend-basis for the first time in 2021, they amounted to approximately 397 kilotonnes CO<sub>2</sub> equivalents for 2019 and to 421 kilotonnes CO<sub>2</sub> equivalents for 2021.

The calculated value of the carbon footprint corresponds to 9.05 tonnes of CO<sub>2</sub> equivalent per GWh transmitted including grid losses and 0.286 tonnes of CO<sub>2</sub> equivalent per GWh transmitted excluding grid losses (basis: 109.5 TWh).

N.B. carbon intensity was expressed in CO<sub>2</sub> equivalent per GWh in last year report: 8.73 tonnes of CO<sub>2</sub> equivalents per GWh transmitted including grid losses and 0.31 tonnes of CO<sub>2</sub> equivalents per GWh transmitted excluding grid losses (basis: 105.7 TWh).

## Mitigation and compensation measures

The Elia group is committed to the principle that GHG emissions are primarily to be avoided and reduced. Offsetting should only be applied if avoidance or reduction is impossible.

For the reporting year 2021, all GHG emissions resulting from air travel were offset and the (small amount of) SF<sub>6</sub> losses were offset via service provider Atmosfair. The 2020 compensation payments will be used to support a photovoltaic system in Senegal. The project is in line with the UN's Sustainable Development Goals (SDGs 1, 3, 7, 8, 9, 13 and 17).

### Elia Grid International SA/NV (EGI)

Elia Grid International SA, the consultancy branch of Elia group, was awarded a "CO<sub>2</sub>-Neutral" label in 2020 by CO<sub>2</sub>logic (this label is certified by Vinçotte).

The consulting activities of Elia Grid International SA/NV consist of providing countries and companies which operate outside of our regulated borders of Belgium and Germany with expertise relating to the optimisation of their grids, the integration of renewable sources into their energy systems and the building of interconnectors or offshore connections. A carbon assessment of its activities was conducted in order to measure its impact and reduce and offset it through support for a sustainable development project. The programme which was supported is a wind turbine project being carried out in the Karnataka, Andhra Pradesh and Tamil Nadu regions of India.

## 8.2.2. Energy consumption

GRI 302-1, SDG7, SDG13

The energy consumption of Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH can be subdivided into two categories, as follows:

- Core: energy used by all of the infrastructure which is directly related to its business model e.g. all substations.
- Non-core: energy used by its support services and administrative centres.

Electricity consumption represents the biggest share of consumption.

Our newest administrative centres were built following internationally recognised energy-efficiency standards.

Audits have been conducted in other buildings in order to identify optimisation potentials in line with Best Available Technology Not Entailing Excessive Costs (BATNEEC) principles. Associated measures are gradually being implemented.

### ELIA IN BELGIUM

Elia Transmission Belgium SA/NV's two most recent administrative centres, Monnoyer in Brussels and Crealys in Wallonia, are BREEAM<sup>14</sup> certified. As required by Belgian regional regulations, energy audits were conducted of our administrative buildings and service centres.

The "Green substations project" was started in 2021, a study similar to an energy audit was conducted of our substations and a series of energy-efficiency actions were identified (changes in behaviour, remote adjustment of ventilation, installation of heat pumps and meters...). A selection of these measures have been integrated into the standards related to the construction of new assets.

	2020	
	MWh	%
Electricity Non Core - Total (green electricity)	2,73.84	3.15%
Electricity Core - Substations with meters (green electricity)	3,288.03	3.78%
Electricity Core - Substations with meters (ESTIMATE*)	77,350.00	88.98%
Heating - Natural gas	3,419.2	3.93%
Heating - Fuel	136.98	0.16%
<b>Total</b>	<b>86,932.67</b>	<b>100.00%</b>

N.B.: the figure related to the consumption of HV substations was calculated based on metering data collected from a sample of 60 stations.

### 50HERTZ IN GERMANY

50Hertz Transmission GmbH supports the goals of the European Union and the German government to reduce GHG emissions, particularly through its grid expansion activities (which enable the share of CO<sub>2</sub>-free energy sources in the electricity system to be increased) and through the optimisation of the company-wide CO<sub>2</sub> balance. Since the purchase of green electricity to compensate for grid losses is by far the largest and currently most effective measure for this, we are working to undertake this in future. The focus in our administrative sites is on optimising the energy efficiency of buildings and facilities as well as the purchase of green electricity for administrative consumption.

The second external energy audit in accordance with DIN EN 16247-1 was carried out as scheduled in 2019 in order to systematically record the energy consumption of our facilities and administrative buildings. The 50Hertz Transmission GmbH Netzquartier was awarded the internationally recognised Gold Standard by the German Sustainable Building Council (DGNB) and the American Leadership in Energy and Environmental Design (LEED) standard. In new buildings, sustainable approaches to construction are planned for and implemented where possible.

As shown in the chart below, the distribution of total GHG emissions shows the clear dominance of electricity (which occupies a share of almost 90%). A noticeable reduction in the CO<sub>2</sub> footprint can only be achieved in this segment. The largest share of elec-

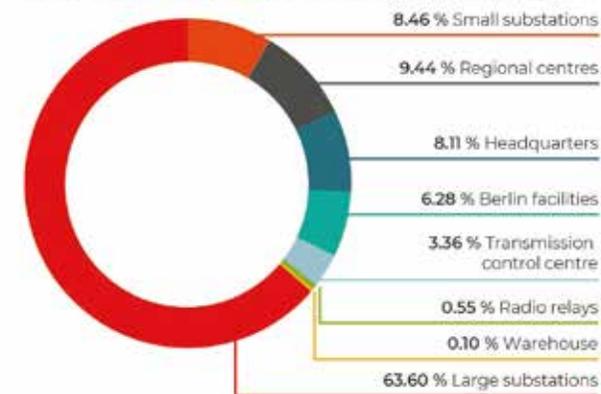
tricity consumption (55,497.65 MWh) is accounted for by 50Hertz Transmission GmbH substations. All switching stations together, in which only electrical energy is required, account for a total share of almost 79%. The sites which carry out administrative and control tasks (such as the headquarters, the regional centres and the Control Centre), which also require thermal energy and fuels, occupy a total share of around 21%.

### 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

### Distribution of total energy consumption in 2018



The energy audit revealed potential areas that could be optimised. Measures to this effect have largely been implemented or are in the process of being implemented. These include insu-

<sup>14</sup> Building Research Establishment Environmental Assessment Method - the British standard for sustainable buildings

lation work carried out in the technical areas of the company's headquarters and in the Teufelsbruch substation; temperature adjustments to air conditioning units (switching from 21°C degrees to 26°C) in the technical rooms at the Röhrsdorf administration site; and energy-related repairs at the administration site.

## 8.2.3. Electric and magnetic fields

SDG 3, GRI 416-1

### ELIA IN BELGIUM

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) of extremely low frequency, as is also the case for all electric devices, including domestic appliances.

Although no causal link can be established between negative effects on human health and exposure to such fields (through electricity transmission infrastructure), Elia Transmission Belgium SA/NV takes EMFs very seriously, considering each grid project carefully and supporting scientific studies that improve further understanding in this area.

Elia Transmission Belgium SA/NV continues to make annual financial contributions (amounting to €370,000) 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 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 (with independent experts present where possible); and, following requests from local residents, it carries out free

measurements of electric and magnetic fields 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 assesses future exposure to such fields by means of specific calculations (modelling); mitigation/reduction measures are applied where necessary.

### 50HERTZ IN GERMANY

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.



## 8.2.4. Noise

SDG3

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 guideline values apply in both control zones of the Elia group (no noise pollution).

The main source of noise pollution across the grid is associated with transformer operation. 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 IN BELGIUM

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 noise measurements of existing transformers, a simulation is carried out of the situation after the construction or upgrade of a transformer in order to estimate its level of noise.

Elia Transmission Belgium SA/NV also conducts noise studies in the event of complaints (see also Contact Centres).

	unit	2019	2020	2021
Soundscape	Nr.	47	48	64

### 50HERTZ IN GERMANY

Just as for electromagnetic fields, strict guideline values apply in Germany for noise emissions, which are regulated in the Federal Immission Control Act. 50Hertz Transmission GmbH complies with these limits. Measurements are carried out in response to information from interested parties and associated measures are carried out where necessary.

## 8.3. Biodiversity and landscape

SDG 14, GRI 304-1, GRI 304-2, GRI 304-3, G4-EUS-EN12

In the planning of projects, economic efficiency, the concerns of local residents and technology are taken into account during the approval procedures in addition to the protection of flora and fauna. As part of the project approval process, environmental impact assessments (EIA) are carried early on out to minimise nature conservation conflicts at an early stage. A corridor is then identified for the exact route of the electrical line and defined in a subsequent step. At the same time, protection and compensation measures which have a positive impact on ecosystems and biodiversity are identified. All of these are carried out with external environmental planners, routing experts and, if necessary, other science and nature conservation experts. Requirements related to nature conservation efforts are included in the contractual requirements related to infrastructure projects.

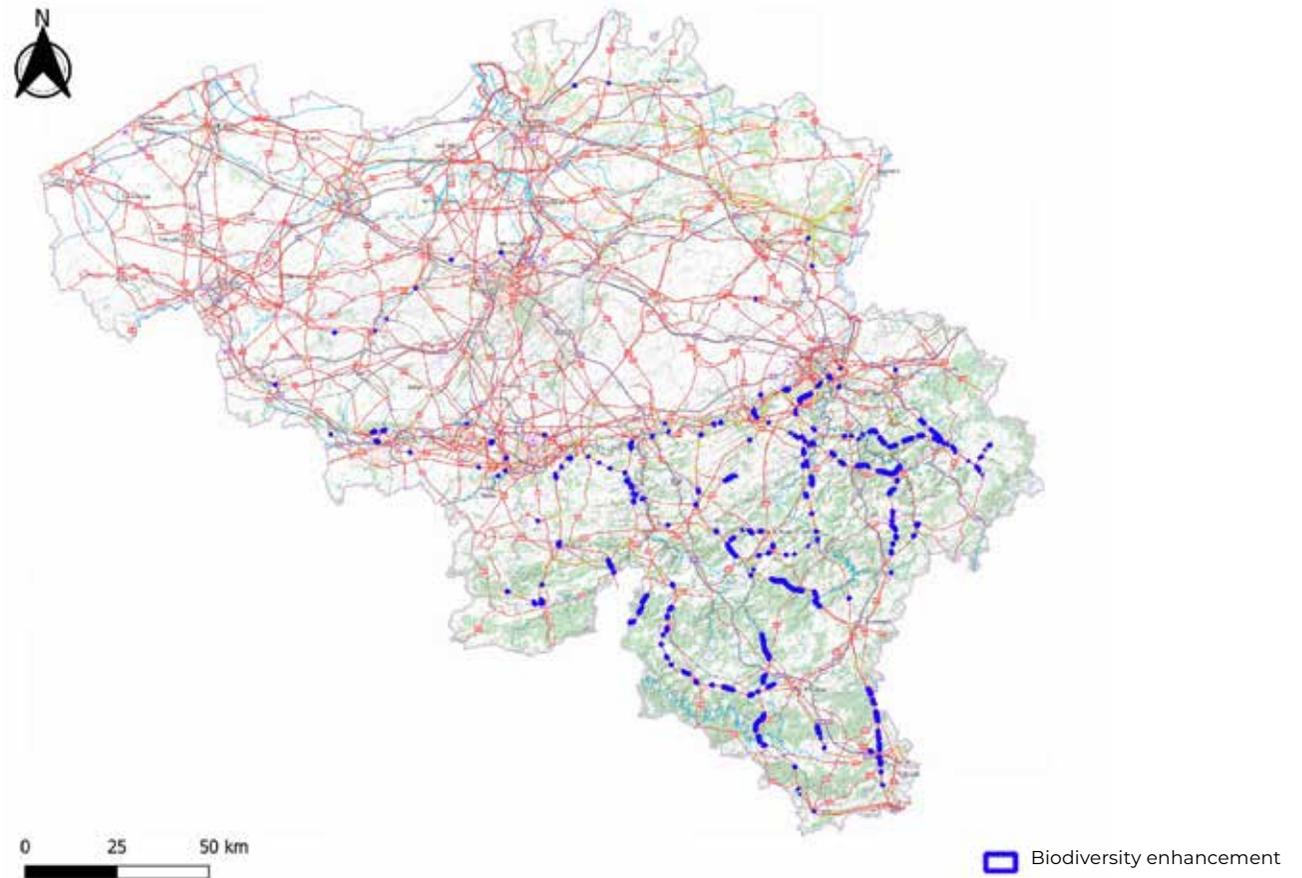
About 6% of overhead line project costs (including mandatory activities) are spent on ecological projects. From 2022 onwards, the use of herbicides will be banned across our sites, leading to a positive impact on biodiversity.

The use of wind at sea to generate electricity is enormously important and indispensable for climate protection. At the same time, the expansion of offshore wind energy and the submarine cables needed to transport such electricity require the natural environment to be disturbed. In addition to the 2019 Marine Grid Declaration co-signed by Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH (this declaration, signed by all Renewables Grid Initiative (RGI) members, sets clear standards regarding the early involvement of stakeholders and nature and species protection in offshore grid expansion projects, beyond legal requirements) – Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH are committed to growing responsibility in this sensitive environment as a co-signatories of the Offshore Coalition declaration of intent.

### ELIA IN BELGIUM

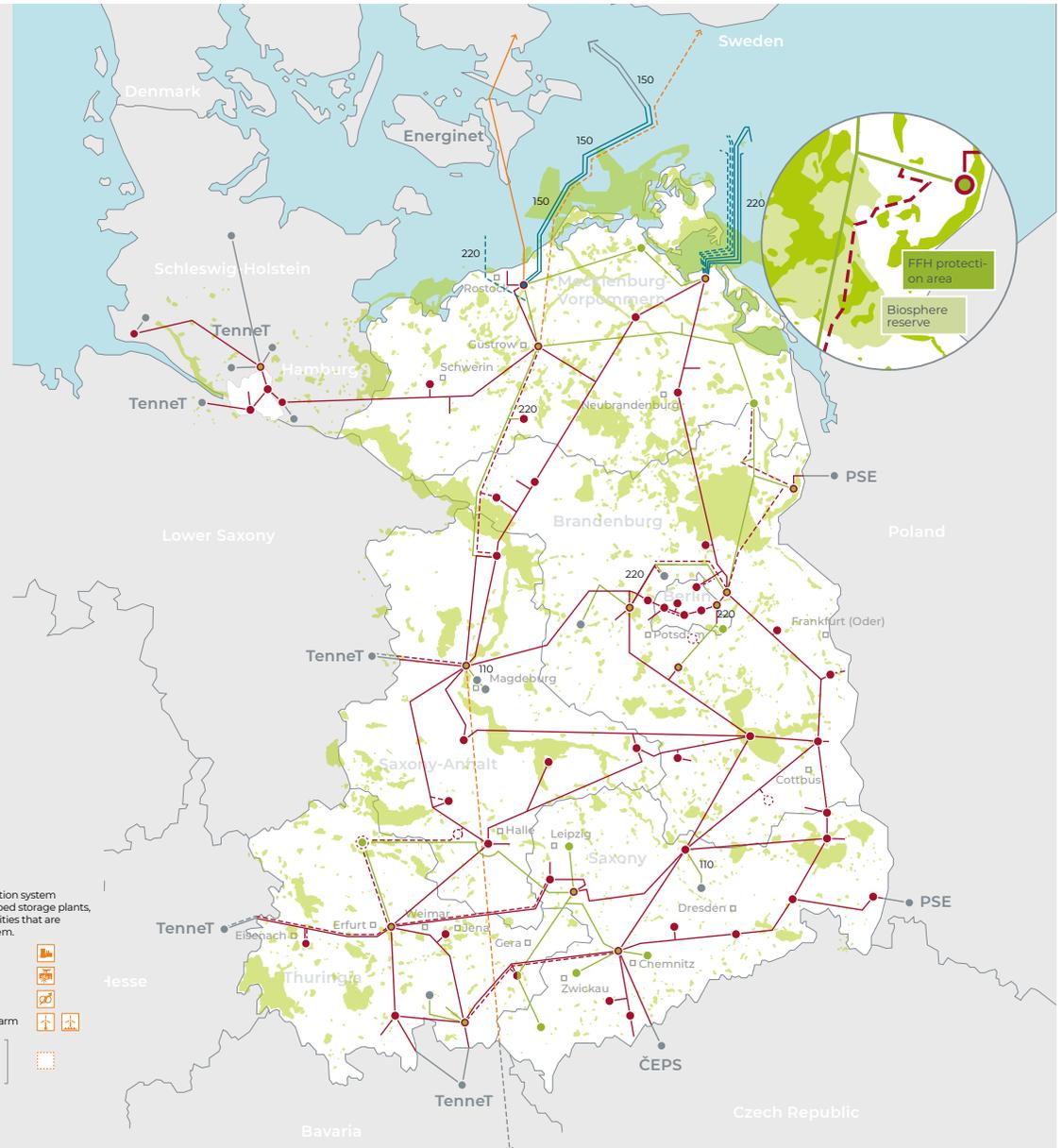
The total length of our infrastructure located in Natura 2000 areas (on land and sea) is 665 km.

#### MAP OF BIODIVERSITY ENHANCEMENTS AROUND ELIA'S POWER LINES (BETWEEN 2012 AND 2020)



### 50HERTZ IN GERMANY

In the 50Hertz Transmission GmbH grid area, many different protection zones are recorded in a cadastre; these are included in the map below.



#### Key

Switchgear (mostly at transition points between the 50Hertz grid and distribution system operators' grids)

- 380 kV
- 220 kV
- Transformation 380/220 kV
- Transformation 380/150 kV
- Planned/under construction
- Other companies
- 110 Operating voltage kV

④ New construction, mainly along existing route

- Line 380 kV
- Line planned/under construction 380 kV
- Line 220 kV
- HVDC/direct-current connection 400 kV
- HVDC/direct-current connection planned/under construction 300/320/525 kV
- Other companies 380/220 kV
- HDVC/back-to-back converter 380/150 kV
- HVDC/converter 400 kV
- HVDC/converter planned/under construction 300/320/525 kV
- Offshore grid connection 150/220 kV
- Offshore grid connection planned/under construction 150/220 kV

- Grid users: Our customers are regional distribution system operators and power stations, pumped storage plants, wind farms and large industrial facilities that are connected to the transmission system.
- Conventional power station
- Pumped storage plant
- Phase-shifting transformers
- Onshore wind farm/Offshore wind farm
- Onshore wind farm planned/under construction
- Offshore wind farm planned/under construction

Situation at: December 2020 VC

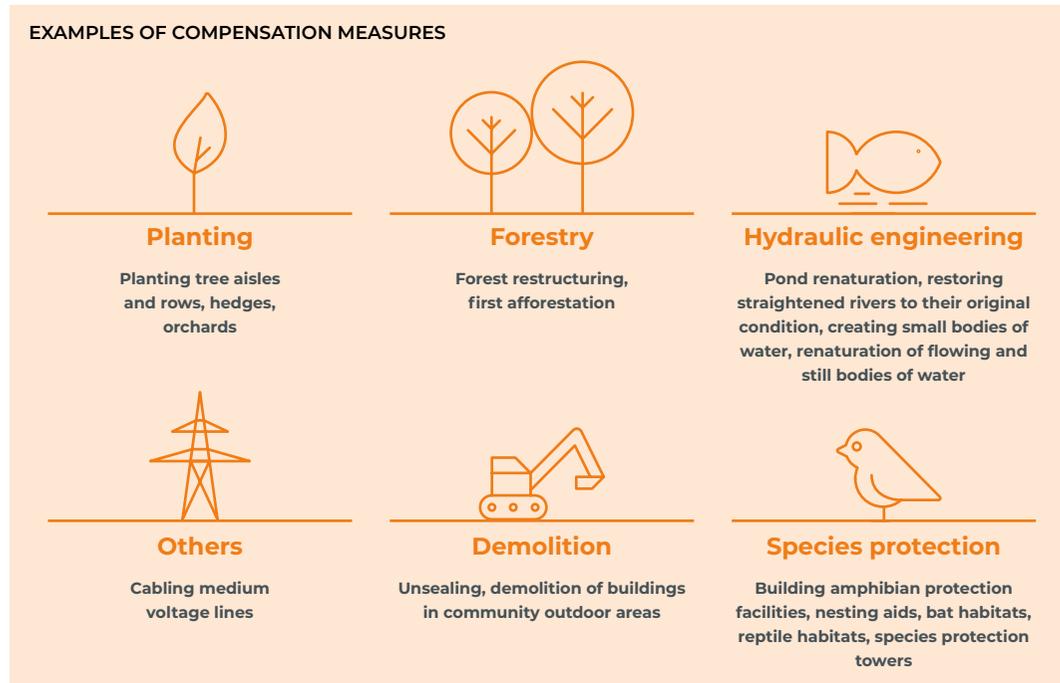
## 8.3.1. Mitigation and compensation measures

GRI 304-2, GRI 304-3

If preventive or corrective measures cannot prevent or correct our environmental 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 existing measures exists, including:

- **landscape integration:** planting of shrubs, hedges or trees (green screens); the use of more compact types of pylons; infrastructure grouping; architectural integration into the landscape;
- **species protection:** bird markers and nests;
- **forestry:** restoration and specific management measures.



**ELIA IN BELGIUM**

Before 2020, a set of compensation measures was developed on an ad hoc basis for each project. From 2020 onwards, we decided to establish clear and structured policies which are available on our website (see Section 7.2 Stakeholders – Community Relations and public acceptance). We have developed a framework regarding several types of compensation measures which aim to minimise our impact on the environment near our infrastructure projects: these include compensations for farmers and landscape integration.

In 2021, Elia Transmission Belgium SA/NV continued the partnership it started in 2020 with the University of Liège, the ILVO<sup>15</sup> and the Belgian professional association of farmers. This involved working on a literature review which seeks to further understanding of the impact of high-voltage infrastructure on agriculture. The study was finalised and the protocol with land owners reviewed regarding (amongst other factors) compensation, rights of way, damage caused during the construction phase, avoiding construction during farming work hours and soil damage.

For our offshore projects, mitigation measures were principally implemented during the construction phase; these aimed 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 the work were employed during the laying of the foundation of our Offshore Switchyard (OSY) platform.

**50HERTZ IN GERMANY**

According to the Federal Nature Conservation Act (BNatSchG), there is an obligation to 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). Wherever it makes sense, power lines are combined and bundled with existing overhead lines and other infrastructure such as railway lines and motorways. In order not to unnecessarily disturb or impair the landscape, lines are adapted in line with landscape conditions. Where disturbances are unavoidable, 50Hertz Transmission GmbH implements compensation measures (see image above). For this purpose, regional eco poolings are being increasingly established. Eco poolings are contributions we make to projects led by other organisations as well as compensation payments, which enable more comprehensive measures to be taken (rather than just replacing plants, for example) and are therefore more effective, efficient and sustainable. When planning and implementing compensation measures, 50Hertz Transmission GmbH involves the affected communities, conservation agencies, interested citizens and NGOs early in the process. 50Hertz Transmission GmbH works with them as partners to develop suitable plans early on and suggest these to the authorities as part of the approval planning process. Guidelines related to targeted compensation management define the action areas which are necessary for the successful approval and implementation of these measures. An internal assessment commission meets every two months to decide on the measures that will be adopted. The selected measures are recorded in a cadastre.

Compensation measures	2019	2020	2021
In planning and realisation	170	268	153
In maintenance	218	249	371
Terminated	286	297	313
<b>Total</b>	<b>674</b>	<b>814</b>	<b>837</b>



<sup>15</sup> Flanders Research Institute for Agriculture, Fisheries and Food

## 8.3.2. Ecological aisle management

### GRI 304-2, GRI 304-3

Until recently, the standard maintenance policy for overhead lines involved ensuring that a corridor under our lines which measured approximately 50 meters wide was kept clear of all vegetation with a rotary slasher every eight years<sup>16</sup>.

To build an overhead line in forest areas, aisles are created. The conductor cables need sufficient clearance on either side and below them to make sure they are safe, which means trees have to be removed along certain sections and at regular intervals along these aisles. However, trees and shrubs provide habitats for numerous animals and plants. Therefore, the goal is to minimise any negative impacts on these natural areas as far as possible in the long term whilst increasing biodiversity.

Both Elia Transmission Belgium SA/NV and 50Hertz Transmission GmbH have been developing ecological aisle management initiatives that are in line with the EU's biodiversity strategy. The strategy, which was officially adopted in May 2020, considers ecological corridors to be part of a real trans-European nature protection network and, thus, sees them as a key obligation to improve biodiversity.

Within the ActNow programme, we have set a target related to biodiversity, by 2030, 90% of the forest corridors where our lines are located will be managed ecologically.

### ELIA IN BELGIUM

Between 2012 and 2017, Elia Transmission Belgium SA/NV (which used to be Elia System Operator SA/NV until the end of 2019) was a front-runner in the implementation of the seven-year LIFE project.

Our project partner for this was the ecological engineering consultancy Ecofirst.

The first "Elia LIFE" project, for which Elia System Operator SA/NV joined forces with the French transmission system operator RTE, was partly funded by the European Commission and the Region of Wallonia. The project aimed to create green corridors which would enhance biodiversity under overhead electrical lines in forest areas. Elia System Operator SA/NV restored 427 ha stable natural environments below its lines (through peat bogs, bushes and grassland managed by grazing).

In 2018, Elia System Operator SA/NV 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 (amounting to a total of 154 ha at the end of the 2018-2021 period). The other objective of this project was to further monitor changes to these areas and their maintenance in order to assess their impact on biodiversity. The results are highly encouraging, with 98% of evaluated sites showing conclusive outcomes.

 **Further information on these projects can be found on this website: <http://www.life-elia.eu/>**

As the project continues, the focus is on electrical lines located in Natura 2000 zones.

Besides these "Elia Life" projects, another 151 ha of ecological aisles were managed in a similar way around our lines in the Flemish region in 2021.

Elia Transmission Belgium SA/NV is currently exploring how to develop its internal geographical grid database to track all the areas where these specific management measures have been put in place.

### 50HERTZ IN GERMANY

For several years now, 50Hertz Transmission GmbH has been focusing on ecological route management. During the regular maintenance of routes, ecological considerations such as the removal of individual trees and the management of their health are taken into account across more than two thirds of forest corridors located across the entire grid area. Pilot activities started in recent years in ecological route management areas along existing roads (such as the creation of forest edges or the establishment of species-rich meadows and pastures) are now part of an overall strategy to increase biodiversity. Currently, a geodatabase is being created that outlines and organises all activities along lines that contribute to increasing biodiversity; this database will serve as a guide for deciding on further action. Currently, almost 100 line sections have already been recorded in this database. The geodatabase also outlines the spatial relationship between forest corridors and protected areas in the 50Hertz Transmission GmbH network area. Based on this, 50Hertz Transmission GmbH is able to contribute to the EU Biodiversity Strategy 2030. As part of ActNow, 50Hertz Transmission GmbH has set itself the goal of introducing ecological route management across 95% of suitable routes by 2030. In order to further develop our approach to biodiversity and ecological management in the future, we have started holding discussions about these specific topics with external stakeholders, such as nature conservation organisations and universities.



<sup>16</sup> This obligation can be indirectly beneficial to specific ecosystems of great ecological value; for example, the moors (in the High Fens nature reserve, in the eastern part of Belgium) are better protected when corridors are established under overhead lines crossing them, because the rest of the moors were planted with trees for wood production and by draining these areas.

### 8.3.3. Bird protection

#### G4 EUS EN12

High-voltage lines can harm bird life. The Elia group therefore makes a huge effort to protect birds and minimise negative impacts on them.

For this reason, the Elia group is installing bird markers (in order to make the lines more visible to birds, meaning they will be able to more easily avoid them) and nests along its pylons to reduce these negative impacts and protect endangered species.

Within the ActNow programme we have set a target related to bird protection, by 2030, 100% of our lines identified as critical for birds will be equipped with bird markers.



#### ELIA IN BELGIUM

With the help of Belgium’s leading environmental organisations, Elia Transmission Belgium SA/NV has identified the 130 sections of its network that pose the greatest hazard to birdlife. Measuring 200 km in total, they are gradually being fitted with anti-collision devices over a ten-year period (starting in 2016). If an infrastructure maintenance project is due to take place along these sections, the installation of bird markers is planned as part of the project.

For sections without projects, we will capitalise on moments when scheduled interventions are due to occur to fit markers along conductors or earth connections.

In the reporting year, Elia Transmission Belgium SA/NV undertook several steps with the Belgian nature conservation organisations Natuurpunt and Natagora. We joined forces to make overhead lines more visible to birds in the Flemish Ghent Canal Zone and by the Walloon Eau d’Heure lakes. We also took part in monitoring sessions with Natuurpunt to compare the situation before and after the fitting of our overhead lines with bird markers.

We also set up some nesting boxes along the bottom of or the top of our pylons depending on the species we are aiming to protect.

Bird markers	2019	2020	2021
Total lines equipped (km) with bird markers	37.59	43.74	79.74

Along with various partners (transmission system operators RTE in France and REN in Portugal and several nature and bird protection organisations), Elia Transmission Belgium SA/NV has applied to receive funding from the European LIFE programme for their joint “Safelines4Birds” project, which targets specific endangered bird species which are considered to be a “priority”.

#### 50HERTZ IN GERMANY

Over the past few years, an extensive study has been carried out with the Brandenburg State Environmental Agency. This was evaluated with experts from the Renewables Grid Initiative (RGI) and the German Nature and Biodiversity Conservation Union (NABU). The aim of the study was to identify lines which posed an increased risk to birds, in order to equip them with bird protection markers. The data from the study will be incorporated into a Germany-wide map.

In 2020, a further 30 km of transmission lines in the area of Havelländisches Luch (which is very rich in terms of bird diversity) were retrofitted with markers as part of a voluntary species protection measure. Currently, bird protection markers have been installed along around 368 km of overhead lines.

In preparation for further projects, 6 existing lines with 122 km running through ornithologically sensitive areas were checked for the technical feasibility of retrofitting bird protection markers in the year under review.

Bird markers	2019	2020	2021
Total lines equipped (km) with bird markers	300	368	368



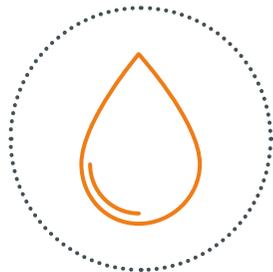
## 8.4. Natural Resources

GRI 306-5, SDG14

### 8.4.1. Water and soil

GRI 303-1, GRI 303-2

The Elia group is committed to undertaking effective water and soil conservation measures. Since the company's business activities do not result in significant water consumption or the regular release of process-linked effluents, our corporate responsibility does not primarily relate to a reduction in water consumption; instead, we must focus on water retention in the ground in grid and substation projects and prevent water and soil pollution through the use of or leaks of hazardous substances. The main potential source of pollution for soil, ground and surface water 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. To ensure that rainwater that falls on the facilities can be drained without causing pollution, the tanks are fitted with a hydrocarbon separator and an additional coalescence filter with an automatic shut-off valve. The Elia group has developed an internal procedure to ensure fast and efficient decontamination. In the event of a major incident, the Elia group will contact the appropriate authorities.



#### ELIA IN BELGIUM

Water management at the 600 or so high-voltage substations operated by Elia Transmission Belgium SA/NV in Belgium primarily relates to rainwater that ends up on our high-voltage facilities (transformers), impermeable (roofs, asphalt roads) and permeable surfaces (gravel roads) and a limited amount of water used for sanitation. When building new substations and when expanding or renovating existing substations, the necessary investments are provided for in accordance with the principles below:

- Ensuring that rainwater that ends up on the installations (transformers) is always drained without any (oil) contamination.
- Reducing the impermeable surface. This is done by constructing roadways with reinforced gravel pits and no longer with asphalt on concrete. Drainage gutters are avoided for existing paving and natural runoff and infiltration are provided next to the road. Finally, the rainwater from the roofs is collected for reuse (sanitation) and the overflow is infiltrated on site.

In the accidental event of hazardous substance leaks, Elia Transmission Belgium SA/NV has developed processes to immediately cope with the impacts of these on the environment and employees are trained to detect early signs of these types of events.

A significant part of the Belgian soils is historically polluted as a direct result of nearby or in situ (prior use) industrial activities or backfilling with polluted soil.

Elia Transmission Belgium SA/NV has mapped the soil condition of its own land in order to plan out interventions. Several remediation activities have been undertaken across on our sites.

#### 50HERTZ IN GERMANY

50Hertz Transmission GmbH plans to collect and evaluate how much water it uses for administrative and technical purposes and, where necessary, to design measures to address issues. The focus of this will be on water retention in the ground in line and substation projects, as well as preventing the contamination of water and soil through the use of hazardous substances. Thus, oil-filled installations, such as transformers or generators, are constantly monitored. These installations are regularly inspected and, if necessary, renovated or renewed. The handling and storage of substances which are hazardous for water is ensured through regular inspections and staff training. Waste water may only be discharged if an official permit has been obtained and it has been regularly checked to ensure that it is free of pollutants. When it comes to water protection, the Water Resources Act (WHG) and the Plant Ordinance (AWSV) are important for 50Hertz Transmission GmbH. Water protection officers monitor, advise and support the staff who are responsible for this. Our employees are regularly informed about new security regulations.

In the event that hazardous substances should leak, 50Hertz Transmission GmbH implements numerous measures to mitigate them. In addition to using the services of contracted service providers, damage prevention material is made available at all substations and administrative locations. In 2021, a standard set of materials was installed across our sites; this consists of a box and includes a natural binding agent, collection trays and various bits of collection and disposal equipment. Any deviations from existing processes as well as contaminations are recorded in an incident report by 50Hertz Transmission GmbH; following this, causes are determined and evaluated, and improvement measures are defined.

In 50Hertz Transmission GmbH's activities at sea, the protection of the Baltic Sea is ensured 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.

## 8.4.2. Waste

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, G4-EUS-EN23

When dealing with waste that cannot be avoided, the motto is reuse - recycle - recover - dispose. Maintenance work and infrastructure projects are the activities that generate the most waste. If facilities are newly built, converted or dismantled, specific elements (e.g. transformers that have a very long lifetime) are stored in order to be reused either in refurbished stations or in newly built ones. Those parts that are no longer needed are disposed of in as sustainable a way as possible and specific elements are recycled (e.g. metals from the cables and oil).

This is addressed by Dimension 2 of our ActNow Programme related to 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.



### ELIA IN BELGIUM

Elia Transmission Belgium SA/NV has established a waste management policy for collecting, sorting and handling its waste in its local technical sites (service centres).

All types of waste generated during the maintenance of assets in this geographical zone are stored in container parks which guarantee optimal storage in dedicated locations. They are removed periodically or upon request by authorised collectors specialised in the collection, transport and recycling of hazardous and non-hazardous waste. On our construction sites, contractors must comply with environmental legislation and organise the sorting of the construction site waste they produce throughout their contract.

Elia Transmission Belgium SA/NV has decided to standardise the sorting rules and procedures it follows throughout Belgium (regardless of the site and even if regulations might differ slightly depending on the region where the site is located).

Waste is determined to be hazardous on the basis of its waste code from the European List of Waste.

Waste disposal contractors provides Elia Transmission Belgium SA/NV with information about different waste disposal methods (and necessary certificates), as legally required in Belgium. In some regions of Belgium, Elia is also required to report the yearly quantities of specific waste types it produces to the authorities.

#### WASTE DISPOSAL 2020

Total weight (tonne)	Non-hazardous waste	Hazardous waste
Recycled	2,434.13	23.02
Disposed of	0.00	15.46
<b>Total</b>	<b>2,434.13</b>	<b>38.47</b>

N.B. all the data related to the weight of waste produced on our construction sites might not have been gathered as this waste falls under the responsibility of our external contractors

### 50HERTZ IN GERMANY

When dealing with waste, avoidance is 50Hertz Transmission GmbH's top priority. However, the annual amount and composition of waste that is produced is highly dependent on conversion and dismantling projects and compensation and replacement measures. Since numerous grid expansion projects were undertaken in 2021, construction projects and compensation projects generated more waste overall than they did in the previous year.

#### WASTE DISPOSAL 2021

Waste total weight (tonne)	2019	2020	2021*
Hazardous waste	7,241	5,973	13,494
Non-hazardous waste	34,406	93,288	114,356
<b>Waste total</b>	<b>41,647</b>	<b>99,261</b>	<b>127,850</b>
recycling rate (in %)	86%	95%	90%

\* preliminary values

50Hertz Transmission GmbH was able to implement the legally stipulated recycling requirement (recycling before disposal) with a recycling rate of around 90%.

## Biodiversity

In order to minimise the impact of our infrastructure on the environment, we implement a wide range of mitigation and compensation measures, including those which preserve biodiversity on and around our high-voltage lines and substations.

### BIRD MARKERS REDUCE BIRD CASUALTIES BY 75%

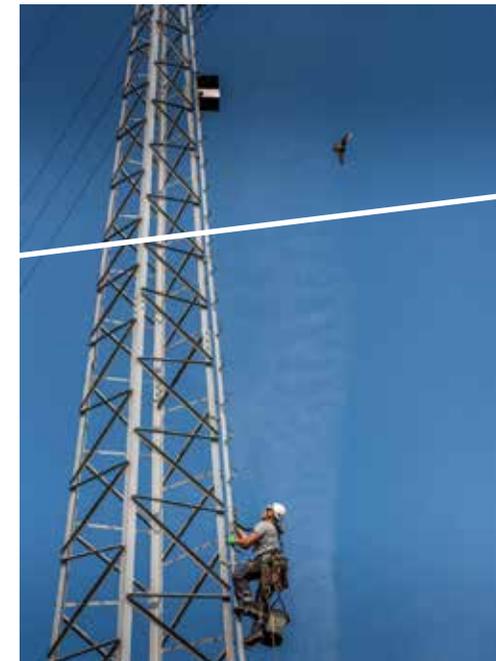
Last year, Elia made 36 km of its high voltage lines visible to birds by installing bird markers along them in areas such as Mechelen, Evergem, Kinrooi, Maaseik and the Eau d'Heure lakes. We will continue installing more bird markers along our lines throughout 2022, and hope to have installed them along 200 km of lines that pose an increased risk to birds by

2030. As demonstrated through a study undertaken by Natuurpunt, such markers are effective: by comparing the number of bird collisions which occurred along an overhead line in Noordschote before and after their installation, the number of bird casualties was noted as having reduced by between 75% to 95%.



### NESTING BOXES INSTALLED ON PYLONS

Where we can, we give birds a helping hand. In Tienen, eight out of the ten the nesting boxes which we previously installed along a number of pylons were occupied again by Kestrels in 2021. Kestrels are particularly fond of such nesting boxes because they are high up and located around farmland. Farmers also benefit from their presence: crop loss is reduced because the birds of prey hunt mice and other small rodents in the surrounding fields. Over the past 15 years, more than 300 chicks have hatched in the nesting boxes on the line between Tienen and Sint-Truiden.



## BEE WEEK

During Bee Week, Elia placed the precious little insects in the spotlight by putting our bee hotel, which is occupied by solitary bees, on display at our Monnoyer site. Solitary bees pollinate plants and flowers, but do not live in groups, or in large hives. BeeOdiversity is using the hotel to study the impact of the environment on solitary bees.

Elia supports other types of bees too. For example, a colony of bees that nested in the cavity wall of our high-voltage substation in Turnhout was given a new home. The insects were getting lost in our buildings, so we installed a beehive XX. One of our members of staff - Theo - is a beekeeper and he helped with the move.



## NATURE MANAGEMENT

Elia has to maintain safety corridors around its high-voltage lines: tall trees can't be permitted to grow under our lines, since they could cause disruptions, which would jeopardise security of supply. This means corridors need to be created around our pylons and lines. Elia stimulates and restores biodiversity in affected areas by, for example, planting peat shrubs and creating ponds, so that natural habitats are preserved for local flora and fauna.

To create these corridors, we avoid the use of machines; instead, local animals graze the land to keep vegetation levels low. Indeed, in the Hoge Kempen National Park, a shepherd watches over his sheep as they graze under our lines, and in the Ardennes, a herd of cows takes natural care of the grass and vegetation. Moreover, in Langerbrugge near Ghent, two horses recently been grazing the pastures next to our high-voltage substation. The land is owned by Elia, but is not being used for the time being. In the meantime, therefore, the horses are keeping the vegetation levels low and safe, whilst ensuring that biodiversity is restored naturally.



## NATURE DEVELOPMENT

We are not afraid of rolling up our sleeves: in 2021, we planted bushes and herbs under 20 pylons in Bilzen. This has strengthened biodiversity in the municipality and will ensure that farmland birds and other species are supported to thrive in the region of Haspengouw, which includes arable land and pastures.



## Miscellaneous



### PERMEABLE ROAD IN DAMME

In Damme, we achieved a first in Flanders by building the very first permeable road on top of new electricity cables. As part of this, special pavers allow rainwater to drain through to the soil. This is good for the trees which run alongside the road, cools the road down during the summer and helps combat water scarcity!



### ARCHAEOLOGICAL RESEARCH IN KRUIBEKES

Caring for the environment also means caring for its history. Elia carried out an archaeological study on the site of the high-voltage substation in the municipality of Kruibeke. As part of this, our staff found artefacts from the First World War, the Iron Age, the Roman Empire and the Middle Ages! The study preceded work which had been planned for the high-voltage substation. (photographs of the archaeological study)



# 9 Reporting on EU Taxonomy Regulation



## 9.1 Context

This Chapter contains information on how and to what extent the Elia Group's activities are associated with economic activities that qualify as environmentally sustainable and has been drafted in accordance with the Taxonomy Regulation of 18 June 2020<sup>1</sup>, the Climate Delegated Act of 4 June 2021<sup>2</sup> and the Disclosure Delegated Act of 6 July 2021<sup>3</sup>.

The Taxonomy Regulation provides a definition of environmentally sustainable economic activities. To qualify as environmentally sustainable, an economic activity:

- (i) shall contribute substantially to one or more of the six environmental objectives set out in articles 9 to 15 of the Taxonomy Regulation and in the delegated acts referred to in the aforementioned articles, and
- (ii) shall meet the specific technical screening criteria laid down in the delegated acts.

The Climate Delegated Act specifies the technical screening criteria (TSC) for the environmental objectives 'climate change mitigation' and 'climate change adaptation' which determine the conditions under which a specific economic activity qualifies as contributing substantially to 'climate change mitigation' and 'climate change adaptation'.

As the Delegated Act specifying the remaining four environmental objectives will only be applicable as from 1 January 2023, Elia Group's analysis is only based on the two environmental objectives covered by the Climate Delegated Act.

The Disclosure Delegated Act specifies the content and presentation of the information to be disclosed by Elia Group pursuant to the Taxonomy Regulation, including the methodology to be used in order to comply with it. Pursuant to this Regulation Elia Group discloses hereunder the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in the total turnover, capital expenditures (Capex) and operating expenditures (Opex) of the Elia group as well as the qualitative information relevant for this disclosure.

A taxonomy-eligible economic activity means an economic activity that is described in the Climate Delegated Act irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in that Delegated Regulation.

Further elaboration/clarifications on the sector and technical criteria supporting the sector in the future might change our current conclusion. If this would be the case Elia Group will update the results disclosed over 2021 accordingly.

This reporting 2021 should be considered as a transitional year preparing Elia Group for detailed taxonomy alignment reporting over the year 2022.

We also refer to a white paper published in 2021 : see website : <https://www.eliagroup.eu/en/publications#>



<sup>1</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EUR-Lex - 32020R0852 - EN - EUR-Lex (europa.eu)).

<sup>2</sup> Commission Delegated Regulation (EU) C/2021/2800 final of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (EUR-Lex - C(2021)2800 - EN - EUR-Lex (europa.eu)).

<sup>3</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (EUR-Lex - 2021/2178 - EN - EUR-Lex (europa.eu)).

## 9.2 Taxonomy-eligible and taxonomy non-eligible economic activities

The eligibility assessment has been realised by verifying the economic activities performed by each company of the Elia group against the activities described in the Climate Delegated Act.

Referring to the consolidated financial statements under section §4 Segment Reporting and under chapter §7 Group structure this exercise was conducted on affiliates reported in the different segments. As general stated, the legal entities Nemo Link, JAO, HGRT, Coreso, TSCNET and EEX are excluded from the taxonomy-eligibility assessment (both nominator and denominator of KPIs), due to being qualified as Investments accounted for using the equity-method – Joint Ventures – Associates in the consolidated financial statements.

### SEGMENT: ELIA TRANSMISSION BELGIUM

Entity	NACE code / description	Activity description	Climate Delegated Regulation	Decision on eligibility (yes/No)
Elia Transmission Belgium SA/ NV	35120 Transmission of electricity	Elia Transmission Belgium is the Belgian transmission system operator for high-voltage electricity (30,000–400,000 volts). Its main activities include managing grid infrastructure and electrical system as well as facilitating the market	4.9 'Transmission and distribution of electricity'	Yes
Elia Transmission Belgium SA/NV	42220 Construction of electricity and telecommunications network	Construction activities	No perfect fit identified with the activities described in the Climate Delegated Regulation	No
Elia Asset SA/NV	35120 Transmission of electricity	Elia Asset is the company that owns all the installations on the high-voltage grid and is responsible for the further 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
Elia Engineering SA/ NV	71121 Engineering and technical consultancy activities, except surveying activities	Engineering and technical consultancy activities	No perfect fit identified with the activities described in the Climate Delegated Regulation	No
Elia Re	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	Climate Delegated Regulation	Decision on eligibility (yes/No)
50Hertz Transmission GmbH	35120 Transmission of electricity	50Hertz Transmission is TSO which operates the extra-high-voltage grid in northern and eastern Germany with a network grid length of around 10,325 km. The company is also responsible for maintenance and needs-based expansion as well as for maintaining the balance of generation and consumption within the balancing zone's whole electricity supply system.	4.9 'Transmission and distribution of electricity'	Yes
50Hertz Offshore GmbH	35120 Transmission of electricity	The business activities of 50Hertz Offshore comprise 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
Eurogrid GmbH	64200 Holdings	80% owned by Elia Group and comprises the activities of 50Hertz, the German TSO. The remaining 20% being held by the German state-owned Bank Kreditanstalt für Wiederaufbau («KfW»).	4.9 'Transmission and distribution of electricity'	No

**SEGMENT: NON-REGULATED ACTIVITIES**

Entity	NACE code / description	Activity description	Climate Delegated Regulation	Decision on eligibility (yes/No)
re.alto Energy BV/SRL	63110 Data processing, hosting and related activities	A start-up founded in August 2019 that is building a platform enabling users to exchange energy data and services.	8.2 'Data-driven solutions for GHG emissions reductions	Yes
Elia Group SA/NV	In the process of amendment	Elia Group acts as a holding company owning (i) Elia Transmission Belgium (Belgian TSO), (ii) Eurogrid International (comprising the activities of 50Hertz, the German TSO), (iii) Elia Grid International (the Group's international consultancy branch) and (iv) re.alto energy, an energy platform.	No fit identified with the activities described in the Climate Delegated Regulation	No
Eurogrid International SA/NV	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 fit identified with the activities described in the Climate Delegated Regulation	No
Elia Grid International SA/NV	70220 Business and other management consultancy activities	Power consultancy services.	No fit identified with the activities described in the Climate Delegated Regulation	No

## 9.3 KPIs: Turnover, Capex and Opex

The KPIs have been prepared based on the requirements outlined in the Disclosure Delegated Act.

The double counting in the allocation in the numerator of turnover, Capex and Opex across economic activities is prevented as each entity has only one economic activity. Consequently, turnover, Opex and Capex cover economic activities that are either completely taxonomy-eligible or not at all. Except for Elia Transmission Belgium which has two economic activities (one taxonomy-eligible, one not). The turnover of the non-taxonomy-eligible activity is well delineated whereas Opex is immaterial and Capex not existing for this activity.



### 9.3.1 Turnover

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

	Nominator (*)	Denominator
Revenues (including grid revenues, last mile connection and other revenue)	Yes	Yes
Net income (expense) from settlement mechanism	Yes	Yes

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

Therefore, total considered revenue which is included in the denominator of Turnover KPI is € 2,724 million for the Elia Group.

### 9.3.2 Capex (Capital expenditures)

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

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

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

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

The total considered Capex which is included in the denominator of Capex KPI is € 1,299.3 million

### 9.3.3 Opex (Operating expenditures)

For determining the Opex, we applied the definition as described in the Disclosure Delegated Act and the ESMA final Report entitled 'Advise on Article 8 of the Taxonomy Regulation' dated 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.

Total considered Opex which meets the above definition is included in the denominator of Opex KPI and no adjustments are made in the nominator as Opex identified is fully related to eligible activities.

The Opex KPI represents an amount of €118,2 million.

## 9.3.4 Overview KPI's

Overall Elia Group's turnover is 99.94% taxonomy-eligible, the Capex and the Opex are both 100% taxonomy eligible.

	Code	Turnover		Capex		Opex	
		Amount in million	Proportion of the group, %	Amount in million	Proportion of the group, %	Amount in million	Proportion of the group, %
<b>A. Taxonomy eligible activities</b>		<b>2,722.9</b>	<b>99.94%</b>	<b>1,298.33</b>	<b>99.92%</b>	<b>118.18</b>	<b>100%</b>
Transmission of electricity in Belgium	35120	1,113.3	40.86%	417.23	32.11%	64.68	54.73
Transmission of electricity in Germany	35120	1,609.3	59.07%	880.44	67.67%	53.49	45.26
Energy platform	63110	0.3	0.01%	0.66	0.05%	0.01	0.01
<b>B. Taxonomy non-eligible activities</b>		<b>1.7</b>	<b>0.06%</b>	<b>0.96</b>	<b>0.08%</b>	<b>0</b>	<b>0%</b>
Power Consultancy in Belgium	70220	0.89	0.03%	0.85	0.07%	0	0
Engineering and technical consultancy activities in Belgium	71121	0.17	0.01%	0	0	0	0
Construction works in Belgium	42220	0.68	0.02%	0	0	0	0
Holding activities (Elia Group)	N/A	0	0	0.11	0.01%	0	0
<b>TOTAL (A+B)</b>		<b>2,724.6</b>	<b>100%</b>	<b>1,299. 29</b>	<b>100%</b>	<b>118.18</b>	<b>100%</b>

## 10. Reference Table

### 10.1 GRI Content Index

GRI number	GRI description	Chapter/ Section	Page
<b>GRI 102: General disclosures</b>			
<b>1. Organisational Profile</b>			
102-1	Name of the organisation	1.1. Elia group companies; 1.1.2. Business model; 1.1.3. Size of the group	9, 10, 12
102-2	Activities, brands, products, and services	1.1. Elia group companies; 1.1.2. Business model	9, 10
102-3	Location of headquarters	1.1. Elia group companies	11
102-4	Location of operations	1.1. Elia group companies	11
102-5	Ownership and legal form	1.1. Elia group companies	9
102-6	Markets served	3.4. Energy imports and exports	37
102-7	Scale of the organisation	1.1.2. Business model; 4.2. Headcount	10, 40
102-8	Information on employees and other workers	4.2. Headcount	40
102-9	Supply chain	1.1.2. Business model; 6.1 Management approach"	10, 59
102-10	Significant changes to the organisation and its supply chain	no changes in the year reported	
102-11	Precautionary Principle or approach	1.3.6. Risk management; 8.1. Management approach	21, 77
102-12	External initiatives	1.3.1. Memberships	14
102-13	Membership of associations	1.3.1. Memberships	14
<b>2. Strategy</b>			
102-14	Statement from senior decision-maker	Foreword	7
102-15	Key impacts, risks, and opportunities	2.1. Materiality and objectives	29
<b>3. Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	1.3.2. Values, principles and standards	15
102-17	Mechanisms for advice and concerns about ethics	1.3.2. Values, principles and standards	15

GRI number	GRI description	Chapter/Section	Page
<b>4. Governance</b>			
102-18	Governance structure	1.3.3. Roles and responsibilities within the company	17
102-19	Delegating authority	1.3.3. Roles and responsibilities within the company	17
102-20	Executive-level responsibility for economic, environmental, and social topics	1.3.3. Roles and responsibilities within the company	17
102-21	Consulting stakeholders on economic, environmental and social topics	7.2. Community relations and public acceptance; 7.3. Stakeholder dialogues	65, 68
102-22	Composition of the highest governance body and its committees	Financial Report - Corporate Governance Report	3
102-23	Chair of the highest governance body	Financial Report - Corporate Governance Report	3
102-26	Role of the highest governance body in setting purpose, values, and strategy	1.3.2. Values, principles and standards; 1.3.3. Roles and responsibilities within the company	15, 17
102-29	Identifying and managing economic, environmental and social impacts	2.1. Materiality and objectives; 2.2. ActNow; 7.2. Community relations and public acceptance	29, 31, 65
102-30	Effectiveness of risk management processes	1.3.6. Risk management	21
102-32	Highest governance body's role in sustainability reporting	1.3.3. Roles and responsibilities within the company	17
102-33	Communicating critical concerns	1.3.3. Roles and responsibilities within the company	17
102-38	Annual total compensation ratio	4.6. Remuneration policies and incentive systems	46
<b>5. Stakeholder engagement</b>			
102-40	List of stakeholder groups	7.1. Management approach	63
102-41	Collective bargaining agreements	4.6. Remuneration policies and incentive systems	46
102-42	Identifying and selecting stakeholders	7.1. Management approach	63
102-43	Approach to stakeholder engagement	7.1. Management approach; 7.2. Community relations and public acceptance	63, 65
102-44	Key topics and concerns raised	7.2. Community relations and public acceptance ; 7.3. Stakeholder dialogues	65, 68
<b>6. Reporting principles</b>			
102-45	Entities included in the consolidated financial statements	Company profile, 1.1. Elia group companies	5, 9
102-46	Defining report content and topic Boundaries	2.1. Materiality and objectives	29
102-47	List of material topics	2.1. Materiality and objectives	29
102-48	Restatements of information	2.1. Materiality and objectives	29

GRI number	GRI description	Chapter/ Section	Page
102-49	Changes in reporting	-	
102-50	Reporting period	Foreword	6
102-51	Date of most recent report	1/04/2021	
102-52	Reporting cycle	1 <sup>st</sup> January 2021 to 31 December 2021	
102-53	Contact point for questions regarding the Annual Report	info@elia.be	
102-54	Claims of reporting in accordance with the GRI Standards	Foreword	
102-55	GRI content index	10.1. GRI Content Index	102
<b>GRI 103: Identified Material Aspects and Boundaries</b>			
103-1	Explanation of the material topic and its Boundary	2.1. Materiality and objectives	29
103-2	The management approach and its components	2.2. ActNow; 4.1. Management approach; 5.1. Management approach; 7.1. Management approach; 8.1. Management approach	31, 40, 53, 59, 63, 77
103-3	Evaluation of the management approach	1.3.3. Roles and responsibilities within the company; 2.2. ActNow	17, 31
<b>GRI 201: Economic performance</b>			
201-1	Direct economic value generated and distributed	6.2. Suppliers and expenditure in the Eurozone	59
201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	1.3.6. Risk management; 8.2. Emissions	21, 79
<b>GRI 203: Indirect economic impacts</b>			
203-1	Development and impact of infrastructure investments and services supported	6.2. Suppliers and expenditure in the Eurozone	59
203-2	Significant indirect economic impacts, including the extent of impacts	6.2. Suppliers and expenditure in the Eurozone	59
<b>GRI 204: Procurement practices</b>			
204-1	Proportion of spending on local suppliers	6.1 Management approach; 6.2. Suppliers and expenditure in the Eurozone	59
<b>GRI 205: Anti-Corruption</b>			
205-1	Operations assessed for risks related to corruption	1.3.5. Anti-corruption	20
205-2	Communication and training on anticorruption policies and procedures	1.3.5. Anti-corruption	20
205-3	Confirmed incidents of corruption and actions taken	No reported incident in 2021	

GRI number	GRI description	Chapter/Section	Page
<b>GRI 206: Anti-competitive behaviour</b>			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-	-
<b>GRI 302: Energy</b>			
302-1	Energy consumption within the organisation	8.2.2. Energy consumption	83
302-2	Energy consumption outside of the organisation	3.1. Introduction; 3.4. Energy imports and exports	35, 37
302-3	Energy intensity	8.2.1. GHG Emissions	82
<b>GRI 304: Biodiversity</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	8.3. Biodiversity and landscape	85
304-2	Significant impacts of activities, products, and services on biodiversity	8.3. Biodiversity and landscape; 8.3.1. Mitigation and compensation measures; 8.3.2. Ecological aisle management	85, 87, 89
304-3	Habitats protected or restored	8.3. Biodiversity and landscape; 8.3.1. Mitigation and compensation measures; 8.3.2. Ecological aisle management	85, 87, 89
<b>GRI 305: Emissions</b>			
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	8.2.1. GHG Emissions	82
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	8.2.1. GHG Emissions	82
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	8.2.1. GHG Emissions	82
GRI 306: Effluents and waste			
306-1	Waste generation and significant waste-related impacts	8.4.2. Waste	92
306-2	Management of significant waste-related impacts	8.4.2. Waste	92
306-3	Waste generated	8.4.2. Waste	92
306-4	Waste diverted from disposal	8.4.2. Waste	92
306-5	Waste directed to disposal	8.4. Natural resources	91
<b>GRI 307: Environmental compliance</b>			
307-1	Non-compliance with environmental laws and regulations	-	
<b>GRI 308: Supplier Environmental Assessment</b>			
308-1	New suppliers that were screened using environmental criteria	6.1 Management approach	59
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	6.1 Management approach	59

GRI number	GRI description	Chapter/Section	Page
<b>GRI 401: Employment</b>			
401-1	Total number and rates of new employee hires and employee turnover	4.2. Headcount	40
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1. Management approach; 4.3. Work-life balance	40, 43
401-3	Parental leave	Parental leave	43
<b>GRI 402: Labour/Management Relations (MA)</b>			
402-1	Social Consultation and Dialogue - Co-Determination	4.7. Social dialogue and co-determination	47
<b>GRI 403: Occupational Health and Safety</b>			
403-1	Occupational health and safety management system	5.1. Management approach	53
403-2	Hazard identification, risk assesment, and incident investigation	5.3. Inspections	56
403-3	Occupational health services	5.3. Inspections	56
403-5	Worker training on occupational health and safety	5.2. Health and safety training	55
403-6	Promotion of worker health	5.1. Management approach	53
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2. Health and safety training	55
403-8	Workers covered by an occupational health and safety management system	5.1. Management approach	53
403-9	Work-related injuries	5.4. Accidents	57
403-10	Work-related ill health	5.4. Accidents	57
<b>GRI 404: Training and Education</b>			
404-1	Average hours of training per year per employee by gender, and by employee category	4.5. Training	45
<b>GRI 405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	4.2. Headcount; 4.8. Diversity, Equity, Inclusion	40, 48
405-2	Ratio of basic salary and remuneration of women to men	No gender pay gap	
<b>GRI 406: Non-Discrimination</b>			
406-1	Total number of incidents of discrimination and corrective actions taken	No reported case of discrimination in 2021	
<b>GRI 413: Local Communities</b>			
413-1	Operations with local community engagement, impact assessments, and development programmes	7.1. Management approach; 7.5. Community engagement	63,

GRI number	GRI description	Chapter/ Section	Page
<b>GRI 414: Supplier Social Assessment</b>			
414-1	New suppliers that were screened using social criteria	6.1 Management approach; 6.3. Human rights	59, 61
<b>GRI 415: Political Influence</b>			
415-1	Political contributions	No donations are made to politicians or political parties	
<b>GRI 416: Customer Health and Safety</b>			
416-1	Assessment of the health and safety impacts of product and service categories	8.2.3. Electric and magnetic fields	84
<b>G4 - Electric Utilities Specific (EUS)</b>			
<b>Lines &amp; losses &amp; quality of service</b>			
EU4	Length of above and underground transmission and distribution lines by regulatory regime	1.2. Grid	13
EU12	Transmission and distribution losses as a percentage of total energy	3.2. Installed capacity; 3.5. Grid losses	35, 38
<b>Demand management approach our control areas</b>			
DMA	Management approach to ensure short and long-term electricity availability and reliability	1.3.9. Grid reliability	26
DMA	Demand-side management programmes including residential, commercial, institutional and industrial programmes		
DMA	Disaster/ Emergency Planning and Response	1.3.8. Security and emergency management	25
<b>Biodiversity</b>			
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	8.3. Biodiversity and landscape; 8.3.3. Bird protection	85, 90
EN15	Direct Greenhouse gas (GHG) emissions (Scope 1)	8.2.1. GHG Emissions	82
EN16	Indirect Greenhouse gas (GHG) emissions (Scope 2)	8.2.1. GHG Emissions	82
<b>Health and safety &amp; Human resources</b>			
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	4.2. Headcount	40
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	5.4. Accidents	57
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	Retirement	44

## 10.2 United Nations Global Compact Reference Table

<b>Topic</b>		<b>Principle</b>	<b>Page</b>
<b>Human rights</b>	01	Support and respect the protection of human rights	17, 32, 61
	02	Exclusion of human rights violations	59, 61
<b>Labour</b>	03	Respect and recognition of freedom of association	40, 47
	04	Elimination of all forms of forced labor	59, 61
	05	Abolition of child labor	59, 62
	06	Elimination of discrimination	15, 32, 40, 48-50
<b>Environment</b>	07	Precautionary environmental approach	32, 77, 85, 87, 89, 90
	08	Demand environmental awareness	32, 71, 77
	09	Development of environmentally friendly technologies	32, 71, 78
<b>Anti-corruption</b>	10	Measures against corruption	20, 32

# 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

The registered office of 50Hertz GmbH is established at  
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  
Rue Joseph Stevens, 7  
1000 Brussels, Belgium

## Reporting period

This annual report covers the period from 1 January 2021 to 31 December 2021.

## Contact

Group Communications and Reputation  
Marleen Vanhecke  
T + 32 486 49 01 09  
Boulevard de l'Empereur 20  
1000 Brussels  
info@elia.be

## Headquarters Elia Group

Boulevard de l'Empereur 20,  
B-1000 Bruxelles  
T +32 2 546 70 11  
F +32 2 546 70 10  
info@elia.be

Heidestraße 2  
10557 Berlin  
T +49 30 5150 0  
F +49 30 5150 2199  
info@50hertz.com

## Concept and editorial staff

Communication & Reputation  
Strategy  
Sustainability  
Investor relations  
Finance

## Graphic design

www.chriscom.be

## Editor

Chris Peeters

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.**